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STATUTORY INSTRUMENTS

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**1989 No. 1054**

**MONOPOLIES AND MERGERS**

**The Merger Reference (Coats Viyella  
plc and Tootal Group plc) Order 1989**

<i>Made</i>	- - - -	<i>26th June 1989</i>
<i>Laid before Parliament</i>		<i>27th June 1989</i>
<i>Coming into force</i>	- -	<i>27th June 1989</i>

Whereas—

(1) the Secretary of State, in the exercise of powers conferred on him by sections 69(2) and 75 of the Fair Trading Act 1973<sup>(1)</sup> has today referred to the Monopolies and Mergers Commission for investigation and report the matter of the arrangements which, if carried into effect, would result in the enterprises of Coats Viyella plc (“Coats”) and Tootal Group plc (“Tootal”) ceasing to be distinct enterprises; and

(2) in the opinion of the Secretary of State the doing of the things mentioned in Article 2 of this Order would constitute action which might prejudice the reference or impede the taking of action under the said Act which may be warranted by the Commission’s report on the reference:

Now, therefore, the Secretary of State, with a view to preventing the doing of the things mentioned in Article 2 of this Order, and in exercise of powers conferred on him by sections 74(1)(a) and 75(4) of the said Act, hereby orders as follows:

**1.—(1)** This Order may be cited as the Merger Reference (Coats Viyella plc and Tootal Group plc) Order 1989 and shall come into force at 9.00am on the 27th June 1989.

(2) For the purposes of this Order—

- (a) “associate” means a person associated (within the meaning of section 77(4) of the Fair Trading Act 1973) with Coats or with any subsidiary of Coats;
- (b) “interest in shares” shall include an entitlement, by a person not being the registered holder, to exercise any right conferred by the holding of the shares in question or an entitlement to control the exercise of any such right;
- (c) “subsidiary” has the same meaning as in section 736 of the Companies Act 1985<sup>(2)</sup>; and

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(1) 1973 c. 41.  
(2) 1985 c. 6.

- (d) “voting shares” means shares in respect of which the holders have the right, either at all times or for the time being, to vote at general meetings of the company in question on all, or substantially all, matters.

2.—(1) It shall be unlawful for Coats, any subsidiary of Coats or any associate—

- (a) directly or through any nominee or trustee to acquire any shares or interest in shares of Tootal or any subsidiary of Tootal in addition to those held immediately before this Order comes into force, or
- (b) to exercise, directly or indirectly, at any general meeting of, or of any class of the members of, Tootal or any of its subsidiaries, any voting rights conferred by the holding of shares or attaching to any interest in shares if the aggregate of the voting rights exercised by or on behalf of Coats, its subsidiaries and any associate would amount to 15 per cent or more of the total of the voting rights exercisable on the resolution in question, or
- (c) to enter into any agreement or arrangement with any other person with a view to or for the purpose of acting together to secure or exercise control of Tootal or any of its subsidiaries or of any of the enterprises thereof;

and for the purpose of determining, in the application of subparagraph (b) above, whether a voting right is exercisable, account shall be taken of the application of that subparagraph.

(2) Subparagraph (a) of paragraph (1) of this Article shall not apply to anything done in pursuance of an agreement to acquire shares or interests in shares made before 9.00am on 27th June 1989 and legally enforceable against Coats, its subsidiaries or any associate.

26th June 1989

*Francis Maude*  
Parliamentary Under-Secretary of State,  
Department of Trade and Industry

## EXPLANATORY NOTE

*(This note is not part of the Order)*

Coats Viyella plc, its subsidiaries and its associates are prohibited by this Order from acquiring any shares or interests in shares in Tootal Group plc beyond those already held, from exercising 15% or more of voting rights and from making agreements with others to secure control of Tootal.

The proposed merger of Coats and Tootal has been referred to the Monopolies and Mergers Commission. (The merger created by Coats' existing 29.9% holding in Tootal has also been referred.)

The Order, unless previously revoked, will cease to have effect—

- (a) 40 days after the Commission's report is laid before Parliament; or
- (b) on the failure of the Commission to report within the period allowed.