

# THE TAKEOVER PANEL

## **BRITISH COAL PENSION FUNDS ("BCPF") GLOBE INVESTMENT TRUST PLC ("GLOBE")**

The Panel Executive is taking the unusual step of making its own statement concerning yesterday's circulars posted to Globe shareholders by both BCPF and the board of Globe. It is doing so because, in the course of the customarily confidential discussions which it was having with both sides yesterday, Globe chose, not for the first time during its defence of the current bid, to speak to the press about those confidential discussions. The Executive had had occasion, as recently as Monday of this week, to warn Barings acting on behalf of Globe, that such statements to the press in the course of a contested bid were unacceptable. They make the resolution of points of difference between the parties more difficult and cannot be regarded as being in the interests of shareholders. The Executive is critical of Globe for failing to keep confidential its representations to the Executive.

The Executive wishes to clarify two issues arising from yesterday's circulars:

- 1 Contrary to BCPF's suggestion, the recommended final dividend of Globe of 4p per share may be regarded as an asset of Globe, as the final dividend will not be received by accepting shareholders of Globe if the BCPF offer is successful. In these circumstances the cash to pay the dividend would be part of the assets acquired by BCPF. In making this point the Executive recognises that the published net asset values of investment trusts do not normally include any amount in respect of dividends to be declared or payable.
- 2 Globe's estimate of the value of each Globe share of 225p is not a 'net asset value' as normally calculated for the purpose either of investment trusts' audited balance sheets or of their monthly reports to the Association of

Investment Trust Companies. It is the Globe board's estimate of the total value attributable to each Globe share, on the basis of the assumptions set out in Appendix II of Globe's circular to its shareholders dated 18 May 1990. Any other suggestion would be misleading.

BCPF and Globe have both accepted the terms of this statement and its implications for the continued conduct of the bid and of the defence.

25 May 1990