

# THE TAKEOVER PANEL

## **UNITED NEWSPAPERS PLC ("UN") / FLEET HOLDINGS PLC ("FLEET")**

At the request of Fleet and its financial advisers, Kleinwort Benson, the Panel has considered whether UN and Montagu Investment Management ("MIM") were acting in concert in the acquisition of Fleet shares. UN holds 16,965,000 Fleet shares (20.08%) and MIM, on behalf of investment clients, holds 2,950,000 Fleet shares (3.49%). Of the Fleet shares held by UN, 14.97% was acquired for cash and the balance of 5.11% for UN shares.

Fleet and Kleinwort Benson asked for the matter to be considered principally in view of Mr David Stevens' position as Chairman of both UN and MIM. They also expressed concern that UN and MIM had bought Fleet shares through the same stockbroker and that, following a request under Section 74 of the Companies Act 1981, an error was initially made in the disclosure of UN's beneficial ownership of certain Fleet shares which led Fleet to believe that Samuel Montagu was the beneficial owner of some Fleet shares. The error was subsequently corrected following a further request.

The Panel has carefully considered the circumstances surrounding the purchase of Fleet shares by UN and MIM, including in particular the aspects referred to above. The Panel has found that the evidence did not support the allegations made by Fleet and Kleinwort Benson, and the Panel has therefore concluded that UN and MIM were not acting in concert.

Although it has no obligation to do so, UN has, however, stated that if it announces an offer for Fleet on or before 4 September 1985, it will in any event include a cash alternative at not less than the highest price paid either by UN or by clients of MIM in

the previous twelve months. On this basis and assuming no further purchases, the cash alternative would be 270 11/32p per Fleet share. More generally, UN has agreed that UN and MIM should be regarded for the purpose of the Code as being in the same position as if they were acting in concert since the announcement on 25 March 1985 of UN's intentions to make an offer for Fleet.

Under Rule 11 of the Code, if an offer is made, a cash alternative is required if the offeror and any person or persons acting in concert with it acquires 15% or more of the voting rights of the offeree company for cash during the offer period or within 12 months prior to its commencement. If UN and MIM were acting in concert and UN were to announce an offer on or before 4 September 1985, an obligation under Rule 11 would be incurred to provide a cash alternative by virtue of the purchases made since 4 September 1984.

18 July 1985