

## THE TAKEOVER PANEL

1. The meeting which the Panel had arranged to have on Thursday morning in order to consider any further matters which the parties concerned wished to put before it was brought forward to Wednesday afternoon at the request of the parties.

2. The purpose of the meeting was to consider any steps which might possibly be taken to protect the position of the outside shareholders of Pergamon, that is to say the general body of shareholders apart from Leasco and the Maxwell family interests; it was not in any way to amend the Report by the Panel on the general enquiry which it had been conducting which, as the parties were aware, had been finally settled.

3. The Panel pointed out to the parties the significance of articles 8 and 9 of the General Principles of the City Code which provide that all shareholders should be treated similarly and the circumstances in which any modification of their application might possibly be considered.

4. After prolonged discussion it was agreed between the parties that Leasco would make offers to acquire the remaining outstanding Pergamon shares on the following basis:-

for the publicly held shares a cash sum equivalent to 25 times the annual average of the attributable earnings of Pergamon for the two years 1968 and 1969, and

for the shares held by Mr. Maxwell and the Maxwell family interests a cash sum equivalent to 19 times the same average attributable earnings.

Mr. Maxwell and the Maxwell family interests have agreed to accept the offer. These offers will be made as soon as possible after a leading City firm of Chartered Accountants has completed a report covering 1968 and 1969. This Report will establish the maintainable earnings of Pergamon

for the two years on which the offer will be based. The undertaking by Leasco to make the offer will be subject to there being no material adverse change in the financial position of Pergamon after 30th June, 1969 and to the usual governmental consents. A full press statement will be made by the two parties shortly.

The Panel has indicated that it would give consideration to any application by Leasco for permission to make offers along the above lines for the outstanding shares in the light of all the circumstances prevailing at the time.

5. The Panel believes that this agreement between the parties should help to restore confidence in the future of Pergamon.

6. The Panel was informed by Mr. Maxwell that he wished to appeal against the Panel's decision on a limited point of principle. He stated, however, that he had no objection whatever to the immediate publication of the Panel's Report.

28th August, 1969