



DEPARTMENT OF ENERGY
THAMES HOUSE SOUTH
MILLBANK
LONDON SW1P 4QJ
OI-211 3932

M Pattison Esq
10 Downing Street
London SW1

8th February 1982

Dear Mike

DISPOSAL OF AMERSHAM INTERNATIONAL LTD

I am writing to seek approval to an Answer to a Parliamentary Question being given at 10.30 am rather than at the usual time of 3.30 pm.

As part of the Government's disposal programme, next Wednesday (10th) we start the process of offering on the Stock Exchange all the shares in Amersham International presently wholly owned by the Secretary of State. The Annex is an extract from our timetable.

By means of a PQ Answer given on the 22 December, Parliament and the staff of Amersham were informed that the offer for all the shares would take place in the early part of this year. We need to make provisions to inform Parliament as soon as possible after the offer starts to get underway on the Wednesday. This points to an Answer being given at 3.30 that day. However, the risk of adverse comments by Opposition Members later in the day during what is a highly critical time for the underwriters could cause nervousness on their part. This runs the risk of the underwriting price being lowered which would both reduce the proceeds of the sale if unsuccessful and would create lack of confidence in investors, particularly the Institutions. This would clearly be damaging and against the national interest. We have been urged by our City advisers to avoid this.

The Answer might alternatively be given at 3.30 on the following day. However, because of the widespread underwriting consultations that will have taken place, the City will be fully aware of the flotation by 9.00 am, and we expect the noon edition of the London evening paper to carry a detailed report which of course Hon Members will see in advance of the Answer. Also, the company management are very keen to make an announcement to their staff early that morning telling them:-

- a. that their company is about to be sold (they do not know the date); and
- b. that they must make a move within the next 6 days to arrange finance and apply for shares including those the Government are offering them.



2.

It is expected that the news media and brokers (over which of course we have no control) will contact the company including the staff and their trade unions during the morning, and the surprise that this will cause could seriously damage staff relations. This could in turn adversely affect the all important City comment on the attractiveness of the offer and the success of the Government's employee shareholding offer.

The arranged Ordinary Written Question would be tabled on Wednesday 10th and would simply ask the Secretary of State for Energy whether he had anything further to say on the disposal of Amersham, and it is proposed that he would reply that the disposal had started and would give details about eg the timetable, the method of sale, the expected price, and the Government's employee shareholding offer.

We are aware of the sensitivity of the House to information becoming public before the House has been informed, and we see no alternative to the Answer being given at 10.30 on the Thursday. The giving of an Answer at that time was agreed in the cases of Cable and Wireless and British Aerospace last year. I should be grateful if I could therefore have early agreement to the Question being answered at 10.30 am on Thursday 11 February on the understandings that:-

- a. Amersham's management will make no announcement until we have confirmation that the Answer has been given at 10.30 am;
- b. we will do our best to avoid leaks before then.

I am copying this to David Heyhoe at the Lord President's office and to Murdo Maclean, Chief Whip's Office.

Yours sincerely

Alan Brown

P
D J WATTS
Private Secretary

Wednesday 10 February

p.m.	Arranged PQ Tabled
14.00	Company Board sign offer for sale Agreement.
16.00	Discussions on underwriting start.

Thursday 11 February (IMPACT DAY)

9.00	Parties confirm no exercise of force majeure.
9.30	Brokers commence underwriting.
10.30	[P.Q. Answered].
10.30	Amersham's 1500 staff at 3 sites in UK told that the Offer is underway and that they should move quickly to secure shares under the Government's employee shareholding scheme.
12.00	Brokers report on the success of the underwriting.
15.30	City press announcement and press conference reporting on the offer and the (successful) underwriting.