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PS7 Secretary of State for Trade and Industry

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10 May 1985

Tim Flesher Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON  
SW1

N  
15/5

*Dear Tim,*

BRITISH AEROSPACE SALE

We spoke yesterday evening concerning the wish of Ministers in this Department to make a Parliamentary Statement on Monday, 13 May concerning the outcome of the joint offer of shares in British Aerospace by the Government and the Company.

2 The closing time for applications was reached at 10.00am this morning, and it is too early to give any precise indication of the extent of subscription of the shares. Over the weekend, Ministers and the Company will determine the basis of allocation of the shares which will be announced on Monday. I therefore attach the draft of a statement with, I fear, the key pieces of information as yet incomplete. But I know you will understand that we cannot complete the text until Monday.

3 I should be grateful if you would seek the Prime Minister's agreement that a statement on these lines should be made by Mr Pattie on Monday, 13 May. I am copying this letter to the Private Secretaries to the Lord President of the Council, Lord Privy Seal, Chief Whip and Financial Secretary to the Treasury.

*Your ever,*  
*Andrew Lansley*

ANDREW D LANSLEY  
Private Secretary

Encl

DRAFT PARLIAMENTARY STATEMENT

With permission, Mr Speaker, I should like to make a statement about the outcome of the joint offer of shares in British Aerospace by the Government and the Company.

\* applications were received for a total of \* shares, representing an [over-] subscription of \* times [in respect of the shares available after allocations to institutional priority applicants].

\* preferential applications were received from existing shareholders for \* shares. All these applications have been accepted in full.

\* preferential applications were received from employees ( \* per cent of those eligible) for \* shares. [Basis of allocation to employees.]

\* applications [including \* applications not accepted in full under the preferential arrangements for employees] were received from the general public for \* shares. All such applications have been allocated the first [100] shares applied for, with the balance of each application being accepted as to approximately \* per cent in respect of the next [400] shares and \* per cent as to the remainder.

The remaining shares have been allocated to institutional priority applicants as announced on 1 May.

It is expected that dealings in the offered shares will commence on 14 May 1985.