

RNS Number : 9997X
Principle Capital Investment Trust
25 August 2009

Principle Capital Investment Trust PLC ("PCIT" or "Company")

25 August 2009

STATEMENT RE OFFER

The Independent Directors of PCIT have further considered the impact of the announcements made by Pointer Investments Limited (a) on 12 August 2009 that Pointer has received valid acceptances in respect of 47,425,562 PCIT Shares, representing approximately 47.32 per cent. of the issued share capital of the Company, and now beneficially owns and has acceptances over a total of 64,895,896 PCIT Shares, representing approximately 64.75 per cent. of the issued share capital of the Company; and (b) on 25 August 2009 that, having discussed the status of the Company with certain PCIT Shareholders who have not accepted the Offer, it intends neither to retain a listing nor a trading facility nor to retain independent directors.

The Offer was conditional inter alia upon Pointer receiving valid acceptances in respect of PCIT Shares which, when combined with its existing holding, would result in it holding PCIT Shares carrying in aggregate over 50 per cent. of the voting rights normally exercisable at a general meeting of PCIT. This condition has been met, and Pointer has declared the Offer unconditional in all respects. Pointer has now announced that the Offer will remain open for acceptance until 15 September 2009 and that there will be no further extensions of the Offer.

In their response dated 4 August 2009 to the Offer, the Independent Directors stated that they believed that the Offer undervalued the Company. The Independent Directors continue to believe that this is the case. However, now that Pointer owns or has received valid acceptances for PCIT Shares representing approximately 64.75 per cent. of the issued share capital of PCIT, Shareholders who do not accept the Offer will become minority shareholders in a company controlled by Pointer and Pointer will, in due course, be able to exercise direct control over the Company including the composition of its board of directors, the management of its assets and Shareholder distributions.

In addition, under the terms of the concert party agreement referred to in Pointer's Offer Document, shareholders in the

Concert Party have, in respect of in aggregate a further 12,513,784 PCIT Shares representing a further 12.5 per cent. of the issued share capital of PCIT, committed to vote in favour of resolutions to cancel the listing of the PCIT Shares on the Official List and their admission to trading on the London Stock Exchange's main market for listed securities and to procure the registration of PCIT as a private company, should such resolutions be proposed. Furthermore, one of the requirements for the Company to retain its listing is that at least 25 per cent. of its shares should be in public hands (defined as shareholders other than directors, associates and holders of 5 per cent. or more), and this test may no longer be met.

In light of Pointer's announcement of 25 August 2009, the Independent Directors expect that Pointer will take steps to cancel the listing of the Company's shares and their admission to trading on the London Stock Exchange, and that a resolution to re-register PCIT as a private company will shortly be proposed. If the Company loses its listing, and particularly if PCIT becomes a private company, there may be little or no liquidity in the market for buying or selling PCIT Shares and consequently Shareholders who do not accept the Offer may have difficulty in realising value for their PCIT Shares.

Shareholders should also be aware that Pointer has indicated that, if it receives acceptances in respect of over 90 per cent. of PCIT Shares to which the Offer relates, it intends to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding PCIT Shares. As Pointer has received an irrevocable commitment from other members of the Concert Party not to accept the Offer unless otherwise agreed by Pointer, Pointer would have to give the other members of the Concert Party the opportunity to accept the Offer and at least some other members of the Concert Party would need to accept the Offer in order for Pointer to receive over 90 per cent. acceptances. If it receives over 90 per cent. acceptances, Pointer has until 15 December 2009 in which to serve notice to acquire compulsorily any outstanding PCIT Shares at the Offer price.

In conclusion, the Independent Directors continue to believe that the Offer undervalues PCIT. However, Shareholders who do not accept the Offer should expect, as a result, to be left owning a minority interest in a private company as compared with the cash offer currently available. Accordingly, the Independent Directors, who have been so advised by Matrix, consider that Shareholders should, in the light of their own financial circumstances and their appetite for or aversion to investment risk, decide whether they are willing to remain as a minority shareholder in a private, unlisted company. The Independent Directors consider that the interests of Shareholders who are not willing to accept the risk of being a

minority shareholder as described above would be better served by their now accepting the Offer.

The Independent Directors do not intend to accept the Offer in respect of their own beneficial shareholdings amounting to, in aggregate, 77,000 PCIT Shares, representing approximately 0.07 per cent. of PCIT's issued share capital.

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The Independent Directors of the Company accept responsibility for the information contained in this announcement except that the only responsibility accepted by them in respect of the information contained in this announcement relating to Pointer and its connected persons, which has been compiled from published sources, is to ensure that such information has been correctly and fairly reproduced and presented. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company's Net Asset Value per PCIT Share as at the close of business on 24 August 2009, as announced on 24 August 2009, was 43.29p per PCIT Share, which compares with the Net Asset Value of 41.82p per PCIT Share as at the close of business on 31 July 2009 as announced on 4 August 2009. Save as stated in this announcement, there have been no material changes to the information published in the letter from the Independent Directors dated 4 August 2009 ("Response Circular"), in particular there have been no changes to the disclosures therein dealing with the relevant matters specified in Rule 27.1 of the Code.

Matrix Corporate Capital LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for the Company and no-one else in connection with the matters referred to herein and will not be responsible to anyone other than the Company for providing the protections offered to clients of Matrix Corporate Capital LLP or for providing advice in relation to Pointer Investments Limited's Offer, the contents of this document, or any transaction, arrangement or matter referred to herein.

Matrix Corporate Capital LLP has given and has not withdrawn its consent to the issue of this announcement with the inclusion herein of the references to its name in the form and context in which it appears.

Capitalised terms which appear above have, save where otherwise indicated, the meanings set out in Part VI (Definitions) on page 18 of the Response Circular.

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