NEWS

# MAXWELL MAKES OFFER FOR MACMILLAN

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British publisher Robert Maxwell, having failed in two bids for a major U.S. publishing house, has proposed buying Macmillan Inc. for $80 a share, or about $2.05 billion.

The bid, disclosed Thursday by Macmillan, also marks the second time Maxwell goes eye-to-eye with Texas financier Robert M. Bass. On Monday, the Texan`s Robert M. Bass Group launched a hostile $75-a-share tender offer for the 90.1 percent of Macmillan shares it doesn`t own. Macmillan has been fighting the Bass bid in court.

In his last match with Bass, Maxwell chose not to bid for Bell & Howell Co., the Skokie-based educational publishing and information services firm bought in May by an investor group led by Bass.

Wall Street reacted as if a higher bid for Macmillan might surface from Bass or another party. On the New York Stock Exchange, Macmillan`s stock closed at $82.87 a share, up $4.25, in heavy trading.

Macmillan Chairman Edward P. Evans said the company`s directors would review the unsolicited proposal from Maxwell Communication Corp., the British firm controlled by Maxwell, and the Bass tender offer "in due course" and then issue their conclusions.

Macmillan, an educational and trade-book publisher and information services firm based in New York, said the proposal from Maxwell was conditioned, among other things, upon approval by Macmillan`s board and shareholders and Macmillan dropping its restructuring plan.

Maxwell has shied from making hostile tender offers in the past, raising doubt whether he would proceed if the Macmillan board rejects his bid. Efforts to reach Maxwell Communication officials for comment were unsuccessful.

Macmillan has proposed splitting into two companies, each of which would be controlled by Macmillan insiders, and distributing a package of cash and stock to shareholders valued at $64.15 a share.

Last week, a Delaware judge granted Bass` request for a preliminary injunction blocking the restructuring. The Delaware Supreme Court agreed to hear Macmillan`s appeal of that ruling on Aug. 15.

Macmillan also has sued in federal court in New York, charging Bass and affiliated investment firms with securities-law violations and seeking to enjoin their tender offer. On Thursday, a New York federal judge granted Macmillan`s motion for expedited discovery in those cases.

Through his companies, Maxwell commands an international communications empire with interests in newspaper, book and magazine publishing, television, printing computer-based information services and newsprint.

In this country, Maxwell Communication has been snapping up small- and medium-size printing, electronic publishing and database services firm, but has been rebuffed in two widely publicized bids last year for a major educational publisher.

Maxwell proposed buying Harcourt Brace Jovanovich Inc. for $2 billion, but the Orlando firm eluded him with a $3 billion restructuring. Last fall, Maxwell and Macmillan each expressed interest in Bell & Howell, helping push Bell & Howell into the arms of its largest shareholder, the Bass group, and a $734.6 million leveraged buyout.

Maxwell Communication bought Science Research Associates, based in Chicago, from International Business Machines Corp. for $150 million.

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