

## Geac postpones annual meeting; move seen as preparation for proxy battle

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**Geac Computer Corp. Ltd.** has postponed its annual meeting, a move that investment industry sources say is intended to buy the software firm extra time to prepare for a looming proxy battle by former executives.

The Toronto-based company said yesterday that it has rescheduled its annual shareholder meeting to Oct. 19 from Sept. 11, but that the release date of its first-quarter results, which typically coincides with the meeting, remains unchanged.

Geac said it decided to delay the meeting so that it could give shareholders a better picture of its financial situation since the company finishes its second quarter on Oct. 31. The company, which has been reorganizing for a turnaround, recently forecast that earnings before interest, taxes, depreciation and amortization would significantly improve in fiscal 2002.

"By delaying the meeting we'll be able to give a lot more comfort about where we are for the second quarter," said Paul Birch, Geac's chief operating officer and chief financial officer. "We've done a part of the turnaround. We've got the next few bits to do. It's not a time . . . to make false moves."

Mr. Birch was asked whether the postponement of the annual meeting was intended to buy time to prepare for a proxy battle. "I can't comment on that," he said.

For weeks there has been speculation that a group of investors is trying to convince Geac shareholders that they'd be better off if current board members were replaced and the company assets were sold to maximize shareholder value, investment industry sources say.

Former Geac chief operating officer Reid Drury and ex-Geac chief executive officer Stephen Sadler have been cited as the people leading the dissident group. Mr. Sadler couldn't be reached for comment. Mr. Drury said yesterday that he has approached some Geac shareholders but declined to say what the discussions involved. He is currently a founding partner of hedge fund Polar Capital Corp. and was also a Geac director until 1999.

"At this stage we're certainly not looking for a proxy battle. We've just been talking to some of the shareholders," Mr. Drury said. "Right now, we'll leave it at that."

When asked to respond, Mr. Birch said: "An individual has every right to do that."

Mr. Drury wouldn't disclose the names of others involved or indicate when he began approaching investors, which according to Bloomberg News include BonaVista Asset Management Ltd., Ontario Teachers Pension Plan Board and Caisse de dépôt et placement du Québec.

Earlier this month, Geac appointed two new directors: Michael Marvin, co-chairman and founder of MapInfo Corp., and Robert Sillcox, former chief investment officer of Ontario Municipal Employees

Retirement Board (OMERS), one of the biggest pension funds with \$36-billion in assets. Industry observers speculated that OMERS, which has a position in Geac, wanted to parachute Mr. Sillcox onto the board.

Last month, a fund manager said he received a phone call from an individual wishing to maximize shareholder value, but would not name the caller.

"It wasn't like 'let's round up current management and shoot them,' " the fund manager said.

He said the individual was not specific but that the caller was looking for support.