

69 The business world

A Business takeovers

Warburg takeover imminent

The battle for Warburg Glass may soon be over. Under the **leadership** of the **former** chairman Matthew Cavendish and with the **backing** of **corporate finance**, a new group is now **mounting** a fresh takeover **bid**. An initial bid has already been rejected, but an improved offer is on the **agenda** for the next meeting of **shareholders**, and this time the **outcome** could be different. City analysts believe Cavendish could **strike a deal** within weeks, **setting off** a new round of **mergers** and **acquisitions**.

SPOTLIGHT takeover, acquisition, merger

In a **takeover**, one company takes control of another company by buying most of its shares. In an **acquisition**, one company buys another company which cannot offer its shares for sale to the public. In a **merger**, two companies agree to join and form a single company.

GLOSSARY

imminent	likely to happen soon
leadership	the state or position of being a leader: under sb's leadership
former	having a particular position in the past: the former president/boss
backing	help SYN support ; back v
corporate	connected with a corporation: corporate finance/strategy
mount	organize and begin sth: mount a challenge/campaign
bid	an offer to pay a particular price for sth bid v
agenda	a list of items to be discussed at a meeting
shareholder	sb who owns shares in a business or company
outcome	the result or effect of an action or event
deal	an agreement, especially in business, for the conditions of buying or doing sth: strike/make/conclude a deal
set sth off	start a process or series of events

1 Complete the definitions with a single word.

- 1 *Imminent* means something will happen
- 2 The *outcome* of something is the
- 3 If you *set something off*, you it.
- 4 A *shareholder* shares in a company.
- 5 In a *takeover*, you take of another company.
- 6 A *former* boss was the boss in the
- 7 If you have *backing*, you have
- 8 If you *make a deal*, you have an

2 Complete the sentences.

- 1 If we're lucky, we could a deal next week.
- 2 He wants to buy the company and has already made one
- 3 If there is more uncertainty, it could off another wave of selling.
- 4 John Emery is preparing to a challenge for the leadership.
- 5 The takeover hasn't happened yet, but it's
- 6 Wainwrights have already bought one company; this could be their second
- 7 The sale price is the main item on the for the next meeting.
- 8 It is likely to be a very large business deal which relies on finance.

3 Rewrite the sentences without using the underlined words. Keep the same meaning.

- | | |
|--|---------------------------------------|
| 1 She <u>used to be</u> my boss. | She's my |
| 2 <u>He</u> will be <u>leader of</u> the group. | The group will be under |
| 3 I need <u>them to support me</u> . | I need their |
| 4 We could <u>reach an agreement</u> . | We could strike |
| 5 Will the <u>people who hold shares</u> be happy? | Will the be happy? |
| 6 Are you expecting a different <u>result</u> ? | Are you expecting a different? |
| 7 Will they <u>offer more money</u> ? | Will they make? |
| 8 The two companies have agreed <u>to join</u> . | The two companies have agreed a |



TEST YOURSELF

B Describing business activity

Shares have **climbed** in recent weeks

JPS still **pursuing hostile** takeover despite opposition

Denham's **issues** fresh profit warning

Prices have **soared** this year

Shares **reach** a new **peak**

Ibisco **floats** possible store closures

Markets **collapse** in the wake of coup

Sales **plunge** by 40%

GLOSSARY

climb	(of prices, temperature, etc.) increase in value or amount	hostile	(of a takeover) not wanted by the company that is to be bought
soar	rise very quickly SYN rocket	peak	the point when sth/sb is at its highest, its best, etc: reach a peak
collapse	decrease suddenly in value or amount	plunge	(of prices, temperature, etc.) decrease suddenly in value and amount SYN plummet
in the wake of sth/sb	coming after or following sth/sb	issue	make sth known formally
coup	a sudden change of government that is illegal and often violent	fresh	new
pursue	continue to discuss sth, find out about or be involved in sth	float	suggest an idea or plan for others to consider

4 Is the pronunciation of the underlined letters the same or different? Write S or D. Use the to help you.

- | | | |
|------------------------------|--------------------------------|----------------------------------|
| 1 <u>soar</u> float | 3 plunge <u>plummet</u> | 5 <u>coup</u> found |
| 2 <u>climb</u> hostile | 4 collapse <u>pursue</u> | 6 <u>coup</u> <u>climb</u> |

5 Replace the underlined word(s) with a word or phrase that keeps the same meaning.

- 1 The price has gone up very quickly.
- 2 Sales have fallen very quickly.
- 3 The value has reached its highest point.
- 4 We could do with some new ideas.
- 5 There has been a sudden and violent change of government.
- 6 The share price has started to increase in value.
- 7 Problems started following the resignation of the chairman.
- 8 The company is still continuing to discuss and find out about a possible deal.

6 Complete the dialogues in a suitable way.

- | | |
|---|---|
| <ol style="list-style-type: none"> 1 It's been a great year for sales. 2 Why has it been so disastrous? 3 Have the profits definitely fallen? 4 The shareholders don't want this to happen. 5 Are tax rises definite? 6 Prices fell in the summer. 7 It's a rich country. 8 Are sales at their highest point now? 9 Are they still involved in discussions about a merger? | <p>~ Yes, they have this year.</p> <p>~ The market after the rise in oil prices.</p> <p>~ Yes, the chairman has a statement.</p> <p>~ No, it's a takeover.</p> <p>~ No, but the minister has the idea several times.</p> <p>~ True, but they are starting again now.</p> <p>~ Yes, but since the, the economy has been very unstable.</p> <p>~ Yes, I would say they've</p> <p>~ No, they've decided not to</p> |
|---|---|



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