

# 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

<b>imminent</b>	likely to happen soon
<b>leadership</b>	the state or position of being a leader: <i>under sb's leadership</i>
<b>former</b>	having a particular position in the past: <i>the former president/boss</i>
<b>backing</b>	help <i>SYN support</i> ; <b>back</b> v
<b>corporate</b>	connected with a corporation: <i>corporate finance/strategy</i>
<b>mount</b>	organize and begin sth: <i>mount a challenge/campaign</i>
<b>bid</b>	an offer to pay a particular price for sth <i>bid</i> v
<b>agenda</b>	a list of items to be discussed at a meeting
<b>shareholder</b>	sb who owns shares in a business or company
<b>outcome</b>	the result or effect of an action or event
<b>deal</b>	an agreement, especially in business, for the conditions of buying or doing sth: <i>strike/make/conclude a deal</i>
<b>set sth off</b>	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 used to be my boss. She's my .....
- 2 He will be leader of the group. The group will be under .....
- 3 I need them to support me. I need their .....
- 4 We could reach an agreement. We could strike .....
- 5 Will the people who hold shares be happy? Will the ..... be happy?
- 6 Are you expecting a different result? Are you expecting a different ..... ?
- 7 Will they offer more money? Will they make ..... ?
- 8 The two companies have agreed to join. 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

<b>climb</b>	(of prices, temperature, etc.) increase in value or amount	<b>hostile</b>	(of a takeover) not wanted by the company that is to be bought
<b>soar</b>	rise very quickly <b>SYN rocket</b>	<b>peak</b>	the point when sth/sb is at its highest, its best, etc: <b>reach a peak</b>
<b>collapse</b>	decrease suddenly in value or amount	<b>plunge</b>	(of prices, temperature, etc.) decrease suddenly in value and amount <b>SYN plummet</b>
<b>in the wake of sth/sb</b>	coming after or following sth/sb	<b>issue</b>	make sth known formally
<b>coup</b>	a sudden change of government that is illegal and often violent	<b>fresh</b>	new
<b>pursue</b>	continue to discuss sth, find out about or be involved in sth	<b>float</b>	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 soar float .....      3 plunge plummet .....      5 coup found .....  
2 climb hostile .....      4 collapse pursue .....      6 coup climb .....

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.

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? .....  
~ Yes, they have ..... this year.  
~ The market ..... after the rise in oil prices.  
~ Yes, the chairman has ..... a statement.  
~ No, it's a ..... takeover.  
~ No, but the minister has ..... the idea several times.  
~ True, but they are starting ..... again now.  
~ Yes, but since the ..... , the economy has been very unstable.  
~ Yes, I would say they've ..... .  
~ No, they've decided not to .....



### TEST YOURSELF