

46 I can talk about the business world

A Business takeovers

Warburg takeover imminent

The battle for Warburg Glass may soon be over. **Former** chairman Matthew Cavendish is now **mounting** a fresh challenge, and has made a **joint bid** for the company with the **backing** of the powerful EPS group. The company has already **rejected** one offer, but an improved **takeover** bid would be attractive to **shareholders** in view of the company's poor recent **dividends**. City analysts believe Cavendish could **clinch the deal** within weeks, and possibly **set off** a new round of **mergers and acquisitions**.

Glossary

imminent	likely to happen soon.
former	having a particular position in the past (former president/boss).
mount sth	organize and begin sth (mount a challenge/campaign).
joint	involving two or more people (joint account/venture). jointly ADV.
bid	an offer to pay a particular price for sth (make a bid for sth). bid V.
backing	help. SYN support . back sb/sth V.
reject sth	refuse to accept sth. SYN turn sth down . rejection N.
shareholder	a person who owns shares in a business or company.
dividend	a portion of a company's profits that is given to shareholders.
clinch sth	succeed in achieving or winning sth (clinch a deal/victory).
set sth off	start a process or series of events.

1 Complete the words in the sentences.

- 1 If we're lucky, we'll c_____ the deal next week.
- 2 He wants to buy the company and has already made one b_____.
- 3 If there is more uncertainty, it will s_____ off another wave of selling.
- 4 Sir Michael is preparing to m_____ a challenge for the leadership.
- 5 The takeover hasn't happened yet, but it's i_____.
- 6 If the d_____ is only 50 cents a share, the s_____ won't be happy.

spotlight **merger, takeover, and acquisition**

In a **merger**, two companies agree to join and form a single company. In a **takeover**, one company buys the shares of another public company. The companies may or may not agree to the deal. If they agree, it is a **friendly takeover**; if not, it is a **hostile takeover**. In an **acquisition**, one company buys another company which cannot offer its shares for sale to the public.


2 Complete the dialogues with a suitable word.

- 1 Are you doing this on your own? ~ No, it's a _____ venture with ECL.
- 2 They didn't reject it, did they? ~ Yes, they _____ it _____.
- 3 Has he bought another company? ~ Yes, that's three _____ this year.
- 4 Is she your current boss? ~ No, she's my _____ boss.
- 5 Is another _____ bid imminent? ~ Yes, before the end of the week.
- 6 Are they forming a single company? ~ Yes, there is going to be a _____.
- 7 Was it a friendly takeover? ~ No, it was a _____ takeover.
- 8 Do they need your support? ~ They already have my _____.



B Describing business activity

The table includes many phrases that are commonly used in a figurative sense.

Word or phrase	Example	Meaning
go under	<i>The company may go under.</i>	INF go out of business. SYN go bankrupt .
wind sth up	<i>The board may have to wind up the company.</i>	stop running a business and close it completely.
step down/aside	<i>The chairman had to step down.</i>	leave an important job.
tighten your belt	<i>If there is a recession, we will all have to tighten our belts.</i>	spend less money because there will be less available.
go down that road	<i>The company doesn't want to go down that particular road.</i>	take a particular course of action.
wriggle out of sth / doing sth	<i>They are trying to wriggle out of their obligation to customers.</i>	INF, DISAPPROVING avoid doing sth that you should do.
lure sb	<i>The company is trying to lure passengers away from its rivals.</i>	DISAPPROVING persuade or tempt sb to do sth by offering them a reward. SYN entice sb .
not take sth lying down	<i>You can be sure that BA won't take this situation lying down.</i>	not accept a bad situation without a fight or protest.
tip the balance 	<i>The city's transport links could tip the balance in their favour.</i>	affect the result of sth in one way rather than another.
fuel sth	<i>The situation is fuelling fears that prices could rise again.</i>	increase sth and make it stronger (fuel fears/inflation).
the dust settles	<i>Wait until the dust settles.</i>	the situation becomes clearer and less disturbed.
on the cards	<i>A takeover bid is on the cards.</i>	likely to happen.

3 Is the meaning in the sentences the same or different? Write S or D.

1 Don't try and wriggle out of this.	Don't try and interfere in this.	
2 We won't go down that road.	We won't take that lying down.	
3 He decided to step down.	He decided to give up the job.	
4 We may need to tip the balance.	We may need to tighten our belts.	
5 Are they trying to lure customers away?	Are they trying to entice customers away?	
6 Wait until the situation is clearer.	Wait until the dust settles.	
7 We could go under.	We could go bankrupt.	
8 He could wind up the company.	He could expand the company.	

4 Complete the text with suitable words.

The decision by Globus Airlines to open up new routes across the Atlantic is clearly an attempt to (1) _____ customers away from competitors. Closest rival MEDINA has already stated it will not take this move (2) _____ down, but it may have to reduce its prices to tip the (3) _____ once again in its favour. For consumers, of course, this may sound like good news. But is it? If a price war is on the (4) _____, it will soon start to (5) _____ fears that eventually smaller companies will either go (6) _____ or be taken over. In the long term this may not be good news. We will have to wait and see who is still standing when the dust finally (7) _____.



Remember to test yourself