

MONEY

The British construction and services company Balfour Beatty said on Friday that it had rejected a **takeover bid** for its **investment arm** by the John Laing Infrastructure Fund, a European investor in schools, hospitals and transportation.

The fund, which is based in London and known as JLIF, offered on Monday to buy Balfour Beatty's **portfolio** of **public-private partnership** investments for 1 billion pounds, or about \$1.6 billion.

"The board has concluded that the proposal falls significantly short of its own view of the value of the portfolio, and accordingly the proposal from JLIF has been rejected," Balfour Beatty said in a news release.

In August, Balfour Beatty said that it had valued the portfolio at £1.05 billion as of June.

The company said on Friday, however, that the **realizable value** of the portfolio, through sales of individual **assets** as each **investment matured**, "continues to be substantially in excess of the current directors' **valuation**."

Balfour Beatty said it had recently sold an investment **at a 28 percent premium** to the valuation determined in June. It said it planned to update its valuation for the portfolio in January.

The approach by the John Laing fund came less than four months after Carillion, a British construction rival, abandoned its pursuit of Balfour Beatty.

Carillion and Balfour Beatty entered **merger** discussions this summer, but Balfour Beatty called off those talks in a dispute over whether its Parsons Brinckerhoff **consulting business** would remain a part of the combined company.

Balfour Beatty eventually sold Parsons Brinckerhoff for \$1.35 billion in September to WSP Global, a Canadian professional services company.

Shares of the John Laing fund rose 1.6 percent to £1.23 in early trading in London on Friday, while shares of Balfour Beatty rose 2 percent to £1.88.

Adapted from: <http://dealbook.nytimes.com/2014/12/05/balfour-beatty-rejects-bid-for-its-investment-arm/>

Exercises:

Part I:

Match the words in **bold** in the article with their meanings

1. takeover bid
2. investment arm
3. portfolio
4. public-private partnership
5. realizable value
6. asset
7. investment maturation
8. valuation
9. at a premium
10. merger
11. consulting business

- a) the value of an asset if it were sold, after all the costs of selling it have been paid
- b) a collection of different investments that are owned by a particular person or organization
- c) the act of deciding how much money something is worth, or the amount decided
- d) at a high price or a higher price than might be expected
- e) a stage in the development of an investment when it is no longer growing as fast as it did when it was new
- f) the business of giving expert advice about a particular subject
- g) the branch of a company that deals with the buying and selling of stocks and bonds
- h) an occasion when two or more companies, organizations, etc. join together to form a larger company, etc.
- i) an arrangement where a government and a profit-making company invest and work on an activity together
- j) something that belongs to an individual or a business that has value or the power to earn money
- k) an offer or attempt to take control of a company by buying enough of its shares to do this, or the amount of money offered

Part II:

Write out how to say the following figures:

1. \$1.6 billion: _____
2. £1.05 billion: _____
3. \$1.35 billion: _____
4. 1.6 percent: _____
5. £1.23: _____
6. £1.88: _____

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