

# Unit 1

# Alliances



**Vocabulary:** Alliances  
**Language:** Review of tenses  
**Career skills:** Building relationships  
**Writing:** Email agreeing to a meeting

## Vocabulary

**1** Use the clues to find the words in the puzzle.

- 1 goals
- 2 to weaken
- 3 a conflict
- 4 having business in many countries
- 5 bringing together
- 6 sensible, wise
- 7 takeover of another company
- 8 company with a diverse portfolio of businesses

1						T	A	R	G	E	T	S				
2							L									
3							L									
4							I									
5							A									
6							N									
7							C									
8							E									

**2** Complete the sentences with *on*, *over*, *in*, *up*, *out* or *down*.

- 1 The company has seen an improvement in market share.
- 2 BusTec and SweFact have decided to co-operate on a major project.
- 3 It was a mistake to invest in Silco shares.
- 4 The CEO announced that the company would be taken over by Kids2grow.
- 5 I think we should concentrate on our core competences.
- 6 It's important that we don't give up control of the business.
- 7 The type of kitchen equipment Resolve produces is going out of fashion.
- 8 Can we really afford to turn down their offer?
- 9 Without new investment, the company is likely to go down of business.
- 10 The economy is slowing down – we can't afford to take risks right now.

**3** Complete the table below.

	verb	noun
1	integrate	<i>integration</i>
2		bid
3	partner	
4		acquisition
5	consolidate	
6		achievement
7	merge	
8		success

**Reading**

Read the article about drug firm takeovers. Then choose the best sentence below to fill each of the gaps.

- a There are few synergies between the two sorts of drug manufacture.
- b Companies need to be big enough to dominate distribution channels to wholesalers.
- c Generic drug sales totalled \$30 billion last year in the eight biggest markets.
- d But not everyone is happy.
- e The acquisition will make Sandoz the world's largest generic drugmaker.

**The Economist**

**Business**

# Combination therapy

## Novartis buys two generic drugmakers

**N**ovartis, a Swiss drug giant, has announced its purchase of Hexal, a German generics firm, and a sister company in America, Eon Labs, for a combined cost of \$8.3 billion.

Novartis already has a generic drug division, called Sandoz, which struggled last year to sell \$3 billion-worth of drugs, roughly one-third more than Hexal and Eon Labs combined. <sup>1</sup>\_\_\_\_\_ *e* It will also give it a stronghold in Germany, the world's second-largest generics market. <sup>2</sup>\_\_\_\_\_ They are likely to grow by a healthy 10% a year until

2009, says IMS Health, a data and consultancy firm, as public and private buyers in Europe and America look for ways to cut their drugs bill.

Only a few years ago big drug firms, which had bought generics companies in the hope of making easy money, were busy trying to off-load them. <sup>3</sup>\_\_\_\_\_ Generic drug-making is "a gloves-off business compared to the gentlemanly boxing match which is Big Pharma," says Neal Hansen of Datamonitor, a research firm. In generics, success depends on being cheap enough to keep manufacturing and other costs

down. <sup>4</sup>\_\_\_\_\_ They also have to be fast enough to move in and out of markets as opportunity ebbs and flows. Staying ahead of the competition is a further challenge.

Novartis may make Sandoz big and broad enough to do that, at least for now. <sup>5</sup>\_\_\_\_\_ Health activists, concerned about rising drug prices and restricted access to medicines, are already grumbling about the incursion of the big drug firms into the plucky underdog business of generics.

**1** Before you listen to a business radio programme about Unilever, make notes on what you know about the company's area of business, its competitors and the problems it faces.

**2** Now listen and complete the notes below.

## Unilever

Unilever is an Anglo-Dutch (1) ... multinational

It is a large (2) ..... retailer.

Patrick Cescau is to become the company's (3) .....

Antony Burgmans will become the non-executive (4) .....

There are two possible (5) ..... targets -

Colgate-Palmolive and Reckitt Benckiser.

Unilever's debts are (6) \$ ... b.

Last year sales fell by (7) ... %

It has lowered its (8) ..... targets.

The company has some problems, for instance, not

enough (9) .....

**3** Check that you understand the following words and phrases about mergers and acquisitions. Then listen again. Tick those used in the listening.

multinational resources stockmarket rival deal partnership  
competitiveness profits takeover targets debts integration  
budget market share strategic shareholder

### Language check

**1** Look at these sentences. Some are correct. Identify the correct sentences and find and correct the mistakes.

- 1 We ~~are never borrowing~~ <sup>never borrow</sup> money at such high rates of interest.
- 2 He arrived late for the meeting because he had forgotten the time.
- 3 My colleague seems optimistic about the proposed takeover, although the company's shares have fallen.
- 4 The organisation certainly didn't expected as many culture clashes.
- 5 By the end of tomorrow we'll definitely signed a deal.
- 6 The CEO's taking a back seat at the moment.
- 7 When have you heard from our rivals? Yesterday?
- 8 It was several weeks since I met our partners.



**2** Read the conversation extracts and complete the gaps with phrases for building relationships.

- 1 A: I don't think we've met. I'm Sylvia Jacobs. We've spoken on the phone a few times.  
B: Oh yes, of course. Hello!
- 2 A: \_\_\_\_\_ card.  
B: Thank you. I'll definitely be in touch.
- 3 A: So, who do you work for?  
B: Paul and Moger. We \_\_\_\_\_ .
- 4 A: Flatly's is about to expand operations into China.  
B: How interesting! I'd love \_\_\_\_\_ .
- 5 A: \_\_\_\_\_ meeting? Would Tuesday at 10 suit you?  
B: That'd be just fine.
- 6 A: \_\_\_\_\_ the main speaker?  
B: I found him really inspiring, actually.
- 7 A: \_\_\_\_\_ you?  
B: I'd like some information about your Scandinavian furniture, please.

**Writing** Read the email about a possible meeting. Write an email in reply:

- thanking Lesley for her email
- expressing interest in meeting
- saying what you would like to discuss
- giving a possible time and date to meet.

Then compare your answer with the suggested answer on page 90.

