7 Mergers and acquisitions

- financial information
- describing charts and graphs
- describing results and consequences

7.2 Vocabulary Business performance

Discussion

1 Match these newspaper headlines with the extracts they belong to. Decide why the headlines are good or bad news.

1	**Titanic Enterprises go under**	a	After a series of expensive transfer deals the club has failed to meet financial goals.
2	Air New Zealand in the black	b	The music firm was a hit with investors as record revenues matched expenses.
3	OLDIES RECORDS COVER COSTS	c	South American shareholders were optimistic as the news filtered through of a probably return to profitability.
4	LIVERPOOL F.C. IN THE RED	d	The futurology specialists will report a miraculous return on investment at tomorrow's AGM.
5	BRIZAL COFFEE BREAK EVEN	e	Profitability rose as sales of flights to rugby internationals took off.
6	Predictions Inc. make a profit	f	As the company's stock sank to rock-bottom, chairman Leonard Caprio described it as 'only the tip of the iceberg'.

Giving financial information

2 Read sentences 1–6 and a–f from a financial report. Mark each sentence to show whether the words in **bold** indicate an increase ↗, a decrease ↘ or stability →. Which phrase means something else?

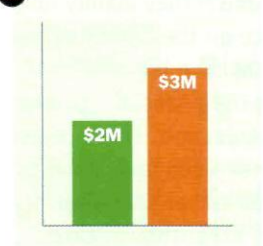
1 Last year our billings **rose** by 90%.
2 Variable costs **are falling**.
3 We expect fixed costs **to stabilize**.
4 In 2001 our stock **slid** to a record low.
5 Production costs **fluctuate** over the year.
6 Liabilities **reach a high** when business is slow in August.

a) Our overheads should **level off**.
b) Our shares **slumped** during the crash.
c) Our turnover almost **doubled**.
d) Cost of sales **varies** from month to month.
e) Our debt **peaks** at the end of summer.
f) Our operating costs **are dropping**.

3 Match each sentence 1–6 with a sentence a–f with a similar meaning.

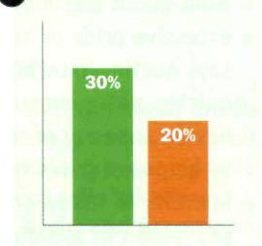
4 Choose the correct label, a or b, for each graph below.

1



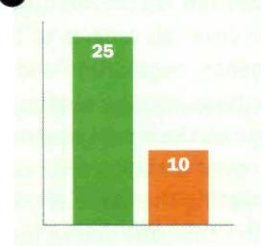
a) Sales increased by $3M.
b) Sales increased to $3M.

2



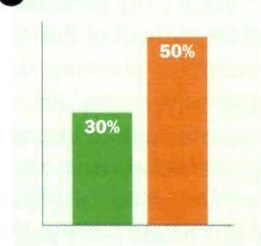
a) There was a decrease of 10%.
b) There was a decrease to 10%.

3



a) Prices fell by €15.
b) Prices fell to €15.

4



a) There was a rise of 30%.
b) There was a rise from 30%.