

## **Kraft Given Deadline To Bid On Cadbury**

LONDON (AP) — Kraft Foods Inc. has six weeks to make a binding offer to buy British candy maker Cadbury PLC or else walk away for at least six months, Britain's mergers and acquisitions regulator said Wednesday.

The so-called 'put up or shut up' request comes three weeks after Kraft announced an non-binding, unsolicited cash-and-stock offer worth \$16.7 billion.

Cadbury's board earlier this month rejected that initial offer valuing it at 745 pence a share. Kraft now has until 5 p.m on Nov. 9 to make a formal, binding offer for Cadbury, Britain's Panel on Takeovers and Mergers said.

In a statement on its web site, the takeover panel said that should Northfield, Ill.-based Kraft decide not to follow through with a formal offer by this deadline, it will be prevented from making any new approach for six months.

In a statement on its own web site, Cadbury — the maker of Dairy Milk chocolate, Bubbalo chewing gum and other candies — said Kraft's approach late last month "made no strategic or financial sense for Cadbury and fundamental undervalued the group and its prospects."

"The board's view has not changed since then and the board reiterates its rejection of Kraft's approach," Cadbury said in the statement.

Cadbury shares were up 0.06 percent at 799.5 pence on Wednesday.

Analysts have said it would take an offer closer to 900 pence a share to seal a takeover.

Jeremy Batstone-Carr, analyst at Charles Stanley & Co., said in a research report last week that he expected a prolonged battle.

"Kraft might be expected to wait until the last minute before launching a formal bid which, if rejected, might prompt a higher offer or a hostile approach," Batstone-Carr said.

Cadbury is one of the world's largest confectionery businesses, whose origins date back almost 200 years. Its brands include Dentyne gum and Hall's cough drops.

Kraft makes cheese, Maxwell House coffee and Oscar Mayer meats, and has chocolate businesses in Europe.

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Published on Chem.Info (<http://www.chem.info>)

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**Source URL (retrieved on 09/16/2014 - 1:32am):**

<http://www.chem.info/news/2009/09/kraft-given-deadline-bid-cadbury>