

Charter

04:20 01 Sep 2011

Charter International takeover nearer after firm opens its books to Melrose

Engineering firm Charter International (LON:CHTR) said this morning that it is now talking to rival engineering group Melrose (LON:MRO) about a takeover after the latter company increased its proposed offer for Charter by 18 pence per share. The firm has also opened its books to Melrose so that it can complete due diligence connected to the takeover.

In July Melrose's previous offer of 840 pence per share was rejected by Charter's management, but the latest offer will pay 850 pence per share to Charter's shareholders as well as allowing them to retain the interim dividend of eight pence per share that was declared at the end of July.

In a statement this morning, Melrose's directors said: "On the basis of the increased proposal, and in light of the heightened recent economic uncertainty and market volatility, the Company has commenced discussions with Melrose about its proposal and, in the meantime, has agreed to grant Melrose access to company information to allow Melrose to complete its confirmatory due diligence."

This morning shares in Charter were up more than five per cent at 802 pence each, while Melrose's share price was down six per cent at 295 pence.

Share Information

Code: CHTR**Listing:** Unlisted (UK)**Sector:** **Manufacturing & engineering****Website:** **www.charterplc.com**

Company Synopsis:

Charter operates in international engineering business, through two companies: The ESAB Group and Howden Buffalo. ESAB manufactures and supplies welding consumables and equipment, and cutting and automation solutions. Howden is an international applications engineer. It designs, manufactures, installs and services air and gas handling equipment for use in the power, oil and gas, petrochemical and other industries.

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