

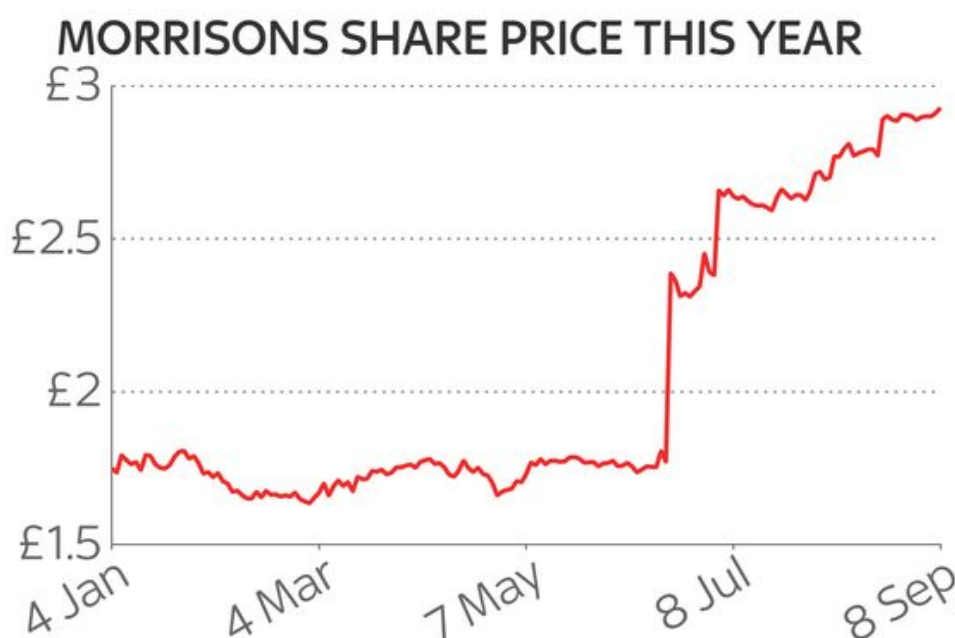
Morrisons takeover battle heads for auction ahead of October investor vote

The takeover battle for Morrisons is on course to go to auction in the coming weeks after a bidding war failed to settle its future ownership.

The UK's fourth-largest supermarket chain said on Wednesday that it was in talks with the two US private equity suitors and the Takeover Panel, which governs takeover deals, regarding an auction procedure.

Morrisons agreed last month a [£7bn bid](#) from Clayton, Dubilier & Rice (CD&R) after rejecting an earlier offer of £5.5bn.

CD&R's latest offer is worth 285 pence per Morrisons share.



SOURCE: LSE

Morrisons shares were trading at 292.6p on Wednesday, indicating that investors are hoping for a higher offer.

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A rival consortium led by Softbank-owned Fortress Investment Group could still trump that bid.

Fortress had earlier [offered £6.7bn](#).

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Morrisons said any auction process would be followed by shareholder meetings to vote on the offer, or offers, on the table.

The company's board would be expected to recommend one bid.

Morrisons said it expected a scheme document on CD&R's offer to be posted to shareholders around 25 September.

It was for the Panel to announce dates for any auction, the company added, though it expected an investor vote to take place on a date in or around the week beginning 18 October.

The prospect of a takeover has prompted concerns from MPs about the potential for new owners selling off property assets or reducing the rights of workers.

The original Fortress-led deal agreed by the Morrisons board included commitments to the current management team, strategy and its £10 per hour shop floor wage.

In its updated offer document, CD&R said it recognised the "strong heritage" of Morrisons and that it will further build on its long-standing strengths.

The firm indicated that it was not planning big changes in the management of the Morrisons property portfolio.