

Offer for Chartered Fair: IFA's Preliminary View

Independent adviser Deutsche Bank's opinion based on financial terms

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The independent financial adviser (IFA) has deemed, in a preliminary opinion, that Advanced Technology Investment Company's bid for Chartered Semiconductor Manufacturing is "fair and reasonable" based on its financial terms.

Deutsche Bank (Singapore Branch), the IFA for Chartered's independent directors, said its preliminary opinion, addressed solely to independent directors, was based on factors such as market, industry and monetary conditions.

"The IFA is of the preliminary opinion that the scheme consideration is fair and reasonable from a financial point of view," Chartered said in a press release yesterday, adding that this was based on analysis completed as at September 11.

It did not elaborate on the factors, which are likely to be featured in the scheme document next month.

Referring to a point made in a joint statement last week on the \$2.5 billion offer, Chartered said: "Given the importance of scale and the need for substantial, continued capital investment in the company, and having carefully assessed all strategic options available..., the independent directors believe the acquisition provides the shareholders with an opportunity to realise their investment."

It added that the independent directors see the terms of the acquisition as "fair and reasonable". Accordingly, their preliminary recommendation is that shareholders "vote in favour of the scheme".

Deutsche Bank qualified that it did not consider any investment objectives, financial situation or the risk profiles of "individual company shareholder".

"The final advice of the IFA and the final recommendations of the independent directors... may be subject to change to reflect any material changes that may occur from the date of this announcement to the date of the scheme document," said Chartered.

The preliminary opinion comes as analysts remain divided over the merits of the offer price.

Chartered shares closed unchanged at \$2.60 yesterday.