

Mergers and acquisitions announcement effects to bidding company shareholders: the case of European Union during 2004–2011

The article discusses effects of international expansion, type of an acquisition, cultural and institutional distance as well as traditional control variables in order to investigate short term wealth effects for acquiring company shareholders. According to the collected theoretical and practical material, it analyzes how do economic theories explain acquisition returns. The research supports that international expansion by companies from Old EU Member States to New Member States is found to result in a positive shareholder wealth effect.

Keywords: mergers and acquisitions, bidding company shareholder wealth effects, event study.

Straipsnyje nagrinėjama, kaip tarptautinė plėtra, įsigijimo pobūdis, kultūriniai bei instituciniai skirtumai bei tradiciniai kontroliniai kintamieji įtakoja trumpalaikius įsigijimus/susijungimus paskelbiančios įmonės akcininkų disponuojamo turto vertę. Analizuojamos skirtingos ekonominės teorijos, nagrinėjančios bendrovių susijungimų bei įsigijimų metu įmonių akcininkų disponuojamo turto vertės pokyčius. Atlikta įvykių studija įžvelgia, jog senųjų Europos Sąjungos šalių listinguojamų bendrovių įsigijimai bei susijungimai su naujų ES šalių įmonėmis sukuria pridėtinę vertę susijungimus/įsigijimus skelbiančios įmonės akcininkams.

Raktiniai žodžiai: susijungimai ir įsigijimai, siūlančiosios bendrovės akcininkų gerovės efektai, įvykių studija.

JEL Classifications: F23/F63/G34/O16.

Introduction

Topicality and the main problem: Internal growth and acquisitions are the two main modes of corporate expansion. Corporations compare the features of internal growth with the characteristics of external

growth when evaluating organizational expansion and growth strategies (Singh and Montgomery, 1987).

When information about acquisitions is disclosed, capital market participants adjust their expectation of future earnings which is reflected in the stock price of the

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firms. Considering the priority of shareholder wealth maximization in MNE's and assuming the prevalence of efficient capital markets, M&A's should occur when management has confidence in creating market value higher than the investor could obtain himself by diversifying his own portfolio (Salter and Weinhold, 1978).

Successful acquisition has different meaning for target and bidding company. Target company benefits when receiving acquisition premium, while shareholders of the bidding company benefit from synergies greater than the premium paid to the target. Empirical research (Campa and Hernando, 2004; von Eije and Wiegerinck, 2010) shows that the shareholders of the target companies receive large premiums, while bidders either gain a small statistically insignificant amount or lose a small significant amount from the announcement of the bid. Summarizing, the numbers of event studies have demonstrated that takeovers seem to create shareholder value with most of the gains accruing to the shareholders of the target company (Andrade et al., 2001). Therefore, even though traditional literature extensively defines motivational factors and strategies behind the acquisitions, their credibility is questioned by the capital markets.

M. Martynova and L. Renneboog (2008) hypothesize that M&A's occur in wave and that the features of the waves are imbedded in economic as well as regulatory developments. Driving forces behind these waves are essential to reflect on as they predetermine how the situation of bidding and target company stockholders has changed upon the M&A's occurrence. The period 1993 - 2000 is known as the fifth M&A's wave. The deals during this wave evolved in the context of economic globalization, technological innovation,

deregulation, privatization, boosting economic and financial market. Altogether these factors resulted into international nature, dominance of cross-border acquisitions (CBA) and growth seeking acquisitions. As identified by M. Lipton (2006), the currently sixth takeover wave is characterized by large number of CBAs, international industry characterization, and friendly negotiations between the acquirer and target.

Confronting theories and disputes exist regarding motives, strategies, expected and factual M&A's performance. Majority of the existing empirical studies find significantly positive returns to the shareholders of target firms. However, effects captured by acquiring company shareholders are less conclusive. On the one hand, some researches (Andrade et al., 2001; Jarell and Poulsen, 1989; Walker, 2000; Campa and Hernando, 2004; Martynova and Renneboog, 2006) identify negative or non-existent wealth changes to bidding company shareholders. On the other hand, M. Faccio et al. (2006), H. Eije and H. Wiegerinck (2010), A. Chari et al. (2010) and other academics provide support for the concept that M&A's are bidders' shareholder value increasing activity.

Considering the prevalence of M&A's and the opposing results of the existing findings the main **problem** of the paper is stated as follows: do capital markets assess mergers and acquisitions as value creating or destroying activities?

S. Lall (2002) recognizes that even though M&A's are most active within the framework of industrial world, they are also increasing in importance in the developing world especially in the form of acquisitions. However, most of the existing literature reflects the findings of the studies performed in the developed world. The

analysis of M&A's activities between European companies disposes unique contexts as both domestic and cross-border deals are prevalent, as companies with different origins cooperate, cultural-, economic- and socio-economic differences often exist between the parties involved in the M&A's. Little is known about European takeover market as most of the researches done focus on the US (Martynova and Renneboog, 2011; Corhay and Rad, 2000; Lowinski et al. 2004). Considering the lack of empirical studies with European focus, the paper aims to investigate whether cross-border acquisitions create value for the firms undertaking such transaction within Europe. Furthermore, the increasing trend towards acquisitions from developed economies to developing ones creates a need to address to what extent the acquisitions in this direction differ from cross border acquisitions between companies from developed economies.

Similarly to the study by J. S. Campa and I. Hernando (2004), the emphasis of this paper is put on the investigation whether there are systematic differences in short term wealth effects generated by a takeover announcement within Europe. Furthermore, the paper aims to fill the gap in the existing studies where specific firm variables were used as the primary value drivers of an acquisition performance by considering the effects of nationality of the companies involved. Capital budgeting, information asymmetry, agency problems, synergies as well as other areas of corporate finance are discussed as having impact on short term shareholder wealth effects.

Empirical research is based on a sample of acquisitions by companies with the origin in one of the EU-27 countries (Belgium, Greece, Luxembourg, Denmark, Spain, Netherlands, Germany, France,

Portugal, Ireland, Italy, United Kingdom, Austria, Finland, Sweden, Poland, Czech Republic, Cyprus, Latvia, Lithuania, Slovenia, Estonia, Slovakia, Hungary, Malta, Bulgaria and Romania). The research of this sample allows investigating the gains and losses on bidding firm shareholders as influenced by the consequences of deregulation of national markets towards a single European market (Lisbon strategy) and a reduced number of trade barriers.

Research object: mergers and acquisitions announcement effects to bidding company shareholders.

Research objective: The paper aims to investigate whether cross-border acquisitions create value for the firms undertaking such transaction within Europe.

Research tasks: The main objective of the paper is examined throughout the whole paper by focusing on the following tasks:

- according to the scientific literature to examine how do economic theories explain acquisition returns as well as the influence of company- and takeover-specific attributes;
- to reveal which variables significantly explain the shareholder wealth effects and how can the variation in the distribution of any value created be explained;
- to analyze whether the recent trend of European companies expansion to New Member States result in a positive shareholder wealth effect.

Research methods contributing to this paper are: systematic scientific literature analysis, statistical data and comparative analysis, multiple cross-section regression analysis, event study, parametric and non-parametric tests, R-Squared statistics, F-statistics, Durbin-Watson statistic, Variance inflation factor.

Strategies and motives behind the acquisitions

J. Gammelgaard (2004) performs an empirical study of the emerging motives of M&A's. The author states that rationale behind M&A's is unique for each deal and its motives have changed over time. Elaborating on his work, the common motives of M&A's could be categorized into market-, cost-, diversification- and financial synergy exploitation as well as synergy- and competence exploration.

Potential *synergies* are often treated as the main reason of M&A's. In the broad sense synergy benefits arise from better use of complementary resources. S-Y. Yang et al. (2010) stands that synergy comes from resource sharing and integration. Specifically, marketing, reputation, branding, research and development activities comprise resource-sharing benefits.

On the other hand, integration benefits emerge from reduced total costs as the combined entity shares them and ability of price discrimination as companies are capable to discriminate between markets and set different prices. G. Andrade et al. (2001) and M. Walker (2000) relate synergy and financial synergy exploitation with the attempts to increase market power through the formation of monopolies and oligopolies. *Financial synergy* motive assumes benefits of tax credit utilization and capital cost reduction through the reduction of systematic risk (diversifying deal), access to cheaper capital (increased company's size) or establishment of an internal capital market (Trautwein, 1990).

The motive of the smoothing results of the company which in the long term gives more confidence in investing in the company lies behind the *diversification* goal. G.

Andrade et al. (2001) add that new opportunities of diversification potentially arise from the exploitation of internal capital markets and management risk of undiversified managers. Similarly to synergy and increased market power motive, *market exploitation* motive is closely associated with changes in the demand-side.

Cost exploitation is discussed by M. Walker (2000) as an aspect benefiting the company through the creation of economies of scale and disciplining inefficient managers. J. Gammelgaard (2004) holds that *exploring competences* through by the target possessed unique knowledge, employee skills and organizational motives are the key sources of synergy exploration and competence development in the 21st century.

T. K. Mukherjee et al. (2004) focused on managerial perspective of M&A's and investigated motives of the M&A's from the practical point of view. Specifically, 1200 acquisitions completed during 1990 - 2001 were analyzed through the surveys of the chief financial officers of the US companies. The results of their study show that following M&A's motives are considered as most important: synergy (37.3% of responses), diversification (29.3%), achieving a specific organizational form as part of an ongoing restructuring program (10.7%), acquiring a firm with below its replacement cost (8.0%), using excess free cash (5.3%), tax reduction experienced due to tax losses of the acquired company (2.7%). Comparing the results with the above discussed categorization imply that motives behind the takeovers vary from a deal to deal and are complex and in most of the cases composite.

Even though most bidding firms make statements about the potential synergies

and other motives of the acquisitions, frequently the forecasted benefits are not obtained (Goergen and Renneboog, 2004). Capital market participants compare shareholder interests benefiting and hurting considerations that underlie economic theories and adjust their expectations regarding corporate efficiency, future cash flows and credibility of the promised gains.

Efficiency, market power and corporate control theories are approached by shareholders when considering sources of economic value underlying M&A's. According to the definition used by F. Trautwein (1990), *theory of efficiency* treats takeover activities as a rational choice when they are planned and executed to capture financial (e.g. reduced costs of capital), operational (e.g. reduced business costs or unique products/services) and managerial (e.g. superior planning and monitoring abilities) synergies.

However, assumptions underlying this theory are criticized by academics. On the one hand, the existence of efficient capital markets disables exploitation of financial synergies. On the other hand, operational and managerial synergies are criticized as being often stated but rarely realized.

Market power theory suggests increased monopolistic abilities emerging due to the M&A's. For instance, firms can use profits in one market to sustain a fight for market share in another market and imply the so called cross-subsidization strategy. Deliberate reduction of supply and deterring potential market entrants are the other sources of market power theory applications.

In 1965 was developed *the theory of corporate control* with the key assumption of the potential shareholder value increase that emerges through the replacement of

inefficient management. Management of the target company is assumed to lack knowledge or qualification and therefore is not able to fully capture company's potential.

Value decreasing strategies stand on the other side of the trade-off. *Theory of managerial hubris* assumes the management of the bidding company being overconfident about their abilities and sufficiency of knowledge, experience and skills to better manage target's assets and create synergies for both entities. R. Roll (1986) questions plausibility of the takeover gains and explains hubris as decision makers of bidding companies paying too much for targets. In the assumptions of the theory of managerial hubris, capital markets are asserted to be strong-form efficient and aware of all information. This way, large premiums paid to the target company shareholders lead to negative reactions by the capital market participants and subsequently poor performance of the combined companies. J. T. Li and Y. Tang (2010) suggest that existing empirical research has provided support for hubris affected decision makers as paying higher premiums, relying on internal rather than external financing, missing their own forecast of earning as well as undertaking more value destroying takeovers. The authors add to the research by empirically proving the positive relationship between CEO hubris and firm's risk tolerance.

The concept of *theory of managerial discretion* as introduced by M. Jensen and W. H. Meckling (1976) assumes differing objectives between shareholders and managers where managers dispose the latitude of decision-making. M. Jensen (1986) asserts that the interests mismatch is compounded when excess liquidity and/or free

cash flow stand for the disposal of managers. These conditions strengthen the negative impact to M&A performance.

Managerial entrenchment theory is based on an agency problem and is closely related to the previous theories. Scientists elaborate on this theory as managers making specific investments that reduce their probability of being harmed. For instance, the completed M&A's increase fungibility of managers, reallocate wages and perquisites to the favour of managers.

M. Jensen (1986) advocates that *empire building theory* is concisely related to the conflict of interest between shareholders and managers. "Managers have incentives to cause their firms to grow beyond the optimal size. Growth increases managers' power by increasing the resources under their control which is associated with increased compensation as it is directly linked to the sales growth".

Acquisition announcement returns

A broad number of empirical studies investigated shareholders wealth changes induced by M&A's announcements. However, the results of the studies are contrasting as no clear relationship between wealth creation and deal announcement is identified.

The sample of studies by A. Corhay and A. T. Rad (2000), M. Walker (2000), G. L. DeLong (2001), J. S. Campa and I. Hernando (2004), S. B. Moeller and F. P. Schlingeman (2005), M. Martynova and L. Renneboog (2008), R. W. Masulis et al. (2007), U. Weitzel and K. J. McCarthy (2009), F. Lowinski et al. (2004) prove either negative or non-existing effects of M&A's announcement.

On the other hand, empirical researches by A. Seth et al. (2002), M. Goergen and L. Renneboog (2004), M. Facio et al. (2006), I. L. Darkow et al. (2008), H. Eije and H. Wiegerinck (2010), A. Chari et al. (2010) treat the phenomena of M&A's announcement as benefiting bidding firm shareholders in the short term.

Study by J. S. Campa and I. Hernando (2004) needs special focus as authors studied the sample of M&A's performed within European Union during the period of 1998 - 2000. The authors explain the predicted wealth gains through future synergies and wealth redistribution among stakeholders even though the calculations have proven that the acquirer's cumulative abnormal returns are null on average.

C. Moschieri and J. M. Campa (2009) analyzed the business climate change process undergone by European firms together with the takeover characteristics within EU. The authors highlighted the fact that the volume of M&A's towards European firms surpassed that towards US companies which are traditionally assumed a dominant market for corporate takeovers. The authors acknowledge the positive influence of European Commission as this institution fosters standardization and increases transparency in the development of a single European market for M&A's. Specifically, the authors state that the following implemented changes lead to shareholders wealth gains: increased use of cash as a payment method, increase in cross-border deals, industry consolidation, decrease in the time needed to execute the M&A's.

Based on the presented discussion above together with the implicit assumption of validity of the efficiency-, market power- and corporate control theories, the following hypothesis has been developed: *H1: Bidding company shareholders*

experience short-term wealth gains around the announcement day.

Motivation of the study naturally implies the idea that the sample used in the empirical part of the paper includes companies from Old and New Member States of the EU that dispose institutional, political and economic differences. Studies by K. E. Meyer (1998), K. Uhlenbruck and J. O. Castro (2000), A. Chari et al. (2010) are relevant as they provide theoretical insights into the deals involving companies from New Member States. Taking argumentation of this authors into account, the following hypothesis is developed: *H2: Shareholders of a bidding company capture larger wealth gains when announced M&A's involve a company with an origin in New rather than Old Member State of the EU.*

M&A's in the context of EU

Harmonization of the EU creates conditions of increased announcement of cross-border M&A's. N. Couerdacier et al. (2009) examined the role of financial and trade liberalization within EU and European Monetary Union (EMU). Their empirical results confirm that European integration and institutional setting improvements in the target country have positively affected developments of cross-border M&A's.

Additional support for more active cross-border acquisitions comes from the study by M. Martynova and L. Renneboog (2006). The authors acknowledge that European firms were most active in domestic markets prior to 1990s, whereas currently companies need to adjust to increased competition conditioned by a single market and participate more active in cross border deals.

Existing researches that investigated differences between shareholder wealth gains in domestic and cross-border acquisitions provide opposing results. Empirical results by M. Goergen and L. Renneboog (2004) contrast theories that postulate benefits of cross-border deals. Specifically, the authors measure statistically significant wealth gain changes of 2.7% between domestic and cross-border deals.

Empirical studies by J. S. Campa and I. Hernando (2004) and F. Lowinski et al. (2004) do not find any significant differences in acquirers' stock performance between domestic and cross-border deals. They relate the non-existing differences between domestic and cross-border acquisitions to highly integrated capital markets.

Hughes et al. (1975) explain that there are no diversification benefits inherent to international firms that could not be obtained by individual investors making direct investments in the countries in which the international companies would operate otherwise.

A. Corhay and A. T. Rad (2000) measure that cross-border acquisitions are beneficial for acquiring company shareholders as statistically significant average cumulative abnormal return for cross-border acquisitions equals 1.44% during 5 days event window. The authors argue that bidders potentially gain from imperfections in factor, product and capital markets as mispricing and trade barriers are still common in Europe especially in the former Soviet Union countries. Their argumentation shows the validity of diversification motive as firms seek to reduce earnings volatility.

When analyzing over 800 cross-border M&A's that occurred during 1991 - 2004, R. Chakrabarti et al. (2009) surveyed country differences with the aim to

explain short-term M&A's performance. Their empirical results evidence that existing economic differences between bidding and target company country of origin serve as an alternative to distinguish between cross-border and domestic acquisition.

Taking relevance of the comparison between domestic and cross-border acquisitions as well insights of the discussion above into account, the following hypothesis is formulated: *H3: Shareholders of an acquiring company that participates in cross-border M&A's are better off than the ones that participated in domestic one.*

Following argumentation by P. Morosini et al. (1998), inventiveness, innovation, entrepreneurship and decision making practices are closely related to culture and therefore are complicated to develop and adjust across different national cultures. Thus, a differing set of practices and routines have the potential to increase bidding, target and combined company performance: *H4: The greater the national cultural distance between the acquirer's and target's country of origin, the greater would be the acquisition announcement effects to bidding company shareholders.*

Institutional and legal systems existing in EU-27 differ as 4 countries (UK, Ireland, Malta and Cyprus) dispose common law systems, whereas the other 23 countries belong to the sample of civil law countries. According to institutional theory (Meyer and Rowan, 1977, DiMaggio and Powell, 1983, Rosenzweig and Singh, 1991), institutional environment in which multinational companies (MNC) operate influences MNC's ways of organizing, conditions the employed practices, constrains the choices and in the broad sense affects the way of doing business. Following this motivation, were developed hypotheses

regarding institutional systems of bidding company and differences between target and acquiring firm country of origin legal systems: *H5: Acquisitions between institutionally distant firms lead to short-term shareholder wealth gains; H6: Shareholders of a bidding company with the origin in common law country capture larger gains than shareholders of the firm originated in civil law country.*

Determinants of cross-sectional analysis (control variables)

Based on the previously provided information and reviewed studies, a set of control variables is found to be common for most of the studies. Table 1 summarizes the set of into the paper incorporated variables which aim to provide additional insights into the factors behind the experienced stock price changes.

Conceptual model

Figure 1 generalizes the discussion regarding the hypotheses and control variables used in the research and visualizes conceptual model of the paper. Changes of bidding company stock price around the M&A's announcement represent acquirers' shareholder wealth changes and is used in the paper as dependent variable. Independent variables presented at top of the figure are used to explain shareholder short term wealth changes. Based on the existing empirical studies, control variables supplements the analysis as these variables are found to significantly impact to short-term M&A's performance.

Table 1

Control variables and their relevance

Control variable	Expected effect	Relative theory	Literature support
Bidder size (<i>Size</i>)	-	Empire building	S. B. Moeller et al. (2004)
Bidder leverage (<i>Lev</i>)	+	Theory of capital structure; Free cash flow hypothesis; Restriction to financing with cash	R. W. Masulis et al. (2007), J. Harrison and D. Oler (2008),
Transaction value (<i>Deal_size</i>)	-	Agency problem, misevaluation	D. Petmezas (2009), G. Alexandridis et al. (2010)
M&As of private vs. public acquisitions (<i>List</i>)	+		S. Bhagat et al. (2011), L. Capron and J-C. Shen (2007)
Relative size of the target to the bidder (<i>RMV</i>)	+	Higher uncertainty about the target's true market value; More complex managerial structure; Inflated integration costs	
Related vs. diversifying acquisition (<i>Rel</i>)	+	Focus vs. diversification strategy of the bidder	S. Bhagat et al. (2011), A. Corhay and A. T. Rad (2000), G. L. DeLong (2001)
Method of payment (<i>Paym</i>)	+	Pecking-order theory; Signaling theory; Asymmetric information hypothesis	G. L. DeLong (2001), D. Petmezas (2009)
Bidders book to market ratio (<i>BTM</i>)	+	Hubris (Roll, 1986)	D. Petmezas (2009)
Announcement day equals rumor date (<i>ANN</i>)	+	Information leakage	

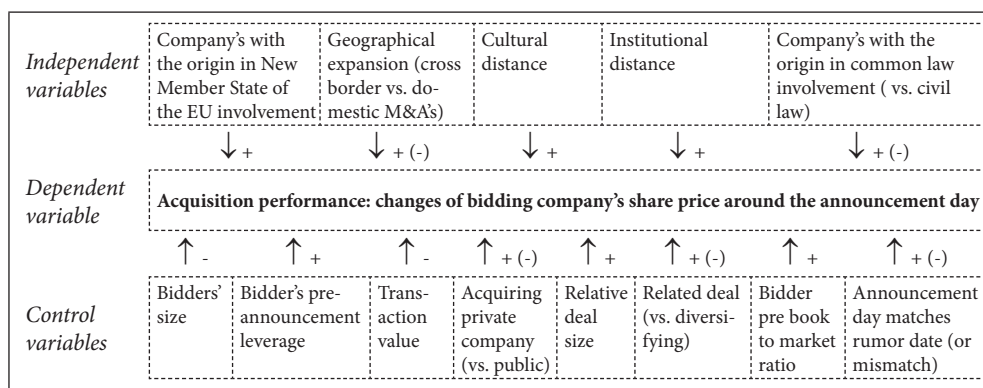


Fig. 1. Theoretical model of the research

Note: arrow specifies hypothesis' direction; + Hypothesized positive effect; - Hypothesized negative effect; + (-) Hypothesized positive (negative) effect.

Data

Data sources: Considering the motivation and main questions of the study, a combination of sources was used to obtain the data. To begin with, electronic publishing database Zephyr of Bureau van Dijk was employed to identify the sample of publicly listed European companies that took over another company in the period 2004 - 2011. Furthermore, this database provides deal characteristics (e.g. announcement and rumor dates, transaction value, method of payment) as well as initial bidding and target company specific information (e.g. size, listing status of the target, geographical scope, industries companies are active in, etc.). The data used for the calculations of daily stock and market index returns as well as other missing variables used for the cross-sectional analysis were obtained through DataStream 5.1 database by Thomson Reuters. Finally, the websites of CIA World Fact Book, Eurostat, Heritage foundation and Geert Hofstede were employed to gather information regarding bidding and target companies country of origin specific characteristics that were further used in the empirical analysis. 572 events build the total sample used in the empirical analysis.

Sample characteristics: Considering the yearly breakdown of the sample, several aspects are observed. To start with, it is ascertained that M&A's market peaked during 2004 - 2007, whereas the past 4 years are considerable less active. In total 401 deals with total value of 117 billion EUR were executed in 2004 - 2007 which contrasts 164 deals with the total value of 29 billion EUR announced and successfully completed during 2008 - 2011. It is remarkable that higher activity of

European takeover market coincides with the EU expansion period, whereas the M&A's markets shrinkage and stagnation period which started in 2008 and still is currently experienced are circumstanced by the threats to the global economy, worries over the health of government finances in Europe, declined stock market and lack of credit.

Secondly, it is observed that the number of announced and completed domestic deals exceeded that of the cross-border (68.0% and 32.0% respectively). Furthermore, 541 M&A's (94.6%) involved private target whereas publicly held target was involved in only 31 cases (5.4%). The number of acquisitions that involved a company with the origin in one of the New Member States of the EU infers the highest activity levels in 2004, 2005 and 2009 when 15, 8 and 9 M&A's were announced and successfully completed by public listed company. Furthermore, 49 acquisitions of the whole sample (8.6%) involved a company with the origin in one of the New Member States of the EU. Besides that, total deal value throughout the examined period adds up to 146.16 billion EUR. The average deal value suggests that almost 257 million EUR were paid on average for the target company. However, this measure needs to be interpreted with caution as it is biased towards large deals. Median values of the deals aims to reduce the effect of large M&A's. Interestingly it is inferred that the median value amounts to 24.48 million EUR and is more than 10 times lower than the average deal value.

Following insights can be drawn up considering the events when the company with the origin of the specific country is an acquirer. Firstly, 50.1% of the total number of M&A's that amounted to 37.54 billion EUR (25.7% of the overall

total value) was executed by British companies. Secondly, Italian, Spanish and French firms are the most active members of the M&A's market in Continental Europe. Polish companies are most active from the New Member States of the EU as they successfully completed 32 deals that amounted to the total value of 1.6 billion EUR. The average deal size varied considerably and ranged between 7.34 million EUR paid for the target by Romanian company to 442.11 million EUR paid by Italian firm. However, as it has been mentioned before, median deal values are relevant as they are not influenced by large deals. Deals announced and completed by Spanish company dispose the highest median deal value (194.35 million EUR), whereas companies with the origin in Greece dispose the lowest median value (6.4 million EUR). The number of domestic M&A's exceeds the number of the cross-border M&A's in each country with the exceptions of Greece, Poland and France. Furthermore, the gathered data suggests that Italian firms most commonly (28.1%) participated in the deals with public target. Besides that, it becomes evident that none companies with the origin in Old Member States of the EU announced and completed more than 2 deals with the firms originated from the New Member States. When comparing deals of companies from Old and New Member States of the EU, it turns out that the total deal number and value experienced by the companies from EU-15 equals 533 and 144.18 billion EUR respectively, whereas companies from EU-12 countries initiated 39 deals amounting to the total value of 2.04 billion EUR.

Besides that, it becomes evident that companies from Old Member States of the EU initiated M&A's with an average

(median) value 347.46 (227.2) million EUR whereas average (median) deal value paid by companies from New Member States is almost 5 times smaller and amounts to 71.09 (65.27) million EUR.

Furthermore, the gathered data suggests considering percentage terms countries from New Member States are tended more to acquire publicly listed firms than companies from Old Member States of the EU. Finally, it becomes evident that companies originated in EU-15 only announced and successfully completed only 11 takeovers of the companies situated in the New Member States of the EU. Specifically, 49 deals with the total value of 5.21 billion EUR were completed in New Member States.

On the other hand, following insights can be drawn up considering the deals when the company with the origin of the specific country is the target. Firstly, the total number and deal value of British companies being targets is the highest. Secondly, it becomes evident that companies from Old Member States were targets more often than they were acquirers. Furthermore, the average (39.09 million EUR) and median (38.97 million EUR) deal values paid for the firms located in the New Member States of the EU are smaller than the values paid by the companies in these countries. Finally, the gathered data indicates no M&A's activated initiated neither by nor towards companies originated in Latvia, Estonia, Hungary and Malta.

Variables: Two dependent variables are used in the empirical research. On the one hand, average cumulative abnormal returns are chosen as dependent variable in the simple mean comparison tests and represents shareholder wealth changes around the announcement day. On the other hand, cumulative abnormal returns

Table 2

Descriptive statistics of control variables

Control variable	Mean	Median	Std. dev.
Bidder size (nominal, million EUR)	385.32	21.08	2031.33
Bidder size (<i>Size</i>)	9.66	9.96	3.10
Bidder leverage (<i>Lev</i>)	0.12	0.13	0.27
Transaction value (<i>Deal_size</i> , million EUR)	256.87	24.75	1290.75
Private vs. public M&As (<i>List</i>)	0.95	n.a.	n.a.
Relative size of the target to the bidder (<i>RMV</i>)	0.51	0.09	2.24
Related vs. diversifying M&As (<i>Rel</i>)	0.83	n.a.	n.a.
Cash vs. other method of payment (<i>Paym</i>)	0.68	n.a.	n.a.
Bidder book to market ratio (<i>BTM</i>)	0.71	0.5	2.31
Announcement day equals rumor date (<i>ANN</i>)	0.73	n.a.	n.a.

of each event are employed when performing multiple regression analysis.

A set of independent variables is used to transform the stated hypothesis into statistically provable equations. Firstly, a dummy variable *NMS* is set to 1 if the takeover involves a company with the origin in one of the New Member States of the EU either being a target or an acquirer. Secondly, similarly to the studies that considered geographical scope of the acquisition, this paper uses a dummy variable *CBA* that is set to 1 when cross-border and 0 when a domestic M&As are executed.

Considering R. Chakrabarti et al. (2009) discussed in the literature review, a variable *PCI_diff* which measures per capita income differences between targets and bidding company country is used as an alternative to test the third hypothesis.

Hofstede_diff is the independent variable used in the research to proxy for the fourth hypothesis. Similar to R. Chakrabarti et al. (2009) a composite index that uses numerical characteristics of bidding and target countries is calculated based on the four national cultural dimensions (power distance; individualism; masculinity;

uncertainty avoidance) introduced by Hofstede in 1991.

A dummy variable (*Legal_diff*) is created to measure whether legal systems of an acquiring and acquired company match and to test the fifth hypothesis. Specifically, a dummy equals 1 if acquiring and acquired firm's country of origin disposes the same legal system (either common or civil law countries), whereas variable 0 follows when legal systems of the firms' environment differ.

Finally, a dummy variable *Law* that equals 1 is used if acquirers legal system is English common law (UK, Ireland, Malta and Cyprus), and 0 in the case of civil law.

Control variables used in the paper include: bidder size (*Size*), leverage (*Lev*), transaction value (*Deal_size*), legal status of the target (*List*), relative size of the target to the bidder (*RMV*), relatedness of the acquisition (*Rel*), method of payment (*Paym*), bidder book to market ratio (*BTM*) as well as cross-check of conjunction between announcement and rumor dates (*ANN*) all together aim to explain the reasons and motivation behind the induced shareholder wealth changes. Table

2 provides descriptive statistics of control variable used in the research.

Event study methodology

Event study methodology is applied in the paper with the aim to determine whether there exists an abnormal stock price effect associated with an M&A's announcement. Considering the reviewed literature, this methodology is relevant for several reasons. Firstly, implementation of event study is based on stock prices which reflect the true value of firms. Therefore results cannot be manipulated like accounting-based measures of profit by choosing specific accounting procedures (McWilliams and Siegel, 1997). Secondly, measuring short-term value changes represent the best estimate of the expected present value to shareholders generated by the transaction. Finally, the measured market based returns are direct measures of value created for investors and dispose a forward looking perspective of value creation as stock prices are assumed to present the value of expected future cash flows (Bruner, 2002). In order to execute the study correctly, J.

S. Brown and J. B. Warner (1985) and R. F. Bruner (2002) were consulted when measuring abnormal returns experienced by the shareholders of the companies that announce M&A's and testing the hypotheses discussed before.

Empirical results

Shareholder wealth changes surrounding M&A's announcement. Based on the observed average abnormal returns and values of the T-tests, generalized sign and rank tests of the average abnormal returns for the whole sample, Figure 2 visualizes the estimates of abnormal and cumulative abnormal returns in the event period for the whole sample of companies. On average, acquisition announcement leads to statistically significant 1.92% increase in stock price on the event day, whereas cumulative abnormal returns throughout the whole event window (-10; +30 days) accumulate a statistically significant value of 1.85%.

Even though positive announcement effects occurred on the announcement day and accumulated throughout the whole

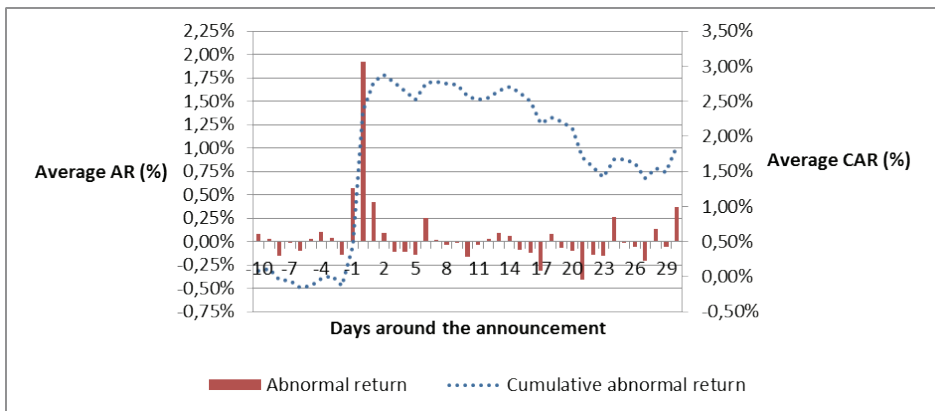


Fig. 2. M&A's announcement effects

event window of 41 days, negative abnormal returns dominated the sample as they were identified in 23 days (56%). Furthermore, the dotted line in Figure 2 which stands for cumulative abnormal returns in the event window suggests that information leakage potentially exists in the market and inside information may cause significant price changes before the official M&A's announcement. In line with the assumption of existing efficient market and informational efficiency, the price change on (0;1) is higher in percentage value and significance terms than that on (-1;0). Besides that, transitory period during which abnormal returns reverse and subsequently accumulated abnormal return shrink is observed after day one.

Considering the significant abnormal returns during 3 days length event window around the announcement day, this window is used for hypotheses testing. Table 3 reports the results of univariate analysis of cumulative abnormal returns during announcement, pre- and post-announcement event windows.

To start with, the estimated values provided in the table 3 suggest that M&A's are value increasing activities considering the acquirers' shareholder perspective. On average bidding company shareholders gain 2.91% during the three days length event window around the announcement day. The performed parametric tests show that

the value of CAR is significant at 1% level. The reliability of the values of traditional and standardized t-test are questionable as the residuals are found not to dispose normal distribution due to wide variation in the average of mean and standard deviation which subsequently results into high kurtosis and skewness. However, both the sign test which's calculation is based on 65.56% positive CARs during the event window as well as Corrado rank test support the significance of the shareholder wealth gains around the announcement day.

Interestingly the nine days length pre-announcement event period is characterized with wealth losses that amount on average to 0.13% and therefore statistically disprove the severity of insider trading problem and information leakage which gives empirical support for non-existence of abnormal returns around the announcement date and contrasts the initial expectations. Similarly to the (-1; +1) event window, returns in the pre-announcement period are found not to be normally distributed. Non-parametric testing infers that the losses are statistically significant at 5% level.

Finally, the values retrieved in the post-announcement period suggest the post-announcement drift. However, the traditional t-test as well as non-parametric general sign and rank tests find no significant support for the post-announcement

Table 3

Cumulative abnormal returns during different event windows

Event window	Average CAR	T-test	Standardized T-test	Jarque-beta	% of positive	Generalized sign test	Rank test
(-1;+1)	2.91%	6.32*	27.31*	78872.38	65.56%	7.40*	8.76*
(-10;-2)	-0.13%	-0.47	-3.45*	615.91	45.45%	2.13**	2.02**
(+2;+30)	-0.90%	-1.48	-2.01**	594.25	46.68%	1.55	1.20

Note: * 1% significance level; ** 5% significance level; *** 10% significance level.

drift while standardized t-test partially supports the reverse trend of stock price dynamics.

Announcement effects and independent variables: Average abnormal returns during the (-1;+1) event window accumulates the statistically significant (at 1% level) value of 2.92% for the deals that involve company from New Member State of the EU, while deals that do not involve these companies amount to 2.91%. However, the statistical significance of this sub-grouping is not supported by parametric and non-parametric testing during the pre- nor post-announcement periods. Finally, the values of independent sample t-test further support the case that no significant differences between short-term wealth effects of the deals that involve and that do not involve companies with the origin in New Member State of the EU exists.

In contrast to the Hypothesis 3, shareholders of the bidding company are found to benefit more when domestic rather than cross-border M&A's are announced. Specifically, cumulative abnormal return of during announcement window seek 1.29% while statistically significant wealth loss of -1.06% is indicated for the post-announcement period.

On the other hand, announcement of a domestic deal leads to an increase of stock price of 3.67% during three days length event window while round the announcement day, while statistically insignificant wealth loss of 0.83% is experienced during the post-announcement period. The differences between the cross-border and domestic takeovers are indicated by independent sample t-test to be statistically significant at 5% level.

In contrast to the initial hypothesis that acquisitions between institutionally distant companies lead to short-term shareholder

wealth losses, the performed analysis determines a statistically insignificant shareholder wealth gains of 0.6% when M&A's occurs between institutionally distant firms. Furthermore, calculations provide empirical support for the statement that acquisitions between institutionally distant firms benefit the shareholders of the bidding company. Both parametric and non-parametric tests support that on average shareholders capture 3.22% wealth gains upon the announcement of institutionally close deal. The difference of 2.62% upon the announcement of M&A's between institutionally distant and close deals is identified by independent sample test not to be statistically significant.

The results show that shareholders of bidding company with the origin in common law country capture larger gains than shareholders of the firm originated in civil law country. Specifically, average cumulative abnormal return during three days length event window amounts to 3.31% in common law and to 2.46% in civil law country. However, no statistical support for the 0.85% mean difference between the subsamples of common and civil law countries is found.

Multivariate cross-sectional analysis:

The previous paragraphs discussed the results of univariate analysis where it was investigated whether variables dispose means deviating from zero on the one hand while on the other the means of different subgroupings were compared with the aim to identify differences between the accumulated abnormal returns during the pre-specified event window. Results of the performed multivariate cross-sectional analysis supplement the general discussion as they associate the magnitude of cumulative abnormal returns and event specific characteristics. Three days surrounding

the M&A's announcement (-1; +1) are used to perform the OLS analysis as this event window is shown by previous discussion to be statistically significant. The pre-announcement (-10;+2) and post-announcement (+2;+30) periods are excluded due to lack of statistical significance as appeared in the univariate analysis and space considerations.

To start with, it is shown that acquisitions where company with the origin in one of the New Member States of the EU is involved lead to wealth gains while announcing a deal where firms have their origins only in EU-15 countries leads to shareholder value destruction. However, this finding needs to be considered with caution as it lacks statistical significance. Secondly, in contrast to the initial hypothesis, statistical support (at 10% significance level) is found for the findings that announcement of cross-border M&A destroys bidders' shareholder value, while announcement of domestic M&A's results into wealth gains. Due to the lack of statistical support, the paper infers that per capita income differences between acquirers' and target's company country of origin do not significantly explain the wealth changes captured by acquiring company shareholders. Significance (10% level) of the independent variable *Hofstede_diff* implies that shareholders of the bidding company sustain wealth losses in the case M&A's between culturally distant firms occurs. The lack of statistical significance considering institutional distance and legal systems infers that these variables do not explain the reasons behind the wealth gains experienced during the M&A's announcement.

Following results are derived for the control variables. In contrasts with the initial prediction, bidder size is empirically

proven to significantly explain wealth gains. However, the performed regressions and analyses do not statistically support effects of leverage, listing, method of payment as well as matching announcement and rumor days. Even though the magnitude of the deal size is small, it is statistically significant and supports that higher relative sizes of the target to the bidder lead to shareholder wealth destruction. Finally, in contrast to the initial predictions, related deals and M&A's initiated by high book to market ratio disposing firms results into statistically significant acquirers' shareholder losses.

Results of cumulative abnormal return's multivariate analysis during the (-1;+1) event window are retrieved when all independent and control variables are included in the regression. The insignificance of the independent variables is potentially caused by the fact that including a large number of insignificant variables in a regression results into insignificant effects of variables that are otherwise significant. The calculated statistical values provide several insights regarding the results discussed. Firstly, based on the value of R-Squared the developed statistical models explain on average 61% of cumulative abnormal returns. Furthermore, the calculated F-statistics averaging to 79 supports the overall significance of the regression models. Thirdly, variance induced factor is calculated to be less than 5. Therefore, the severity of multicollinearity is found not to be significant. Besides that, the values of Durbin-Watson statistics suggests that residuals are independently distributed and not autocorrelated. Finally, values of the White heteroskedacity test neglect the severity of the heteroskedacity problem.

Based on the theoretical framework developed and examined throughout the

Table 4

Summary of hypotheses tested and results retrieved

	Sample/ variable	Expected sign	Univariate analysis			Independent sample analysis			Multi-variate analysis (-1;+1)
			(-10;-2)	(-1;+1)	(+2;+30)	(-10;-2)	(-1;+1)	(+2;+30)	
Dependent variable									
H1:	Full sample	+	-	+	insig.				
Independent variables									
H2:	Company with the origin in New Member State of the EU is involved	+	insig.	+	insig.				insig.
	Company with the origin in New Member State of the EU is not involved	+	-	+	insig.				insig.
	<i>difference</i>	+				insig.	insig.	insig.	
H3:	Cross-border	+	-	+	-				-
	Domestic	-	insig.	+	-				+
	<i>difference</i>	+				+	insig.	insig.	
	Per capita income differences between acquirer and target firms countries of origin	+							insig.
H4:	Cultural distance	+							-
H5:	M&A between institutionally distant firms	+	insig.	+	+				insig.
	M&As between institutionally close firms	-	-	+	-				insig.
	<i>difference</i>	+				insig.	insig.	insig.	
H6:	Bidder with the origin in common law system	+	-	+	+				insig.
	Bidder with the origin in civil law system	-	insig.	+	-				insig.
	<i>difference</i>	+				insig.	insig.	insig.	

Note: + stands for significant positive sign; - represents significant negative sign; insig. stands for insignificant result.

paper, Table 4 provides the summary of expected and actual results.

Yearly breakdown of the data has shown that majority (70.1%) of the acquisitions were announced during the first four years (2004 - 2007) of the examined period. Furthermore, the total value of M&As shrank almost 75% when comparing 2004 - 2007 with 2008 - 2011. The low level of M&As activity during the latter

period (2008 - 2011) coincides with the end of European Union expansion and the uncertainty brought by the global financial crisis.

Similarly to A. Seth et al. (2002), M. Gøergen and L. Renneboog (2004), M. Facio et al. (2006), I. L. Darkow et al. (2008), H. Eije and H. Wiegerinck (2010) and A. Chari et al. (2010), empirical research of the paper supports that shareholders of

a bidding company sustain positive short-term wealth gains around the M&A's announcement day. Statistically significant average cumulative abnormal return of 2.91% measured for the (-1;+1) event window infers that capital market participants treat takeover activity as benefiting the bidding company through increased future cash flow opportunities due to increased synergy capabilities, diversification-, market- exploitation or competence exploration. Furthermore, the performed valuations have proven the existence of significant negative cumulative abnormal returns during the pre-announcement period (-10;-2).

The opposing results of pre-announcement and announcement periods suggests that capital market participants change their beliefs regarding the specific firm upon the M&A's announcement and engage actively in a new trade round during the M&A's announcement day.

On the other hand, in contrast to finding by P. Dodd and J. B. Warner (1983) the performed analysis proves the price-drift of -0.9% experienced during the post-announcement period (+2;+30) as statistically insignificant.

No significant differences between M&A's that included firms with origin in New and Old Member State of the EU are identified. Following insights by F. Lowinski et al. (2004) this finding may imply that international capital markets dispose high integration.

Results obtained when distinguishing between cross-border and domestic deals in the univariate analysis contrasts the results by A. Corhay and A. T. Rad (2000) as well as M. Goergen and L. Renneboog (2004) as cumulative abnormal returns during the (-1;+1) event window of domestic deals are found to average at 3.67%

whereas that of cross-border deals averages at 1.29%. Furthermore, the coefficients retrieved from the cross-sectional analysis statistically support that cross-border deals destroy acquirers' shareholder value. However, the independent sample t-test difference tests between these subsamples do not support significant differences which are in line with findings by F. Lowinski et al. (2004). Concluding, this finding questions the reliability of diversification as central M&A's motive and supports that acquiring company shareholders do not benefit from mispricing in factor, capital or product markets.

Suggestion by R. Chakrabarti et al. (2009) to incorporate economic differences between bidding and target company country of origin as an alternative to distinguish between domestic and cross-border acquisitions has not been empirically proven by this research as statistically significant. Even though the magnitude and sign of the *PCI_diff* variable retrieved in the multivariate analysis matches the expected, the significance of the variable lacks statistical support. Therefore it cannot be concluded that larger cross-country economic differences leads to larger synergy gains.

The paper gives statistical support for the hypothesis that cultural distinctions hinder short-term M&A's performance and this way provide opposing results to the studies by R. D. Conn et al. (2005) and P. Morosini et al. (1998). Resource and time consumption, complicated acculturation and integration processes potentially lie behind the reasons of captured cultural distance effect.

Empirical finding retrieved in the univariate analysis opposes the initial hypothesis that M&A's between institutionally distant firms' leads to short-term

shareholder wealth gains. Announcements of M&A's between institutionally distant firms result into an average cumulative abnormal return of 0.6%, whereas institutionally close M&A's are proven to result into average gains of 3.22 during 3 days event window. Following reasoning by D. K. Datta et al. (1992) and P. M. Rosenzweig and J. V. Singh (1991), better performance of M&A's that involve institutionally diverse firms comes from the fact that differing institutional systems lead to higher integration costs and more severe agency problems as stimulated by weaker market for corporate control. However, no significant support for the subsamples of institutionally distant and close M&A's are found when performing mean difference tests and multivariate analysis.

The hypothesis motivated by R. LaPorta et al. (2000) that shareholders of bidding company with the origin in common law country capture larger gains than shareholders of the firm originated in civil law country do not receive empirical support in the paper. Even though cumulative abnormal returns are significantly proven to average at 3.31% when bidder company has the origin in common law country, the mean difference testing has not shown significant differences. Therefore the reliability of the assumption that strong investor protection and effective corporate governance which is assumed to be present in common law countries is questioned.

Several discussion points are related to the results retrieved when analysing control variables. Firstly, empirical results retrieved in this study questions the general acceptance of the assumption that capital market participants attribute higher severity of agency problem with larger firms upon the M&A's announcements. In contrast to S. B. Moeller et al. (2004) this research proves that

bidder size is positively related to the short-term M&A's performance. Secondly, in line with the studies by G. Alexandridis et al. (2010), S. B. Moeller et al. (2005), M. Martynova and L. Renneboog (2011) results of this paper document a significant negative relationship between deal size and acquiring company shareholder wealth changes. This result implies that stock market values large deals as struggling to realize potential synergies due to costly and complex post-deal integration process. Thirdly, empirical results of the paper support that relative deal size is positively related to short-term bidding company shareholder wealth gains. As suggested by M. Kooli et al. (2003), the statistically significant positive effect of relative deal size infers capital markets attribute greater capabilities for asset recombination and scale economies for the relatively to the bidder large deals even though they acknowledge greater bargaining power of the target. Finally, the obtained results document that diversifying M&A's outperform related ones. As suggested by H. Singh and C. A. Montgomery (1987) this phenomenon implies that investors give value to increased absolute size of the firm as well as to broader business spectrum experienced during diversifying M&A's. Furthermore, this result suggests that financial market participants value the benefits of cash flows variance reduction that emerge in diversifying M&A's.

Conclusions

Our research was triggered by the observation that acquiring company shareholders gain on average zero abnormal returns around the M&A's announcement day and that there is a lack of empirical studies that analyzed M&A's activity within European

Union. Through the implementation of short-term event study methodology, we analyzed a sample of 572 announced and successfully completed M&A's that occurred during the period 2004 - 2011.

The performed analysis shows that average abnormal return accumulates a value of 2.91% during three days around the event and this way gives the answer to the main research question: capital market participants' value M&A's as they value creating activity.

In contrast to initial expectations that EU expansion leads to high levels of M&A's activities towards and by firms originated in New Member States of the EU, the gathered data shows that only 7% of the total sample involves a company with origin in New Member State of the EU. Furthermore, most of these M&A's are shown to be domestic. Finally, stock price changes during 3 days length event window show similar results to M&A's announcement that involve companies originated in New and Old Member State of the EU (2.91% and 2.92% respectively). No significant differences between the subsamples are notified.

The performed analyses have shown that from the acquiring company shareholder perspective, domestic M&A's outperforms cross-border ones. Furthermore, larger wealth gains are captured when M&A's between institutionally close firms and by firms with common law backgrounds are initiated. Finally, the analysis identifies bidder size and relative sizes of the target to the bidder are positively related to bidder stock price, whereas large and related M&A's are empirically shown to destroy acquirers' stock price.

The retrieved results dispose several limitations. To start with, the central intention when starting to make this paper was to perform a European wide M&A's

study with the comparison between wealth changes experienced by shareholders of the firms with the origins in New and Old Members States of the EU. However, the data available has shown that less than 7% of all the deals involve a company with the origin in of the New Member States of the EU. Eliminating the restriction of acquirers' public listing status potentially increases the data sample available as large part of M&A's initiators in New Member States of the EU is private companies. Secondly, several theoretical issues hinder reliability of the results. The performed multivariate analysis aimed to explain the captured wealth gains. However, the econometric models explain only little over 60% of the observed wealth variations. The low explanatory power is influenced by the simplicity of the variables and public data bases available. Furthermore, the performed study focused on short-term wealth effects and is build on the basis of the bidding company share price fluctuation. Therefore, the incorporation of longer periods and accounting or internal data would serve as an advanced robustness check in the future research. Finally, the paper focused only on stock price changes as proxy for shareholder wealth changes. However, commonly corporate mission statements include broader perspective towards shareholder benefits. Considering, that maximizing earnings and cash flow or allocating capital profitability towards long-term growth initiatives are often identified in corporate mission statements, this research could be supplemented through incorporation of the analysis regarding the reasons why M&A's occur and how does it fit to the organizational strategy. Incorporating this perspective into the paper would provide more holistic and strategic approach to the research.

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SUSIJUNGIMŲ IR ĮSIGIJIMŲ PASKELBIMO EFEKTAI SIŪLANČIOS ĮMONĖS AKCININKAMS: EUROPOS SĄJUNGOS ĮMONIŲ PAVYZDYS 2004–2011 METŲ LAIKOTARPIU

S a n t r a u k a

Atliekant standartinę įvykių studiją straipsnis nagrinėja, kaip *tarptautinė plėtra, įsigijimo pobūdis, kultūriniai bei instituciniai skirtumai* bei tradiciniai kontroliniai kintamieji *įtakoja trumpalaikius įsigijimus/susijungimus paskelbiančios įmonės akcininkų disponuojamo turto vertę*. Remiantis surinkta literatūrine medžiaga bei atlikta analize, straipsnyje analizuojamos skirtingos ekonominės teorijos, nagrinėjančios bendrovių susijungimų bei įsigijimų metu įmonių akcininkų disponuojamo turto vertės pokyčius. Atlikta įvykių studija įžvelgia, jog senųjų Europos Sąjungos šalių listinguojamų bendrovių įsigijimai bei susijungimai su naujų Europos Sąjungos šalių įmonėmis sukuria pridėtinę vertę susijungimus/įsigijimus skelbiančios įmonės akcininkams.

Vidinis augimas ir įsigijimai yra du pagrindiniai įmonių plėtros tipai. Esant plačiam susijungimų ir įsigijimų paplitimui bei skirtingiems šių įvykių rezultatams, pagrindinė **tyrimo problema** yra: ar kapitalo rinkos vertina įsigijimus bei susijungimus kaip vertę kuriančius ar naikinančius sprendimus?

Tyrimo objektas – įsigijimo bei susijungimo paskelbimo poveikis pasiūlymą teikiančios įmonės akcininkams.

Tyrimo tikslas – išnagrinėti, ar tarpvalstybiniai bendrovių įsigijimai/susijungimai suteikia pridėtinės vertės pasiūlymą teikiančios bendrovės akcininkams.

Tyrimo uždaviniai:

a) remiantis moksline literatūra ištirti, kaip ekonominės teorijos aiškina įsigijimo/susijungimo metu patiriamus akcijų vertės pokyčius. Tuo pačiu metu išanalizuoti įmonės bei plėtros tipo savitumų poveikį vertės pokyčiams.

b) identifikuoti, kurie kintamieji reikšmingai

paaikškina akcininkų disponuojamos vertės pokyčius bei kaip varijuoja sukurtos vertės paskirstymas.

c) išanalizuoti Europos įmonių plėtros į naujas Europos Sąjungos šalis tendenciją bei šios plėtros poveikį akcininkų disponuojamo turto pokyčiams.

Tyrimo metodai. Atliekant įvykių studiją, remiamasi šiais metodais: sisteminė mokslinės literatūros analize, statistinių duomenų ir lyginamąja analize, daugialype regresine analize, įvykių studija, parametriniais ir neparametriniais tyrimais, R-Square statistika, F-Statistika, Durbin-Watson statistika, multikolinearumo ekstrapoliacija.

Naudojant standartinę įvykių tyrimo metodologiją tarptautinės plėtros veiksnys, įsigijimo tipas, kultūriniai ir instituciniai skirtumai bei tradiciniai kontroliniai kintamieji yra nagrinėjami siekiant paaiškinti trumpalaikius įsigijimą/susijungimą paskelbiančios įmonės akcininkų vertės pokyčius.

Remiantis atlikta statistinių duomenų analize įžvelgiama, jog kapitalo rinkos vertina įsigijimus bei susijungimus kaip įmonių vertę didinančią veiklą. Įvykių studijos metu gauti empiriniai rezultatai sutampa su tradicinėmis ekonomikos teorijomis. Teigiami įsigijimą/susijungimą skelbiančios įmonės akcininkų disponuojamo turto vertės pokyčiai patiriami: 1) įsigijimą/susijungimą vykdant vidaus rinkoje, o ne tarp skirtingų valstybių; 2) įsigijimą/susijungimą vykdant tarp kultūriškai bei instituciškai artimų valstybių; 3) įsigijimą/susijungimą vykdanti bendrovė randasi bendrosios teisės šalyje. Teigiami siūlančios įmonės akcininkų vertės pokyčiai yra susiję su šių veiksmų inicijuojančios bendrovės dydžiu bei santykiniu dydžiu tarp įsigyjamos ir įsigyjamos įmonių. Empiriniai rezultatai rodo, jog dideli, susiję bei veiklos nediversifikuojantys įsigijimai/susijungimai sąlygoja akcininkų disponuojamo turto vertės nuostolius.