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Abstract

This paper extends the use of the event study method to provide a more precise measure of the abnormal returns to raiding acquirors in Australia using daily price data. The methodology is applied to the takeovers of firms in Australia and the abnormal returns to raiding acquirors are also examined and compared to those involving non-raiding acquirors. It is found that takeovers initiated by both raiding and non-raiding firms result in significant positive abnormal returns, although acquiring raiders appear to capture more of those abnormal returns than do their non-raiding counterparts.



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