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The performance of UK firms acquiring large cross-border and domestic takeover targets

M. S. B. Aw & R. A. Chatterjee

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underperforming. And the particularly poor performance of UK companies acquiring in Europe suggests that this anomaly may become even more significant as European cross-border activity gathers pace.

Notes

[1] The Rosters are extracted quarterly from the Securities Data Company Merger & Corporate Transactions Database, a computer-accessible data bank of M&A activity from 1981 to present (from Rosters, Mergers & Acquisitions).

[2] The 50% figure was selected so as to eliminate companies that were only acquiring an interest in the target company.

[3] It is acknowledged that the threshold set is somewhat arbitrary, but it is considered that this would filter the large acquisitions desired for this study.

[4] See Appendix A for final sample list.

[5] See Appendix B for a list of company's that have changed names.

[6] The est ... el, α and β, used to ...

[7] Conn a ... use pre-event es...

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[11] Logari ... buted (compar... mptions of standar...

12 Arithmetic averaging implies rebalancing to equal weights each period (Blume and Stambaugh, 1983).

13 See Brown and Warner (1980).

14 See tables 4 and 5 for significance level.

15 Firth (1979), using the MM, found significant abnormal losses of around −8.2% in the 12 month post-bid period on a UK sample.

16 However, their base date is the date at which the bidder has enough shares to guarantee control of the target.

17 The results are consistent with Conn and Connell (1990), when comparing their results calculated using parameters estimated on a similar pre-announcement period. However, Conn and Connell (1990) also used different estimation periods for the calculation of the parameters, which led to different results.

18 Where t is the announcement month of the bid.

19 Although they too experienced negative CARs.

20 Although a possible explanation may be that their sample period of 1975–1990, focusing

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