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Press Release Management around Accelerated Share Repurchases


Kai Chen 

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ABSTRACT

Accelerated share repurchases (ASRs) have gained popularity in recent years. At the inception of an ASR, a firm receives most of the shares that would be repurchased at the current stock price. At the completion of the ASR, the repurchase price is adjusted to the average stock price during the ASR contract period. I find that managers increase the media coverage of negative press releases before the inception date but not during the contract period. While prior research has documented that managers deflate stock prices before open market repurchase announcements to reduce subsequent repurchase prices, this paper suggests that, in ASRs, managers rank accelerating share delivery higher than reducing the repurchase price.

 Keywords: [Accelerated share repurchases](#) [Press release management](#) [Media coverage](#) [Negative tone](#)

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