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IMPACT OF M&A ANNOUNCEMENT ON A SUBSEQUENT STOCK PERFORMANCE ON THE EXAMPLE OF COMPANIES LISTED ON THE WARSAW STOCK EXCHANGE

Summary: The paper deals with the issue of potential gains coming from M&A for both sides of the deal, in particular the author researches nine M&A transactions concluded by Polish companies listed in the Warsaw Stock Exchange in the time period of 2005-2009. Although in the literature there exist a lot of theories that point out the advantages created by such transactions, nevertheless, empirical studies show that a merger or tender offer can be negatively perceived and/or assessed by investors. The article not only sheds a new light on the issue of potential gains extracted by Polish companies as a result of M&A activity but also provides with the evidence that in some cases a decision as to whether merge or not can be accompanied by inter alia a negative subsequent stock performance of the bidder stock, target stock or both of them.

Key words: the influence of mergers and takovers on the share price.

1. Introduction

M&A transactions are concluded in order to create a new value that to some extent can be justified by synergy effects. In general, managers can strive to enhance the value of the companies run by them, profits achieved, to obtain an access to a further growth or simply to manage a bigger business due to size-of-the-company-oriented salary. Literature usually mentions another main purpose relating to M&A, i.e. the executives in their decisions on a potential deal are or should be propelled by the endeavour to create additional wealth to their shareholders.

On the other hand some authors argue that in the aftermath of the *marriage* between two companies the bidder shareholders suffer losses. To the most famous theories in this area belong the theory of the wealth transfer from bidding company's shareholders to target company's shareholders. According to this theoretical approach bidders pay premium for the targets and the bigger the number of potential contestants in the bid the higher the probability of overpaying. The author has made a hypothesis that a merger or tender offer creates losses for at least one side of the deal.

Although Poland transformed from a centrally-planned economy into a free-market relatively recently one has been able to discern an increasing M&A activity. Especially after joining the European Union by Poland in 2004 there occurred a great number of M&A deals impelled inter alia by the inflow of foreign capital. Some of the deals were of considerable size what can serve also as an argument in a discussion about the strength of Polish capital market. Nevertheless, from 2007 through 2009 the M&A transactions activity retreated significantly. The author focusses on mergers and acquisitions that were sealed within the time period of 2005-2009 by companies listed on the Warsaw Stock Exchange.

2. Objectives and methodology of the article

The objective of the article is to assess the impact of a share repurchase and announcements of a tender offer on the subsequent stock performance of Polish companies listed on the Warsaw Stock Exchange. To attain this goal the author has deployed event study methodology using the data collected from financial portal www.money.pl. In general, there exist various theories that underpin the hypothesis of the wealth transfer from bidder shareholders to target shareholders but on the other hand one can point out some cases extracted from economic reality that disprove the aforementioned theoretical considerations and/or can shed a quite different light on this issue.

As mentioned above the author has utilized event study methodology – the analysis of nine M&A transactions to which the article refers to has been performed on the basis of three methods, i.e. the Mean Adjusted Return Method, the Market Model Method, and the Market Adjusted Return Method. However, there exist other methods in literature such as the Capital Asset Pricing Model (CAPM) and Reference Portfolio Method, but for the purposes of this article the three selected ones appear to be the most adequate to take into account the range of miscellaneous factors that are included. Below there have been displayed particular methods.

2.1. Mean adjusted return method

The *ex ante* expected return on a security is constant with respect to time but it can vary with respect to securities. This model is consistent with the assumptions of CAPM and it also posits systematic risk and stationary investment opportunity set for investors. The first step is to select the *clean period*¹. Afterwards there should be calculated the average daily return of this period for a specific company. The

¹ Clean period – the period of spanning days on which there was revealed no information having any liaisons with the event. Clean period can encompass the period before or after an event but never a combination of them and never the event period.

expected return for a firm for each day equals the mean daily return achieved in the clean period by a company, e.g. for a clean period $[-241; -40]$:

$$\widehat{R}_{it} = \frac{1}{100} \sum_{-241}^{-41} R_{it}$$

and the excess return gained on a day from the event window is equal to:

$$r_{it} = R_{it} - \widehat{R}_{it}$$

2.2. Market model method

This method is most commonly used due to the fact that it factors into the mean returns and the risk that accompanies the market. At the very beginning of the estimation procedure within this model there should be selected a clean period and then there is performed regression for each day in the period. The equation of the market model is:

$$\widehat{R}_{it} = \alpha_i + \beta_i R_{mt} + \varepsilon_{it}$$

where: \widehat{R}_{it} – the expected return on a security i at the moment t ;
 α_i – the mean return over the period not explained by the market;
 β_i – the sensitivity of a company i to the market;
 R_{mt} – the return on a market index on day t ;
 ε_{it} – the statistical error for which the following holds $\sum \varepsilon_{it} = \mathbf{0}$.

The statistical errors ε_{it} should sum up to zero in the *clean period*. As a result of the regression there are estimated the parameters $\widehat{\alpha}_j$ and $\widehat{\beta}_j$. The predicted return for i company on the t day within the event period is equal to:

$$\widehat{R}_{jt} = R_{it} - \widehat{\alpha}_j - \widehat{\beta}_j R_{mt}$$

where:

R_{mt} – the return on a market index for the actual day in the event period.

2.3. Market adjusted return method

It can be deemed as the simplest method among the three considered by the author. The underlying assumption is that the *ex ante* expected return on a security is constant both with respect to other securities and time. This model is consistent with the assumptions of CAPM with $\beta_i = \mathbf{1}$ for all companies whereas $\alpha_i = \mathbf{0}$. The expected return for i company at the moment t in the event period is:

$$\widehat{R}_{it} = R_{mt}$$

and the excess return gained on a day from the event window is equal to:

$$r_{it} = R_{it} - R_{mt}$$

where:

R_{mt} – the return on a market index for the actual day in the event period.

The methods described above should generate similar results, however some of the researchers recommend the market model method due to its comprehensive character – it reckons the biggest number of factors while for instance the Mean Adjusted Return Method does not take into account the contingent impact of behaviour of the stock prices of the whole market on the stock price of analyzed company and the Market Adjusted Return Method does not consider the characteristics of behaviour of stock prices of examined company.

Moreover, to check whether the outcome of the research can be viewed as reliable the author analyzed the statistical significance of them. Below there has been presented the methodology used for this purpose.

2.4. Test statistics used to the calculation of statistical significance of event returns

To check with a certain level of confidence whether the excess returns (residuals) differ significantly from zero there can be tapped the statistics which tests the null hypothesis that the 1-day residual for a given firm equals zero; if one makes an assumption that the returns for that firm are independently and identically, normally distributed then one can say that:

$$\frac{r_{it}}{\hat{S}(r_i)}$$

can be described by means of a t – distribution where:

r_{it} – the residual for i company at the moment t ;

$\hat{S}(r_i)$ – the evaluated standard deviation of the residuals for i company utilizing data from the estimation interval (using the before mentioned example → see ‘the mean adjusted return method’ above):

$$\left[\sum_{-240}^{-41} (r_{it} - \bar{r}_{it})^2 \right]^{\frac{1}{2}}$$

with 199 degrees of freedom.

When there are more than 30 degrees of freedom then the t – statistics has a standard normal distribution. The procedure of rendering the results of this test is: the null hypothesis can be declined only when the ratio is greater than the critical value what means that the 1-day residual at the significance level of 5% differs from zero.

The procedure of testing the null hypothesis stated above can be extended onto a group of companies. The 1-day abnormal return averaged over firms is defined as:

$$AR_t = \frac{1}{N} \sum_{i=1}^N r_{it}$$

and consecutively the extended form of $\frac{r_{it}}{\hat{S}(r_i)}$ ratio is:

$$\frac{AR_t}{\hat{S}(AR)} = \frac{AR_t}{\left[\frac{1}{100} \sum_{-280}^{-180} (AR_t - \overline{AR})^2 \right]^{\frac{1}{2}}}$$

where:

$$\hat{S}(AR) = \left[\frac{1}{100} \sum_{-280}^{-180} (AR_t - \overline{AR})^2 \right]^{\frac{1}{2}}$$

is the standard deviation of the entire sample (the same for each day in the event period as a consequence of usage of the same estimation period for a sample ensuing from independent and identically distributed abnormal returns) and:

$$\overline{AR} = \frac{1}{100} \sum_{-280}^{-180} (AR_t)$$

The formula for the event window $[-40; +40]$ is as follows:

$$\frac{CAR}{\hat{S}(AR)} = \frac{\sum_{t=-40}^{+40} AR}{\sum_{t=-40}^{+40} \hat{S}(AR)}$$

2.5. Pre-bid shareholder returns (*ex ante* analysis)

In the Polish capital market it is incumbent upon the bidder to go public with information on the deal required by the law – e.g. in case of a merger bidding company must abide by the Prime Minister's Decree from October the 16th 2001 (§5, passage 1 pct. 22) on disclosure obligations for an issuer of current and periodical information. In reality, the incidence of the obligatory part to be revealed is relatively sparse and therefore *ex ante* analysis premised upon only this information for an average capital market participant can provide only with cursory findings. In case when a merger or acquisition is accompanied by an issuance of new shares a joint-stock company must issue a prospect in which there must be given the information on the consequences of a merger/acquisition but as it is observed in practice firms provide with information in synthetic and vague form.

Summarizing, publicly available information resulting from the disclosure requirements of an issuer allows to perform a poor analysis of financial consequences of a merger/acquisition.

2.6. Post-offer shareholder returns (*ex post* analysis)

In case of *ex post* analysis investors accessed only to publicly available information which in most cases does not exceed the obligatory minimum have a hard task when they seek to conduct plausible examination of the future aftermath of a merger or acquisition. It results partially from the fact that firms which announce a deal do not publish the influence of it on particular positions of the income statement. Unlike there are given real sources of synergy effects, i.e. these costs which are invariant to a merger/acquisition, then any attempts of evaluating measurable effects on the combined entity's value seem to be futile. It implies that *ex post* analysis appears to be feasible and successful only if one has data of virtually achieved synergy effects in consecutive years.

2.7. The analysis of the impact of the first information on stock quotations

Finance theory assumes that managers' decisions and endeavors should result in increased shareholders' wealth. Also mergers and acquisitions as consequences of management involvement need to mirror bigger returns to shareholders. The aforementioned assumption can be satisfied when proceeds they gain surpass the risk they incur by putting their money up to an acquirer, i.e. shareholders' gains from an investment in the stock of an acquirer must equal at least the cost of capital whereas the required rate of return amounts to investor's opportunity cost² (in case of a failure of positive gains from an acquisition the investor would have done better if he/she had ploughed his/her money into alternative investment opportunity, e.g. into market outperforming stock).

Although, as it has been justified by researchers stock market investors are able to accomplish a poor analysis at the juncture of the announcement of corporate takeovers; the broad empirical evidence indicates that market participants respond immediately to such information and their activism may result in a large jump in the wealth of target shareholders. These positive returns seem to ensue from the current merger effects rather than pure revaluation of the target.

To be able to define a return on a stock as abnormal there must be determined some reference point to which obtained results will be benchmarked. Expected returns can be received tapping different methods. The author focuses on three of them.

² J. Sudi Sudarsanam, *Creating Value from Mergers and Acquisitions: The Challenges*, Financial Times/Prentice Hall, Harlow 2003, p. 65.

The first one on is the Mean Adjusted Return Method. The expected return is defined as the mean return on the stock tracked in the clean period before the event window, e.g. in the window $[-240; -41]$.

The next chosen method yielding expected returns is the Market Model Method which distinguishes itself from other two employed in this article with it takes into account the level of risk to which the company examined is exposed with respect to the market and applies to the time interval not embraced by the event window, e.g. the window proposed above. There is performed regression analysis of series of company's returns against market index performance, too. For the purposes of this article there was used the performance of the Warsaw broad index WIG. The parameters α and β are defined as the rate of return on a stock of the company analyzed when the rate of return for the broad index, in this case for WIG, amounts to 0 and the slope of regression line, respectively.

Eventually, the last one: the Market Adjusted Return Method. This one, in turn, defines the expected returns as a difference between the actual return on the stock and the returns obtained by the market index on a particular trading day within the event window.

Next to this step there are counted: residuals, average residuals and cumulative average residuals utilizing the expected return obtained from the formula above. The author began his event study by specifying the date of first information on the deal revealed (*announcement date*). The best sources of such information in each country are papers that focus on the local stock exchange, e.g. in Poland a researcher who seeks out to gain desired information on the Polish capital market can browse papers like the *Parkiet*; in the U.S. a good example is the *Wall Street Journal*.

Subsequently, there should be defined event window whose objective is to cover the period in possibly the most comprehensive and effective way. Authors prefer the window $[-40; +40]$ although sometimes it is advisable to calibrate it (in most cases it concerns an extension of this period) when there arises a justified suspicion that some material effects of the deal may have occurred both in the previous and in the consecutive period.

One of the methods to estimate the effects of a merger or acquisition on the stock performance is to compute the residuals during the event period being the difference between the current stock price and its expected level achieved in the absence of any unusual happenings like a merger or acquisition. This gauge is calculated using the following formula:

$$r_{it} = R_{it} - \hat{R}_{it}$$

Next to this step there are cumulated abnormal returns, i.e. CAR_{it} .

The author examined nine M&A transactions in which there were involved Polish companies listed on the Warsaw Stock Exchange. These deals were announced within the time period of 2005-2009. These are the following transactions:

1. merger between ABM Solid and Resbud,
2. merger between Asseco Poland and Prokom,
3. merger between Cersanit and Opoczno,
4. merger between Noble Bank and Getin Bank,
5. takeover of Artman by LPP,
6. takeover of BPH by PEKAO S.A.,
7. takeover of Karen by Komputronik,
8. takeover of Kruk by Vistula&Wólczanka,
9. takeover of Prosper by Torfarm.

The event window includes the period of 81 trading days, i.e. [-40; +40] spanning the announcement date (*day zero*) with the exemption of Prokom (it encompassed the period [-40; +25] due to delisting of the stock after the merger), Resbud (it encompassed the period [-40; +31] due to the fact that in course of the analysis performed by the author there were available the data up to this point in time).

The clean period was defined as [-240; -41] what totals to 200 trading days with the exemption of Karen and Komputronik (it encompassed the period [-165; -41] and [-128; -41] due to the fact it was floated off on the Warsaw Stock Exchange on the 27th of June 2007 and the 9th of July 2007, respectively).

3. Event study of companies listed on the Warsaw Stock Exchange

In Tables 1. and 2. there are provided interpretations of the measures of abnormal returns. The author assumes that these results are independently and identically, normally distributed; hence the test statistic t :

$$\frac{r_{it}}{\hat{S}(r_i)}$$

has a t -distribution where:

r_{it} – the residual for i company at the moment t ;

$\hat{S}(r_i)$ – the evaluated standard deviation of the residuals for i company utilizing data from the estimation interval (using the before mentioned example → see ‘the mean adjusted return method’ above).

Table 1. presents on one hand the residuals achieved by companies considered in this analysis at the *moment 0* which is announcement date and the standard deviation of the abnormal returns for i company computed for the data taken from the *clean period* [-240; -41] and on the other hand it provides the statistical significance (the t -stat) of a particular company’s abnormal return at the announcement date. The author of this article tests the null hypothesis that the residual on the announcement day at a confidence level of 1% is equal to zero.

Table 1. One-day residuals (announcement date) statistical significance

Panel A. Acquirers		Mean adjusted return model: $R1 = R_{it} - R_i$			Market model method: $R2 = R_{it} - \alpha_i + \beta R_{mt}$			Market adjusted return method: $R3 = R_{it} - R_{mt}$		
Company	Parameter	r_{t0}	s_i	t-stat	r_{t0}	s_i	t-stat	r_{t0}	s_i	t-stat
ABM Solid		-0.0686	0.0397	-1.7292	-0.0555	0.0397	-1.3987	-0.0378	0.0397	-0.9532
Asseco Poland		-0.0115	0.0256	-0.4498	-0.0061	0.0256	-0.2400	-0.0041	0.0256	-0.1603
Cersanit		-0.0211	0.0244	-0.8666	0.0037	0.0244	0.1511	0.0106	0.0244	0.4345
Komputronik		-0.0127	0.0215	-0.5912	-0.0141	0.0215	-0.6571	0.0211	0.0214	0.9868
LPP		0.0379	0.0263	1.4418	0.0433	0.0263	1.6440	0.0482	0.0263	1.8320
Noble Bank		-0.1156	0.0283	-4.0818	-0.1111	0.0283	-3.9215	-0.1128	0.0283	-3.9819
PEKAO S.A.		0.0114	0.0190	0.6004	0.0141	0.0190	0.7438	0.0131	0.0190	0.6905
Torfarm		0.0205	0.0197	1.0388	0.0193	0.0197	0.9776	0.0158	0.0197	0.8007
V&W		0.0326	0.0681	0.4787	0.0146	0.0681	0.2148	0.0100	0.0681	0.1468
Average		-0.0141	0.0132	-1.0722	-0.0102	0.0132	-0.7750	-0.0040	0.0132	-0.3030
Panel B. Targets										
Resbud		-0.0387	0.0458	-0.8457	-0.0286	0.0458	-0.6236	-0.0108	0.0458	-0.2359
Prokom		0.0068	0.0133	0.5120	0.0115	0.0133	0.8678	0.0124	0.0133	0.9357
Opoczno		-0.0241	0.0266	-0.9069	0.0046	0.0266	0.1727	0.0089	0.0266	0.3347
Karen		0.0989	0.0760	1.3023	0.0939	0.0760	1.2365	0.0869	0.076	1.1442
Artman		0.3218	0.0389	8.2638	0.3298	0.0389	8.4701	0.3295	0.0389	8.4614
Getin Bank		-0.0302	0.0308	-0.9831	-0.0332	0.0308	-1.0777	-0.0272	0.0308	-0.8841
BPH		0.0370	0.0170	2.1783	0.0383	0.017	2.2556	0.0398	0.0170	2.3436
Prosper		0.0206	0.0211	0.9771	0.0187	0.0211	0.8889	0.0148	0.0211	0.7028
Kruk		0.0506	0.0728	0.6949	0.0295	0.0728	0.4051	0.0296	0.0728	0.4064
Average		0.0492	0.0147	3.3456	0.0516	0.0147	3.5103	0.0538	0.0147	3.6569

Source: results of own study.

Table 2. Cumulative average residuals for the event window [-40; +40] statistical significance

Panel A. Acquirers		Mean adjusted return model: $R1 = R_{it} - \bar{R}_i$				Market model method: $R2 = R_{it} - \alpha_i + \beta R_{mt}$				Market adjusted return method: $R3 = R_{it} - R_{mt}$			
		r_{i0}	s_i	t -stat	r_{i0}	s_i	t -stat	r_{i0}	s_i	t -stat	r_{i0}	s_i	t -stat
Company	Parameter												
ABM Solid		0.2696	0.0638	4.2257	0.1143	0.0606	1.8861	-0.0826	0.0584	-1.4144			
Asseco Poland		-0.1322	0.0197	-6.7107	0.0053	0.019	0.2789	0.1021	0.0202	5.0545			
Cersanit		-0.3955	0.028	-14.1250	-0.1351	0.0257	-5.2568	-0.0880	0.0258	-3.4109			
Komputronik		0.0883	0.0368	2.3995	0.1776	0.0415	4.2795	0.2285	0.0459	4.9782			
LPP		-0.1458	0.0218	-6.6881	-0.1667	0.024	-6.9458	0.0896	0.0254	3.5276			
Noble Bank		0.0858	0.0406	2.1133	-0.0785	0.0361	-2.1745	-0.1975	0.036	-5.4861			
PEKAO S.A.		-0.1592	0.0228	-6.9825	0.0834	0.0149	5.5973	-0.0011	0.015	-0.0733			
Torfarm		0.3527	0.0185	19.0649	0.3489	0.0186	18.7581	0.245	0.0212	11.5566			
V&W		0.2231	0.0294	7.5884	0.2685	0.0298	9.0101	-0.1956	0.0296	-6.6081			
Average		0.0208	0.0119	1.7412	0.0686	0.0115	5.9801	0.0112	0.0115	0.9718			
Panel B. Targets													
Resbud		1.5008	0.0714	21.0196	1.4289	0.0703	20.3257	0.9600	0.0703	13.6558			
Prokom		0.0796	0.0279	2.8530	0.1900	0.0215	8.8372	0.1697	0.0209	8.1196			
Opoczno		-0.3845	0.0298	-12.9027	-0.1185	0.0293	-4.0444	-0.0129	0.0295	-0.4373			
Karen		0.6259	0.0377	16.6016	0.7828	0.0380	20.6196	0.0013	0.0354	0.0368			
Artman		0.6504	0.0403	16.1390	0.6772	0.0422	16.0474	0.6776	0.0420	16.1333			
Getin Bank		0.1597	0.0389	4.1054	-0.0818	0.0388	-2.1082	-0.1060	0.0281	-3.7722			
BPH		-0.4120	0.0204	-20.1961	-0.2873	0.0167	-17.2036	-0.1509	0.0164	-9.2012			
Prosper		-0.3735	0.0292	-12.7911	-0.3957	0.0287	-13.7875	-0.6173	0.0294	-20.9966			
Kruk		0.1647	0.0271	6.0775	0.2179	0.0289	7.5398	-0.1240	0.0278	-4.4604			
Average		0.2235	0.0132	16.9211	0.2682	0.0130	20.6631	0.0886	0.0128	6.9226			
Resbud		1.5008	0.0714	21.0196	1.4289	0.0703	20.3257	0.9600	0.0703	13.6558			
Prokom		0.0796	0.0279	2.8530	0.1900	0.0215	8.8372	0.1697	0.0209	8.1196			

Source: results of own study.

4. Conclusions

1. In case of bidding companies only for the second method CAR is significantly higher than zero. As it has been displayed in Table 2. for acquiring companies listed on the Warsaw Stock Exchange analyzed by the author positive abnormal returns over an 81-day event window are the only ones significant at a 1% confidence level (the critical value equals to 2.64 whereas the number of degrees of freedom amounts to 199) what means that the test statistic calculated for this company crossed the level marked by critical value using three suggested methods (mean adjusted method, market model method and market adjusted method).

2. Cumulative average residuals for acquiring companies have the values slightly above zero – for individual acquiring firms as well as for the entire group of them we cannot reject the null hypothesis of a zero residual. The author of this study substantiates that for the whole group of acquirers the residuals were not found to differ significantly from zero what proves that there is no or a negligible effect exerted by an announcement of a merger or acquisition on the stock performance of potential acquiring firm in the post-announcement period. What is more, in some cases these companies suffered wealth losses, e.g. Cersanit, what is explained by the literature body as a wealth transfer from the shareholders of a bidding company to the shareholders of the target company.

3. In turn, for target companies these figures are materially larger when considered as a whole group. The fact that excess returns for target companies exceed those for acquirers support the hypothesis that M&A in general are more profitable for the first mentioned group owing inter alia to the wealth transfer which proceeds as a result of such a deal between both sides of the transaction.

4. Amid target companies the only one whose abnormal returns were significantly (at the 1% level) different from zero contemplating one-day event window for particular companies was Artman, i.e. the results obtained using three aforementioned methods were significantly different from zero.

5. Moreover, when considering 81-day event window for three target companies being the components of the Warsaw broad index WIG and included in this analysis the residuals gained by them were different from zero at a level of confidence of 1%. These are: Artman, Prokom and Resbud.

6. Interestingly, when, however, there is compared the value of the test statistics received for target companies as the entire sample with the critical value obtained for 199 degrees of freedom (which equals 2.60) then the abnormal returns differ from zero at a confidence level of 1%. These results obtained for the target companies support the hypothesis that the announcement of a merger or acquisition is perceived by the market positively and usually is a harbinger of an increase in the market value of such a firm, also as a result of activity of speculators (called in jargon *arbs*).

7. Some of the average results seem not to be reliable what can ensue from the fact that it is not very likely that the market investors judge negatively the influence

of a merger on the value of both companies involved in such a deal, for example BPH, Prosper or Opoczno. The author argues that as one of possible explanations can serve economic conditions, especially the economic slowdown of the years 2007-2009 and in some countries the biggest contraction since the Great Depression. Nonetheless, a negative judgement of a merger or acquisition can be germane to a negative investors' view on a subsequent performance of the combined entity. It can be caused however by other factors which were not necessarily pertinent to a merger.

8. Some of the average results seem not to be reliable what can ensue from the fact that it is not very likely that the market investors judge negatively the influence of a merger on the value of both companies involved in such a deal, for example BPH, Prosper or Opoczno. In spite of the existence of the hypothesis of a wealth transfer from bidder shareholders to target shareholders the author has reported that in some transactions and circumstances in the Polish capital market analyzed by him there were observed negative stock performance following *the event*, i.e. the announcement of a merger or a takeover. The analysis of the reasons of such situations goes beyond the purpose and framework of this article.

Nevertheless, the author risks a hypothesis that the negative effects of an announcement of a merger or a takeover to acquiring company's shareholders as well as for acquired company's shareholders can be explained to some extent by economic conditions, especially the economic slowdown of the years 2007-2009 – the time period in which the transactions were stitched up. An argument supporting this hypothesis can be also the fact that the aforementioned economic slump in some countries was the biggest contraction since the Great Depression of the 1930s what affected global stock exchanges relatively severely. Furthermore, a negative judgement of a merger or acquisition can be germane to a negative investors' view on a subsequent performance of the combined entity. It can be caused however by other factors which were not necessarily pertinent to a merger.

Summarizing, taking into account the results obtained from the research conducted by the author one can find that not all of the M&A deals are accompanied by the increase in the wealth of the shareholders of both involved firms. Furthermore, the results indicate that there can be pointed out cases in which the shareholders of a bidder and a target suffer losses. These findings support the hypothesis made at the very onset of this article thus proving it, i.e. the author has proven on the example of Polish companies listed on the Warsaw Stock Exchange that M&A deals can create losses for at least one side of the deal.

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WPLYW INFORMACJI O FUZJI LUB PRZEJĘCIU NA CENĘ AKCJI NA PRZYKŁADZIE SPÓLEK NOTOWANYCH NA GPW W WARSZAWIE

Streszczenie: Artykuł dotyczy kwestii potencjalnych zysków płynących z fuzji i przejęć dla obu stron zawierających transakcję. Autor zbadał głównie dziewięć transakcji fuzji i przejęć z udziałem polskich spółek notowanych na Giełdzie Papierów Wartościowych w Warszawie w okresie od 2005 r. do 2009 r. Choć w literaturze przedmiotu istnieje wiele teorii wykazujących korzyści wynikające z połączenia lub przejęcia, niemniej jednak badania empiryczne pokazują, iż fuzje i/lub przejęcia mogą być negatywnie postrzegane i/lub oceniane przez inwestorów, co uwidacznia się w cenie rynkowej akcji danej spółki. Niniejszy artykuł rzuca nie tylko nowe światło na kwestię potencjalnych zysków osiągniętych przez polskie spółki jako rezultat fuzji lub przejęcia, lecz także dostarcza dowodu, iż decyzja dotycząca fuzji lub przejęcia może m.in. być źródłem spadku cen akcji spółki przejmującej, spółki przejmowanej lub akcji obu tych podmiotów jednocześnie.