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Is Cash Really King?

Form of Payment and Bidder Abnormal Returns in the Swedish Takeover Market

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Abstract: This bachelor thesis sets out to explain the effect of the method of payment on bidder returns in corporate acquisitions, applying a separate analysis to publicly traded and private held targets. Our analysis is based on 310 acquisitions in Sweden, completed in the years 2002-2012. The study is performed by measuring cumulative abnormal returns of the bidding company in an event study around the announcement date of the transaction. We find strong evidence in support of our hypothesis that equity as a payment method in acquisitions of publicly listed companies has a negative impact on bidder returns. We hypothesis that this result is explained by the signaling effects theory. Additionally, we find some limited evidence supporting our hypothesis that equity as a payment method in acquisitions of privately held companies has a positive impact on bidder returns. We hypothesis that this effect is explained by the formation of block holder shareholders and tax implication effects.

Keywords: Form of payment, Abnormal Return, Bidder Returns, CAR, Mergers, Acquisitions, M&A

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INTRODUCTION

This bachelor thesis sets out to explain the effect of the method of payment on bidder returns in corporate acquisitions. We apply a separate analysis to publicly listed and privately held targets. The data includes 310 acquisitions made by publicly listed firms in Sweden, completed in the years 2002 to 2012. Cumulative abnormal returns of the acquiring firm are measured through an event study around the date of the announcement of the transaction.

Broadly speaking, our hypothesis is that the impact of the method of payment on bidder returns varies depending on the public status of the target. Specifically, we believe that equity as a payment method has a negative effect on bidder returns when the target is publicly listed and that this is due to the signaling effects. By contrast, we hypothesize that equity as a payment method has a positive effect on bidder returns when the target is privately held and that this is due to the formation of block holder shareholders and tax implication effects.

In a standard OLS regression of cumulative abnormal returns to the bidding firm in an 11 day event window around the date of the announcement of the transaction, including only acquisitions of publicly traded targets, and controlling for form of payment, collateral, subsidiary targets, intra-industry and cross-border transactions, and tobins q, and year and industry fixed effects, and heteroskedasticity, we find that equity as a payment method has a negative coefficient, significant on a 5% significance level. This result provides evidence of our initial hypothesis that equity as a payment method has a negative impact on bidder returns when the target is publicly listed.

In a standard OLS regression of cumulative abnormal returns to the bidding firm in an 11 day event window around the date of the announcement of the transaction, including only acquisitions of privately held targets, and controlling for collateral, subsidiary targets, intra-industry and cross-border transactions, and tobin's q, and year and industry fixed effects, and heteroskedasticity, we find that equity as a payment method has a positive coefficient, significant on a 10% significance level. This result provides some very limited supporting evidence that equity as a payment method has a positive impact on bidder returns when the target is privately held. We recognize that additional research is needed in order to draw any firm conclusions. However, we believe these results provide enough evidence to warrant further research in the field.

Prior Research

Signaling effects

The method of payment and its impact on the returns of the acquiring company has been a topic of much research. The theory of signaling effects (Myers and Majluf, 1984) suggests that if key decision makers within a firm believes it to be undervalued, they will choose to finance the acquisition with cash. By contrast, if they believe it to be overvalued, they will choose an equity consideration. The theory relies on the assumption of asymmetric information in the marketplace, i.e. the existence of under and overvalued firms. It is believed that the information effects provided by the form of payment will be reflected in the company's share price; a cash offer implying that the firm is undervalued, and a stock offer that it is overvalued. By association, a cash offer is expected to result in higher abnormal returns than a stock offer. Abnormal returns to bidding firms are hypothesized to incorporate both the expected synergies from takeover, as well as these information effects.

Schleifer and Vishny (2003) provides a model that highlights the benefit of a high valuation for making acquisitions. The theory relies on the assumption of asymmetric information in the marketplace, i.e. the existence of under and overvalued firms. The model indicates that it can be advantageous for an overvalued firm to pursue a stock-financed acquisition as a means to lock in real assets. Hence, an overvalued firm would be more inclined to finance an acquisition with stock. Furthermore, overvalued firm might be better able to acquire other firms, grow and survive, whereas undervalued firms tend to become targets.

The signaling effects theory has been further developed by Berkovitch and Narayanan (1990), Fishman (1989), and Eckbo, Giammarino, and Heinkel (1990). Their research indicates that acquiring companies that are overvalued will be more prone to finance their acquisitions with cash. By doing so, theory suggests, they will provide the market with a signal of the firm's high intrinsic value. In addition, their research indicates, if there is uncertainty as to the true value of the target, the target is likely only to agree to a cash offer that is greater than its true value. In this case, the bidder would have overpaid for the target. Hence, when there is uncertainty as to the true value of the target, the bidder will be inclined to offer stock instead of cash.

Travlos (1987), Fishman (1989), Brown and Ryngaert (1991), and Martin (1996) find consistent evidence for this hypothesis: that cash offers in corporate acquisitions lead to higher abnormal returns for the acquiring company around the date of the announcement of the acquisition.

Characteristics of the Swedish market

The Swedish market is specifically characterized by a widespread use of shares with different entitlements to voting rights. This structure is known as a dual shares system. According to (Henrekson, Jakonson (2011)), in 2010, 49% of all companies listed on the NASDAQ OMX Stockholm Exchange had shares with different voting rights. Shares are typically divided in A and B shares, where A shares are entitled up to 10 times the voting rights of B shares. This has major implications to the workings of the Swedish stock market. For example, families and investment company spheres have maintained control of companies listed in Sweden in spite of increasing foreign and institutional ownership. Additionally, this dual shares system has an impact on the Swedish takeover market. For example, an shareholder entitled to 1% of the company's market capitalization can potentially hold 10% of the votes. As takeovers in Sweden require 90% acceptance rates, this shareholder is able to block a takeover (Simensen and Åkesson (2005)).

Companies with a dual shares system often exhibit a negative impact to their market valuation. This could contribute to explain the decrease in the use of A and B shares in the Swedish stock market over the last two decades (Holmén and Nivorozhkin (2007)). However, findings by (Henrekson, Jakonson (2011)) indicate no convergence with the Anglo-Saxon model with its emphasis on strong managers and diversified owners.

Privately held targets

The effect on bidder returns from acquiring privately held companies has not been extensively researched in the past.

Chang (1998) finds that acquiring firms who purchase privately held firms with equity earn a positive return of 2.64%. By contrast, his results also indicate that acquiring firms who purchase privately held firms with cash or debt have no significant abnormal returns. The study looks at both bidder returns to public and privately held targets. The dataset includes 281 acquisitions of privately held targets from 1981 through 1992, and 255 public targets from 1981 through 1988. He uses a two-day event window. He hypothesizes that a pure equity offer may contribute to creating new block holder shareholders in the acquiring company. This effect is then expected to enhance the operating performance of the acquiring company as its activities are more closely monitored, which should increase bidder value, and thus result in higher abnormal returns to the acquiring company. The likelihood of new block holders being established as part of an acquisition is believed to be more likely with private targets. This is believed to be so as public targets overall have more dispersed ownership

structures than private firms. Blockholder creations does not alone explain this differential. First, public targets tend to be larger than private targets. As such, they form a larger ownership stake in the acquiring firm. Second, private targets may consider exit strategies, at which point they are heavily biased to accepting cash considerations. In these cases, he argues, they are most likely not interested in actively taking part and monitoring the operations of the acquiring firm.

Hansen and Lott (1996) reveal that bidder returns to bidders acquiring private firms are 2% higher than for public firms. The dataset used included 252 observations of both public and private targets in the period 1985 through 1991. Their theory, providing an alternative to that of Chang (1998), is rooted in a different belief. With a diversified investor base in the acquiring firm, they hypothesize that the decision makers within the acquiring firm are more focused on maximizing the value of the shareholder's portfolio rather than maximize the value of the firm. Hence, in an acquisition of a public firm, bidders should be indifferent as to the value sharing effects between target and acquirer. By contrast, in an acquisition of a private firm, they are more prone to ensure much of the gains are captured by shareholders of the bidding firm.

Fuller, Netter, and Stegemoller (2002) studied bidder returns of acquiring firms who acquired a minimum of five public, private, and/or subsidiary targets. The dataset included 3135 takeovers by bidders making five or more successful bids within three years between 1990 and 2000. The results indicate that bidders have negative returns when acquiring public firms, and positive returns when acquiring private firms. Additionally, in takeovers involving public targets, bidder returns are negatively impacted by the use of equity as a payment method. By contrast, in takeovers involving private or subsidiary targets, bidder returns are positively impacted by the use of equity as a payment method. They attribute the results to the fact that bidders buy private firms at a discount. This is partially explained in the liquidity effect. Some of the results are attributed to the theory of the formation of shareholder block holders, as described above. Additionally, cash acquisitions of privately held firms are associated with immediate tax implications. By contrast, stock exchange offers lead to deferred tax implications. Provided that this deferral is of importance, sellers of the target company may sell their firm at a discount if stock is used, thus leading to a better price and higher abnormal returns for the acquiring company.

PUBLICLY LISTED TARGETS

Travlos (1987) found that pure stock offers resulted in negative abnormal returns for acquiring firms, and that full cash offers resulted had no effect. He looked at a dataset of 167 acquiring firms who undertook successful tender and merger takeovers of public firms in the period 1972 through 1981 in the United States. The study defined stock offers as dummy variable taking on the value of 1 if the full consideration was paid in shares, and 0 otherwise. For takeovers that included both some stock and some equity, a "mixed" dummy was used. Travlos hypothesized that cash financed acquisitions would have non-negative effect on the abnormal returns of the bidding company. By contrast, he expected stock financed acquisitions to have a negative impact due to signaling and co-insurance effects. He found support for the signaling effects theory, but not for the co-insurance effects theory. The signaling effects theory has been discussed above. The co-insurance effect theory has not been picked up much in recent research, and Travlos found no evidence that supports his hypothesis.

Bradley, Desai, and Kim (1988) study bidder returns in corporate acquisitions of public firms in the United States. Their research indicate that abnormal returns to acquiring firms vary over different time-periods. For example, in the 1980s, it is -3%, whereas the corresponding number for the 1970s is 1.3%. Explaining these results, a review by Weston et al. finds that, for example, the Williams Act and state antitakeover laws contribute to explaining these varying results.

Results by Mulherin and Boone (2000) reveal that the combined excess return to target and acquirer is positive. The dataset included 1,305 firms in the period 1990 through 1999. Bidder returns were negative, whereas returns to the target company averaged 20.2%. The study was performed in an (-1;1) event window around the announcement date of the acquisition. Others have arrived at the same conclusions regarding negative bidder returns using data from earlier time periods (Jensen and Ruback (1983), Jarrell, Brickley, and Netter (1988), Andrade, Mitchell, and Stafford (2001), Bruner (2001), and Weston, Siu, and Johnson (2001, Chapter 8).

HYPOTHESIS

We have formulated our hypothesis based on the conclusions drawn by previous research in the field and applied it to a Swedish context. Specifically, we separate our hypothesis in two categories: The effect of the method of payment on bidder returns in acquisitions of publicly listed target firms, and the effect of the method of payment on bidder returns in acquisitions of privately held target firms.

Our hypothesis is that equity as a payment method in corporate acquisitions of publicly listed target firms has a negative impact on bidder returns. Additionally, we hypothesize that equity as a payment method in corporate acquisitions of privately held firms has a positive impact on bidder returns. Below, we describe each of these in more detail.

PUBLICLY LISTED TARGETS

Previous research in the field have consistently indicated that equity as a payment method in corporate acquisitions of publicly listed targets has a negative impact on bidder returns (Jensen and Ruback (1983), Jarrell, Brickley, and Netter (1988), Andrade, Mitchell, and Stafford (2001), Bruner (2001), and Weston, Siu, and Johnson (2001, Chapter 8). Much of these results have been explained by the signaling effects theory (Myers and Majluf, 1984). The hypothesis in this study, consistent with that of previous research in the field, is that the form of payment in corporate acquisitions plays a role in determining bidder returns when the target is publicly listed. Specifically, we hypothesize that equity as a payment method when acquiring publicly listed targets has a negative effect on the returns of the bidding company due to signaling effects.

The theory of signaling effects (Myers and Majluf, 1984) suggests that if key decision makers within a firm believes it to be undervalued, they will choose to finance the acquisition with cash. By contrast, if they believe it to be overvalued, they will choose an equity consideration. The theory relies on the assumption of asymmetric information in the marketplace, i.e. the existence of under and overvalued firms. It is believed that the information effects provided by the form of payment will be reflected in the company's share price; a cash offer implying that the firm is undervalued, and a stock offer that it is overvalued. By association, a cash offer is expected to result in higher abnormal returns than a stock offer. Abnormal returns to bidding firms are hypothesized to incorporate both the expected synergies from takeover, as well as these information effects.

Supporting the signaling effects theory, Schleifer and Vishny (2003) provides a model that indicates that it can be advantageous for an overvalued firm to pursue a stock-financed acquisition as a means to lock in real assets. Hence, an overvalued firm would be more inclined to finance an acquisition with stock.

PRIVATELY HELD TARGETS

Previous research in the field, have pointed to the fact that equity as a payment method in corporate acquisitions of privately held targets has a positive impact on bidder returns (Chang (1998); Fuller, Netter, and Stegemoller (2002)). Much of these results have been explained by two factors: the formation of block holder shareholders, and the value of deferred tax implications. The hypothesis in this study, consistent with the previous research mentioned, is that the method of payment plays a role in determining bidder returns when the target is privately held. Specifically, we hypothesize that equity as a payment method has a positive effect on the returns of the bidding company due to the possible formation of block holder shareholders, and the value of deferred tax implications. Below, we describe each of these in more detail.

Privately held firms generally have more concentrated ownership than publicly listed firms (Fuller, Netter, and Stegemoller (2002)). Therefore, when stock is used as a payment method to acquire a privately held firm, the probability of block holder formation is greater than for acquisitions of publicly listed firms. As hypothesized by Fuller, Netter, and Stegemoller (2002), the formation of a large block holder then leads to better monitoring of the acquiring company's management. This effect is expected to have positive effect on the value of the acquiring company, resulting in increased bidder returns. Thus, in corporate acquisitions of privately held firms, the effect of equity as a payment method on bidder returns should be positively impacted by the increased probability of the formation of a block holder shareholder.

Again, privately held firms generally have less concentrated ownership than publicly listed firms (Fuller, Netter, and Stegemoller (2002)). Therefore, sellers of privately held companies should be more sensitive to immediate tax implications of a takeover than owners of publicly held companies. A cash acquisition leads to immediate tax implications, whereas a stock offer has deferred tax implications. Given that this possibility to defer taxes is valuable to the owners of the privately held firm, they should be more prone to accepting a stock offer. This bias should theoretically lead to a bidder being able to pay a lower price in a stock acquisition, than in a pure cash acquisition. This lower price will then theoretically result in higher bidder returns for the acquiring company. Research by (Poulson, and Stegemoller (2002)) observe that 36% of owners of privately held targets

consider tax implications as a key concern when looking to sell to a publicly listed firm, further supporting this hypothesis.

METHODOLOGY

We measure bidder returns by the cumulative abnormal returns (CAR) to the acquiring company around the date of the announcement of the transaction. In order to arrive at CAR, we make use of the market model to estimate abnormal returns. We then use two different event windows to calculate the CAR of the transaction. A more detailed overview of our CAR calculation is described further down below in this section.

In order to research the impact of the method of payment on the bidder's cumulative abnormal returns, we run a number of standard OLS regressions, controlling for heteroskedasticity. First, we run a univariate regression, observing the impact of form of payment on CAR. Second, multivariate regressions are conducted where we control for year and industry fixed effects. For this regression, we include the following variables: Form of Payment, Collateral, Subsidiary, Intra-industry, Cross-border, Tobins Q and Total Assets. Additionally, we re-run the above multivariate regressions, including also an Owner variable. Our control variables are described in more detail further down below in this section.

Prior research has indicated that the impact of the method of payment on bidder returns varies significantly depending on the public status of the target company (see Prior Research). In order to control for this, we separate our data into three parts: full sample; only public targets; and only unlisted targets. We run the regressions defined above on all three datasets. Further information on our dataset is explained under Data.

EVENT STUDY AND CAR CALCULATION

The empirics of this thesis is based on an event study, an approach used in much previous research on abnormal returns to acquiring companies around the date of the announcement of a takeover (Campbell, Lo, Mackinlay (1997)). According to MacKinlay (1997), the process of doing an event study should begin with the selection of an appropriate event, in this case the announcement date of the transaction. The event window is based on the period over which the market reacts to the information. The length of the event window differs between many studies. We have chosen to include two event windows that have been used by previous well-quoted research. We include the (-1;1) event window as has been used by Malmendier and Tate (2003), and the (-5;5) event window as has been used by Brown and Warner (1985). A three-day time frame is used to capture the immediate market return of the day before to the day after announcement. As the deal can be announced after the closing of the marketplace, a three day window is the minimum needed in order to capture the share

price reaction to the transaction announcement. Additionally, the 11-day time frame is used to account for the fact that the market may not necessarily be perfectly competitive, and that it thus may require additional time to price in the information of the transaction in the bidder's share price.

Abnormal return is calculated as follows:

$$AR_{i,t} = R_{i,t} - E(R_{i,t}|X_t)$$

Where $AR_{i,t}$ is the abnormal return, $R_{i,t}$ is actual return, and $E(R_{i,t}|X_t)$ is the expected return of firm i on day t. (MacKinlay (1997))

The actual return is calculated as:

$$R_{i,t} = \frac{P_{i,t} - P_{i,t-1}}{P_{i,t-1}}$$

Where $P_{i,t}$ is the share price of firm i on day t, and $P_{i,t-1}$ is the share price of firm i on the day prior to day t. (MacKinlay (1997))

The expected return is estimated using the market model, assuming a constant relation between the market return and the security return.

$$R_{it} = \mathrm{a}_i + \mathrm{b}_i * R_{mt} + \mathrm{e}_{it}$$

Where a_i is estimated alpha of firm i, b_i is the beta of firm i, and R_{mt} is the market return (OMXS) at day t (MacKinlay (1997)). Alpha and beta for all firms in the dataset is calculated using a time series regression in STATA, on share prices and the market index. Beta is the coefficient and alpha is the intersect. Similarly to (Bradley, Desai, Kim (1988)), we obtain the market model parameter using a maximum 240 trading days of daily returns data beginning 300 days before the announcement of the transaction. This approach is slightly different from (Bradley, Desai, Kim (1988)), who based the initial date on the first tender offer bid. The time period excludes the 60 days prior to the announcement date. This is to account for the risk of prior takeover attempts before the bid announcement of the ultimate acquirer. Other takeover attempts could affect the share price and hence change the beta estimation, making it less valid.

Finally, CAR is calculated as the sum of all abnormal returns over the event window:

$$CAR_{i,T} = \sum_{t=0}^{T} AR_{i,t}$$

Where $CAR_{i,T}$ is the culumative abnormal return for firm i over the event window T.

CONTROL VARIABLES

Below, we include a table that provides an overview of the control variables we are looking to include in our multivariate regression and their respective definitions. We describe them in more detail further down in the section.

Control Variables

Qualitative variables (Dummies)	Definition
Stock Payment	1 if more than 50% of payment consists of stock
Subsidiary	1 if the target don't have the same name as the target ultimate parent
Intra-industry	1 if the target and the bidder share the first 3 digit SIC code
Cross border	1 if target nation is Sweden

Quantitative variables	
Owner	The bidder's largest shareholder's voting share in %
Collateral	(Bidder PP&E) / (Bidder Total Assets)
Tobins Q	(Bidder Market Value of Total Assets) / (Bidder Book value of Total Assets)
Total assets	ln(Total Assets)

All quantitative variables are based on the bidders book and market values as of the end of the year prior to the announcement date of the deal

OWNER

Research indicate that firms with major controlling shareholders are more inclined to opt for cash financing when they pursue acquisitions. This is explained by the fact that such major controlling shareholders are likely to be reluctant to use equity as a payment method, as it will dilute their control of the company (Amihud et al. (1990), Stulz (1988), and Jung, Kim, and Stulz (1996)).

To control for the above effects, we include a control variable taking on the value of the percentage share of the total voting shares in the company that is controlled by the single largest shareholder at the time of the transaction. The use of this variable is consistent with the approach taken by Faccio, Masulis (2005).

Most prior research in the field has been focused on the US market. Hence, it is important to recognize that the Swedish stock market operates in a fundamentally different way with regards to ownership and control of listed companies. Sweden is distinguished from the US market, with the common use of A and B shares (Henrekson, Jakonson (2011)). Owners of A-shares are entitled of up to ten times the voting rights of an owner of B-shares. Hence, the impact of this control variable might be less significant in the Swedish takeover market than in the US, as the bidder can pay by issuing B-shares, and thus circumvent diluting his control of the company (Simensen and Åkesson (2005)). To account for this potential issue and difference in the Swedish and US takeover market, we runt two separate multivariate regressions; one including this variable, and one excluding it.

Collateral

A high ratio of book value of property, plant and equipment (PP&E) to book value of total assets should correspond to a low cost of capital as any newly issued debt can be backed by a large asset base. Hence, cash financing is hypothesized to be more beneficial for companies with a high such ratio (Myers (1977)).

We include as a control variable the proportion of book value of property, plant and equipment (PP&E) to book value of total assets. This is used as a proxy for ability to finance an acquisition with debt, and the use of this variable consistent with the approach taken by Faccio, Masulis (2005).

Total Assets

We include a control variable Total Assets, which is defined as the log of total assets. This is used to account for the fact that larger firms are more likely to be well-diversified and have lower expected bankruptcy costs. Additionally, debt markets are more easily available to larger firms. The use of this variable is consistent with the approach taken by Faccio, Masulis (2005).

Subsidiary

When a subsidiary company is acquired, the parent company to the subsidiary should be more prone to accept a cash offer than a stock offer. This is explained by the fact that the parent company is likely to need cash to

finance other operations, such as reducing their level of debt or to finance their capital expenditure Faccio, Masulis (2005).

We include as a dummy variable the subsidiary status of the target firm. The use of this dummy is consistent with that taken by Faccio, Masulis (2005).

Intra-industry

A seller is more likely to accept stocks as a payment method if the bidder is in the industry. This is believed to be so, as the seller is more probable to accept stock payment from an acquirer in a familiar industry, and that asymmetric information is then likely to be lower. Hence, intra industry deal should entail a bias toward stock payment (Faccio, Masulis (2005)).

We include as a dummy variable whether the bidder and target are in the same industry as measured by their first 3 digit SIC codes. The use of this variable is consistent with the approach taken by Faccio, Masulis (2005).

Cross Border

Targets in cross border deals are expected to be biased towards cash payment. This is believed to be so, as stock payment involves numerous risk factors in cross-border deals, such as, for example, currency risk, liquidity problem, imperfect firm information compared to sellers in the same nation Faccio, Masulis (2005).

We include as a dummy variable whether the bidder and target are from the same nation. The use of this variable is consistent with the approach that taken by Faccio, Masulis (2005).

Tobin's Q

Firms with high market to book value are associated with high growth and should thus be considered as a more interesting investment opportunity. Hence, sellers should be more willing to accept stock as a payment method in firms with high market to book value (Jung et al. (1996)).

To account for this effect, we include Tobin's q as an explanatory variable. Tobin's q is defined as the ratio of market to book value. The use of this variable is consistent with the approach taken by Faccio, Masulis (2005).

DATA

SELECTION CRITERIA

Below, we detail the criteria used for selecting the data sample used in the thesis. While the effects of form of payment have been widely researched globally, the Swedish M&A market has not been covered as extensively. Therefore, an important aspect of our thesis pertains to our sample selection.

We focus exclusively on Swedish Mergers and Acquisitions transactions completed in the time period 2002-01-01 to 2012-03-30. Hence, a transaction could be announced in 2001 but completed in 2002, and is therefore included in our dataset. The M&A transactions included in the sample is limited to deals where the bidder has a Swedish ultimate parent listed on the NASDAQ OMX Stockholm Exchange. Furthermore, the form of deal is limited to a "merger or acquisition". As part of our selection criteria, the percent of shares owned before the transaction should be less than 50% prior to the transaction and more than 50% after the transaction. This is to ensure that the transaction examined is associated with a change in ultimate ownership. Such criteria implies that the information on percentage of shares owned before and after the transaction has to be publicly available. Additionally, data on the form of payment, and percentage stock and cash used as consideration, has to be available.

In summary, the transactions included in our sample meets the following criteria:

- Completion date is between 2002-01-01 and 2012-03-30
- The ultimate parent company is Swedish
- The ultimate parent company is a public company listed on the NASDAQ OMX Stockholm Exchange
- Form of deal is Merger or Acquisition
- Percent of Shares Owned before Transaction is below 50%
- Percent of Shares Owned after Transaction is between 50% and 100%
- Form of payment, and the percentage stock and cash used as consideration, is publicly available

The sample consists of 310 M&A transactions in total, with 135 listed acquiring companies.

The selection of using only Swedish parent acquirers is due to the fact that this is a relatively unexplored area with regards to form of payment in M&A transactions. Also, the authors find the Swedish market for mergers and acquisitions of particular interest. By including only deals completed post 2001, market trends are captured, including the recovery from the technology bubble in the beginning of the decade and the financial crisis with the following euro crisis. In order to analyze the abnormal share performance of the acquiring company, the

ultimate parent company has to be listed. Worth noting is that by focusing on companies listed on the main exchange in Sweden, factors like legal, accounting and exchange settings are expected to be more homogenous than in a cross-country comparison. Transactions where the target is listed on specific smaller Swedish stock exchanges, such as First North, Aktietorget, etc. has been excluded due to the lower levels of trading liquidity, generally smaller market capitalization, and different exchange rules (Finansinspektionen (2012)). Such transactions are not deemed comparable by the combined judgment of the authors. Additionally, we only include transactions where the target company is consolidated as a result of an acquired majority shareholding, as this has a bigger impact on the ultimate acquirer share price performance. Form of payment need to be known in order to analyze its effects on the bid.

In order to calculate the share price performance following the deal, the cumulative abnormal returns and beta are estimated using share prices 300 days prior to the announcement date and 5 days after the completion date. Hence, closing share prices between 2001-01-01 and 2012-03-30 is gathered for all acquiring firms. A key criteria is that the ultimate parent company of all the acquiring firms must be listed on a NASDAQ OMX Stockholm Exchange, the OMX Stockholm (OMXS) index is considered a fair proxy for the market by the combined judgment of the authors. For the same reason, the Swedish 10 year government bond is used as a proxy for the risk free rate. As with share prices, data from 2001 to 2012 have been selected.

DATA OVERVIEW

VARIABLE OVERVIEW

		Stock Payment 2	*Industry*	*Owner*	*Collateral*	*Total Assets (mSEK)*	*Subsidiary*	*Intra-industry*	*Cross border*	*Tobins Q*
Total Sample	Mean	0,161	4,703	0,344	0,165	112 951	0,384	0,442	0,606	2,015
No of obs: 310	Median	0,000	4,500	0,317	0,081	8 754	0,000	0,000	1,000	1,598
	Std. Dev.	0,368	2,080	0,184	0,209	436 121	0,486	0,497	0,489	1,697
	Max	1,000	8,000	0,860	0,951	5 140 804	1,000	1,000	1,000	15,672
	Min	0,000	0,000	0,024	0,000	7	0,000	0,000	0,000	0,418
Listed targets	Mean	0,348	4,725	0,324	0,163	180 085	0,116	0,377	0,464	2,184
No of obs: 69	Median	0,000	5,000	0,297	0,092	13 936	0,000	0,000	0,000	1,661
	Std. Dev.	0,476	1,925	0,187	0,223	695 615	0,320	0,485	0,499	1,946
	Max	1,000	8,000	0,846	0,949	5 140 804	1,000	1,000	1,000	15,672
	Min	0,000	1,000	0,005	0,000	7	0,000	0,000	0,000	0,427
Unlisted targe	Mean	0,108	4,734	0,350	0,166	93 730	0,461	0,461	0,647	1,967
No of obs: 241	Median	0,000	4,000	0,317	0,080	8 345	0,000	0,000	1,000	1,588
	Std. Dev.	0,310	2,118	0,183	0,204	323 201	0,498	0,498	0,478	1,616
	Max	1,000	9,000	0,860	0,951	3 058 504	1,000	1,000	1,000	14,880
	Min	0,000	1,000	0,024	0,001	59	0,000	0,000	0,000	0,418

There are a larger number of stock purchases in the listed targets sub-sample than in the unlisted targets sub-sample, although both have more cash than stock offers. From the above table, there appears to be no significant difference in terms of industries between the different samples. The same applies for Owner, Collateral and Tobins Q. We note, however, as is expected, that median Total Assets is considerably larger for the listed targets sub-sample. Furthermore, the unlisted target sample appears to contain a much larger proportion of cross-border transactions.

NUMBER OF ACQUISITIONS PER ACQUIRER

The majority of the bidders in our sample acquire only one company over our selected time frame, accounting for 25% of all deals in the sample. Exceptions to this rule are provided by the investment companies Ratos (19) and Investor (8), the telecom companies TeliaSonera (15) and Ericsson (8), alongside the security company Securitas (8). Takeovers by these companies account for approximately 19% of all the included transactions.

Deals per Bidder	**Number of bidders**	**% of Total Bidders**	**% of Total Deals**
19	1	*1%*	*6%*
15	1	*1%*	*5%*
9	1	*1%*	*3%*
8	2	*1%*	*5%*
7	2	*1%*	*5%*
6	4	*3%*	*8%*
5	5	*4%*	*8%*
4	7	*5%*	*9%*
3	13	*10%*	*13%*
2	22	*16%*	*14%*
1	77	*57%*	*25%*
Total	**135**	**100%**	**100%**

TARGET NATION

As depicted in the table below, bidders seem to target companies in adjacent countries. Full sample, the targets are predominantly from the Nordic countries (58,4%), with Sweden accounting for 39,4%. UK, US and Germany are all big and important markets for many listed Swedish firms, which might explain their relatively large share (SCB (2012)). Furthermore, deals with a public have a higher share of Swedish and US target compared to private target, for which the distribution in nationality is more evenly divided.

Distribution of target nation

	All Targets			Listed Targets			Unlisted targets			Bidder	
Country	**N**	**% of tot.**	**Acc. %**	**N**	**% of tot.**	**Acc. %**	**N**	**% of tot.**	**Acc. %**	**N**	**% of tot.**
Sweden	122	39,4%	39,4%	37	53,6%	53,6%	85	35,3%	35,3%	310	100,0%
Norway	34	11,0%	50,3%	4	5,8%	59,4%	30	12,4%	47,7%		
United Kingdom	18	5,8%	56,1%	3	4,3%	63,8%	15	6,2%	53,9%		
United States	18	5,8%	61,9%	8	11,6%	75,4%	10	4,1%	58,1%		
Finland	15	4,8%	66,8%	2	2,9%	78,3%	13	5,4%	63,5%		
Germany	13	4,2%	71,0%	1	1,4%	79,7%	12	5,0%	68,5%		
Denmark	10	3,2%	74,2%	2	2,9%	82,6%	8	3,3%	71,8%		
Spain	9	2,9%	77,1%	0	0,0%	82,6%	9	3,7%	75,5%		
Netherlands	6	1,9%	79,0%	1	1,4%	84,1%	5	2,1%	77,6%		
Canada	6	1,9%	81,0%	2	2,9%	87,0%	4	1,7%	79,3%		
France	5	1,6%	82,6%	0	0,0%	87,0%	5	2,1%	81,3%		
Estonia	5	1,6%	84,2%	0	0,0%	87,0%	5	2,1%	83,4%		
China	4	1,3%	85,5%	0	0,0%	87,0%	4	1,7%	85,1%		
Poland	3	1,0%	86,5%	1	1,4%	88,4%	2	0,8%	85,9%		
Chile	3	1,0%	87,4%	1	1,4%	89,9%	2	0,8%	86,7%		
Taiwan	3	1,0%	88,4%	0	0,0%	89,9%	3	1,2%	88,0%		
South Africa	3	1,0%	89,4%	1	1,4%	91,3%	2	0,8%	88,8%		
Switzerland	3	1,0%	90,3%	2	2,9%	94,2%	1	0,4%	89,2%		
Bulgaria	3	1,0%	91,3%	0	0,0%	94,2%	3	1,2%	90,5%		
Czech Republic	3	1,0%	92,3%	0	0,0%	94,2%	3	1,2%	91,7%		
Ukraine	2	0,6%	92,9%	0	0,0%	94,2%	2	0,8%	92,5%		
Australia	2	0,6%	93,5%	1	1,4%	95,7%	1	0,4%	92,9%		
Austria	2	0,6%	94,2%	0	0,0%	95,7%	2	0,8%	93,8%		
Turkey	2	0,6%	94,8%	1	1,4%	97,1%	1	0,4%	94,2%		
South Korea	2	0,6%	95,5%	0	0,0%	97,1%	2	0,8%	95,0%		
Croatia	2	0,6%	96,1%	0	0,0%	97,1%	2	0,8%	95,9%		
Malaysia	1	0,3%	96,5%	0	0,0%	97,1%	1	0,4%	96,3%		
Mexico	1	0,3%	96,8%	0	0,0%	97,1%	1	0,4%	96,7%		
Israel	1	0,3%	97,1%	0	0,0%	97,1%	1	0,4%	97,1%		
Rep of Congo	1	0,3%	97,4%	0	0,0%	97,1%	1	0,4%	97,5%		
Japan	1	0,3%	97,7%	1	1,4%	98,6%	0	0,0%	97,5%		
Russian Fed	1	0,3%	98,1%	0	0,0%	98,6%	1	0,4%	97,9%		
Romania	1	0,3%	98,4%	0	0,0%	98,6%	1	0,4%	98,3%		
Argentina	1	0,3%	98,7%	0	0,0%	98,6%	1	0,4%	98,8%		
Kazakhstan	1	0,3%	99,0%	0	0,0%	98,6%	1	0,4%	99,2%		
Sri Lanka	1	0,3%	99,4%	0	0,0%	98,6%	1	0,4%	99,6%		
Italy	1	0,3%	99,7%	0	0,0%	98,6%	1	0,4%	100,0%		
Egypt	1	0,3%	100,0%	1	1,4%	100,0%	0	0,0%	100,0%		
Total	*310*	*100,0%*	*100,0%*	*69*	*100,0%*	*100,0%*	*241*	*100,0%*	*100,0%*	*310*	*100,0%*

INDUSTRY DISTRIBUTION

The industry distribution is characterized by a large share of intra industry deals, 44% for the whole sample, with a higher proportion for private than for public targets. Manufacturing is the common industry for both private and public companies, as well as amongst bidders. Industry distribution is fairly similar for bidders and targets.

Industry Distribution

	Targets						Bidders	
	All Targets		Listed targets		Unlisted targets			
Industry	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Manufacturing	72	23,2%	19	27,5%	53	22,0%	90	29,0%
Finance, Insurance & Real Estate	71	22,9%	18	26,1%	53	22,0%	68	21,9%
Construction	38	12,3%	6	8,7%	32	13,3%	4	1,3%
Retail Trade	37	11,9%	12	17,4%	25	10,4%	4	1,3%
Transportation, Communications, Energy & Sanitary Services	34	11,0%	6	8,7%	28	11,6%	39	12,6%
Wholesale Trade	25	8,1%	5	7,2%	20	8,3%	10	3,2%
Services	22	7,1%	1	1,4%	21	8,7%	87	28,1%
Mining	10	3,2%	2	2,9%	8	3,3%	8	2,6%
Agriculture, Forestry & Fishing	1	0,3%	0	0,0%	1	0,4%	0	0,0%
Public Administration	0	0,0%	0	0,0%	0	0,0%	0	0,0%
Total	**310**	**100,0%**	**69**	**100,0%**	**241**	**100,0%**	**310**	**100,0%**

	N	**%**	**N**	**%**	**N**	**%**
Intra industry deals	137	44,2%	26	37,7%	111	46,1%
Total	**310**	**100%**	**69**	**100%**	**241**	**100%**

BIDDER OWNER DISTRIBUTION

The bidders' largest shareholders' voting share is depicted in the table below. As is illustrated in the table, there are no significant differences in terms of bidder owner distribution between the two sub-samples.

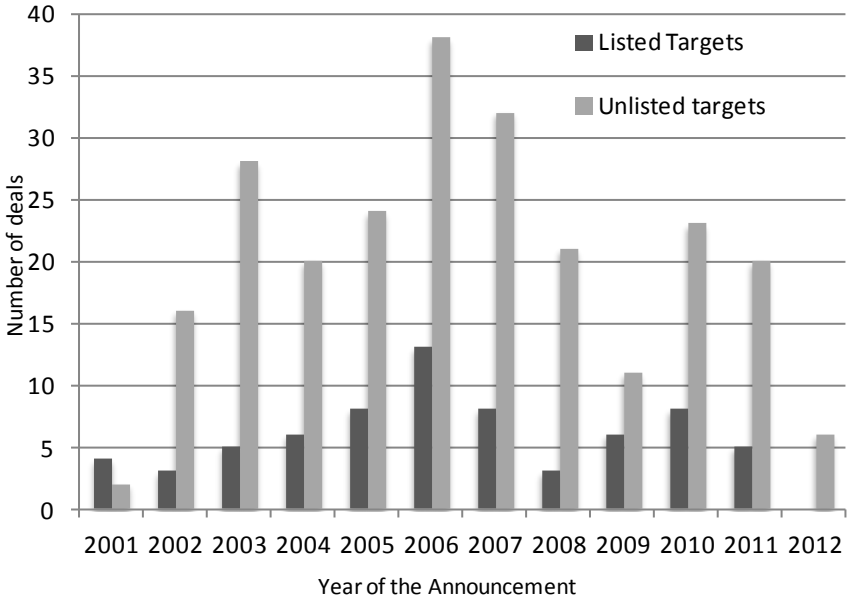
Bidder owner distribution

	All Targets		Listed targets		Unlisted targets	
	N	**%**	**N**	**%**	**N**	**%**
0-10%	28	9,0%	7	10,1%	21	8,7%
10-20%	52	16,8%	15	21,7%	37	15,4%
20-30%	61	19,7%	14	20,3%	47	19,5%
30-40%	56	18,1%	11	15,9%	45	18,7%
40-50%	58	18,7%	14	20,3%	44	18,3%
50-60%	27	8,7%	2	2,9%	25	10,4%
60-70%	16	5,2%	2	2,9%	14	5,8%
70-80%	4	1,3%	1	1,4%	3	1,2%
80-90%	8	2,6%	3	4,3%	5	2,1%
90-100%	0	0,0%	0	0,0%	0	0,0%
	310	100,0%	*69*	100,0%	*241*	100,0%

HISTORICAL DEAL ACTIVITY

As seen in the graph below, deal activity among Swedish bidders is fairly volatile, changing with the economic situation. Following the technology bubble, the number of deals in the sample was quite few in the early 2000:s. As the global economy recuperated, deal activity increased substantially until the global financial crisis struck in 2008, resulting in a significant decline in activity in 2008-2009. The number of acquired public company in our dataset hit the bottom in 2008, one year earlier compared to the private targets.

	All Targets		Listed Targets		Unlisted targets	
Year	**N**	**%**	**N**	**%**	**N**	**%**
2001	6	*2%*	4	*6%*	2	*1%*
2002	19	*6%*	3	*4%*	16	*7%*
2003	33	*11%*	5	*7%*	28	*12%*
2004	26	*8%*	6	*9%*	20	*8%*
2005	32	*10%*	8	*12%*	24	*10%*
2006	51	*16%*	13	*19%*	38	*16%*
2007	40	*13%*	8	*12%*	32	*13%*
2008	24	*8%*	3	*4%*	21	*9%*
2009	17	*5%*	6	*9%*	11	*5%*
2010	31	*10%*	8	*12%*	23	*10%*
2011	25	*8%*	5	*7%*	20	*8%*
2012	6	*2%*	0	*0%*	6	*2%*
	310	100%	69	100%	241	100%



Sources

The primary database used to gather data on acquisitions is Thomson Reuters SDC Premium. Data collected from this source is primarily Announcement Date, Completion date, Target Name, Ultimate Acquirer Name, Form of Payment and % of target shares owned before and after the transaction. In order to exclude companies not listed on the NASDAQ OMX Stockholm Exchange (primarily companies listed on First North), transactions were excluded based on the Stock Exchange according to the SDC Premium database and the Swedish Tax Agency website.

Data on the bidding company's largest shareholder's voting power is gathered from the SIS Ägarservice database if the company is still public, and "Ägarna och makten i Sveriges börsföretag", D. Fristedt, volume 2000-2009.

In order to calculate the cumulative abnormal returns and beta for the acquirer, the share price information for 2001-2012 is downloaded from the Thomson Reuters Datastream database. Datastream is also used to get data on the OMX Stockholm (OMXS) index, used as a market proxy, the risk free rate based on the 10 year Swedish government bond and exchange rates. Firm specific data like balance sheet items are downloaded using Datastream.

Reliability of sources

SDC Premium, Datastream, SIS Ägarservice and the Swedish Tax Agency are all databases frequently used by academics and business professionals, and can hence be considered established and reliable sources of information. However, there is always a risk of error when using external data sources, like the possibility of transactions missing in the original sample from SDC. Random transactions have been checked with other data sources (e.g. Merger Market), without any signs of missing data. However, the fact that transactions with no specified form of payment is excluded, may bias the sample.

EMPIRICAL RESULTS

In order to test our hypothesis, we run both standard OLS univariate and multivariate regressions of CAR against our "stock payment" dummy, controlling for heteroskedasticity. We run separate regressions for the full and split data set, as well as for the two different event windows. Additionally, in our multivariate regressions, we run separate regressions controlling for an "Owner" dummy. Below, we display the results and comment on their consistency with our hypothesis.

UNIVARIATE REGRESSION

Univatiate regression

	Full sample		Listed targets		Unlisted target	
	CAR (-1:1)	**CAR (-5:5)**	**CAR (-1:1)**	**CAR (-5:5)**	**CAR (-1:1)**	**CAR (-5:5)**
Stock Payment	-0,007	-0,007	-0,031	-0,087*	0,011	0,034
p	(0,608)	(0,818)	(0,109)	(0,064)	(0,599)	(0,437)
t	(-0,513)	(-0,230)	(-1,626)	(-1,883)	(0,526)	(0,778)
_cons	-0,009**	-0,059***	-0,003	-0,014	-0,010**	-0,068***
p	(0,043)	(0,000)	(0,753)	(0,614)	(0,039)	(0,000)
t	(-2,037)	(-5,177)	(-0,316)	(-0,507)	(-2,077)	(-5,469)

** Significant on the 10% significance level, ** Significant on the 5% significance level, ***Significant on the 1% significance level*

All estimations are estimated by OLS using robust standard errors.

For our univariate regressions, CAR has been regressed against a stock payment dummy in a standard OLS regression, controlling for heteroskedasticity. No other explanatory variables have been used in the regression.

For the univariate regressions run on our full sample, which contains both listed and unlisted targets, the results are not significantly different from zero. This is in line with our expectations, as the dataset is disturbed by a mix of listed and unlisted targets. As outlined in our hypothesis, the impact of the method of payment is expected to differ depending on the listed status of the target. Thus, a regression of a sample containing both listed and unlisted targets, should not result in any results that are significantly different from zero.

For the univariate regressions run on the sample containing only publicly listed firms, the results indicate that stock as a payment method has a negative impact on bidder returns in the (-5;5) event window. The results, however, are significant on a 10% significance level. Additionally, the (-1;1) event window is not significantly different from zero on a 10% significance level. We conclude these results provide some evidence that our

hypothesis on the impact of method of payment on bidder returns in acquisitions of publicly listed firms is correct. However, the results are not significant enough to draw any clear conclusions.

For the univariate regressions run on the sample containing only privately held firms, the results are not significantly different from zero. Hence, we these regression provide no supporting or contrasting evidence of our hypothesis on the impact of the method of payment on bidder returns in acquisitions of privately held firms.

MULTIVARIATE REGRESSION

Multivariate regression

	Excluding owner variable						Including owner variable					
	Full sample		Listed targets		Unlisted target		Full sample		Listed targets		Unlisted target	
	CAR (-1:1)	CAR (-5:5)	CAR (-1:1)	CAR (-5:5)	CAR (-1:1)	CAR (-5:5)	CAR (-1:1)	CAR (-5:5)	CAR (-1:1)	CAR (-5:5)	CAR (-1:1)	CAR (-5:5)
Stock Payment	0,010	0,061**	-0,026*	-0,106**	0,022	0,105*	0,004	0,043	-0,024*	-0,114**	0,010	0,075
p	(0,427)	(0,049)	(0,056)	(0,026)	(0,359)	(0,096)	(0,729)	(0,193)	(0,059)	(0,033)	(0,668)	(0,255)
t	(0,837)	(2,324)	(-2,291)	(-2,810)	(0,974)	(1,884)	(0,359)	(1,421)	(-2,256)	(-2,651)	(0,446)	(1,227)
Owner							-0,056*	-0,174**	0,020	-0,125	-0,088**	-0,218***
p							(0,069)	(0,016)	(0,559)	(0,104)	(0,013)	(0,004)
t							(-2,101)	(-3,038)	(0,613)	(-1,871)	(-3,173)	(-4,013)
Collateral	-0,056*	-0,217***	-0,059	-0,345***	-0,053	-0,176**	-0,050*	-0,199***	-0,062	-0,326**	-0,045	-0,158**
p	(0,065)	(0,009)	(0,184)	(0,001)	(0,117)	(0,027)	(0,082)	(0,007)	(0,171)	(0,001)	(0,186)	(0,029)
t	(-2,142)	(-3,409)	(-1,476)	(-5,628)	(-1,755)	(-2,706)	(-1,984)	(-3,566)	(-1,527)	(-5,356)	(-1,447)	(-2,648)
Subsidiary	0,008	0,020	-0,022	-0,106*	0,012	0,034	0,008	0,019	-0,019	-0,121*	0,012	0,034
p	(0,322)	(0,121)	(0,301)	(0,085)	(0,389)	(0,159)	(0,311)	(0,142)	(0,406)	(0,063)	(0,363)	(0,143)
t	(1,055)	(1,733)	(-1,118)	(-2,006)	(0,911)	(1,554)	(1,081)	(1,631)	(-0,884)	(-2,207)	(0,964)	(1,624)
Intra-industry	0,023**	0,0472*	0,054***	0,133***	0,012*	0,030	0,023**	0,046**	0,053***	0,141***	0,019*	0,027
p	(0,027)	(0,061)	(0,002)	(0,001)	(0,079)	(0,195)	(0,020)	(0,044)	(0,003)	(0,000)	(0,081)	(0,227)
t	(2,692)	(2,177)	(4,977)	(5,308)	(2,010)	(1,414)	(2,890)	(2,387)	(4,529)	(6,443)	(1,994)	(1,310)
Cross border	0,009	0,032	0,010	0,032	0,010	0,047**	0,008	0,028	0,011	0,029	0,008	0,042*
p	(0,329)	(0,208)	(0,587)	(0,280)	(0,343)	(0,039)	(0,351)	(0,242)	(0,568)	(0,391)	(0,422)	(0,059)
t	(1,038)	(1,371)	(0,569)	(1,170)	(1,007)	(2,472)	(0,991)	(1,263)	(0,599)	(0,914)	(0,846)	(2,195)
Tobins Q	0,001	0,009	-0,005	0,001	0,004	0,016	0,001	0,009	-0,004	-0,004	0,005*	0,019*
p	(0,695)	(0,362)	(0,203)	(0,896)	(0,237)	(0,154)	(0,695)	(0,356)	(0,342)	(0,595)	(0,071)	(0,068)
t	(0,406)	(0,967)	(-1,405)	(0,136)	(1,278)	(1,575)	(0,406)	(0,979)	(-1,020)	(-0,556)	(2,082)	(2,106)
Total assets	0,005***	0,025***	0,005	0,018***	0,005***	0,024***	0,004***	0,024***	0,005	0,017***	0,004***	0,023***
p	(0,001)	(0,001)	(0,340)	(0,002)	(0,003)	(0,006)	(0,002)	(0,002)	(0,340)	(0,006)	(0,004)	(0,010)
t	(4,935)	(5,203)	(1,023)	(4,812)	(4,323)	(3,686)	(4,383)	(4,607)	(1,024)	(3,905)	(3,946)	(3,383)
_cons	-0,147***	-0,570***	-0,120**	-0,333***	-0,192***	-0,813***	-0,122***	-0,491***	-0,128**	-0,282***	-0,136**	-0,674***
p	(0,000)	(0,001)	(0,042)	(0,001)	(0,000)	(0,000)	(0,000)	(0,001)	(0,032)	(0,002)	(0,010)	(0,001)
t	(-8,093)	(-5,335)	(-2,478)	(-5,915)	(-7,146)	(-10,020)	(-8,077)	(-4,731)	(-2,671)	(-4,597)	(-3,348)	(-5,551)
No of obs.	*310*	*310*	*69*	*69*	*241*	*241*	*310*	*310*	*69*	*69*	*241*	*241*

** Significant on the 10% significance level, ** Significant on the 5% significance level, ***Significant on the 1% significance level*

All estimations are estimated by OLS using robust standard errors.

For our multivariate regressions, CAR has been regressed against a stock payment dummy as well as our explanatory variables in a standard OLS regression, controlling for year and industry fixed effects, as well as heteroskedasticity. We also run separate regressions controlling for an "Owner" dummy.

Taking a closer look at our stock payment dummy and the full sample, we note that it is significantly positive on the 5% significance level in the (-5;5) event window, excluding Owner as a control variable. In the three other full sample regressions, it is not statistically significant. Perhaps this one-off coefficient, not in line with our hypothesis, can be explained in that the full sample contains 77% unlisted targets. Hence, the full sample regressions may be biased toward the effects of method of payment on unlisted targets.

The stock dummy is significantly negative for all four regressions pertaining to the listed targets. Hence, for this dataset, it appears as if stock as a payment method has a negative impact on bidder returns. This provides strong evidence of our hypothesis on the impact of method of payment on bidder returns on corporate acquisitions of publicly listed firms.

The stock payment dummy is significantly positive on the 10 % significance level for the regression of unlisted targets, excluding the Owner control variable. The dummy is not significant in any of the three other regressions on unlisted targets. Hence, we find some support for our hypothesis on the impact of the method of payment on bidder returns on corporate acquisitions of privately held firms. However, it is important to note that this evidence is not highly significant across all four regressions on the unlisted sample.

Our owner variable appears to be highly significant and negatively correlated to bidder returns in our dataset of unlisted targets and for the full sample. Interestingly, the variable holds little relevance for our dataset of publicly listed firms. Collateral is significantly negatively correlated to bidder returns across our entire sample. Subsidiary is significant and negatively correlated to bidder returns only in our sub-sample of listed targets. Intra-industry is significantly positively correlated to bidder returns across our entire sample. Worth noting, however, it appears to be more significant for the listed targets sub-sample. Cross-border is significantly negatively correlated to bidder returns in our sub-sample of unlisted targets. For other sub-samples, it appears to bear little relevance. Tobins Q is significantly positively correlated to bidder returns in our sub-sample of unlisted targets, including the owner control variable. For other sub-samples, it appears to bear little relevance. Total Assets of the bidding is highly significantly positively correlated to bidder returns across all regressions.

CONCLUSION

This bachelor thesis set out to explain the effect of the method of payment on bidder returns in corporate acquisitions of publicly listed and privately held targets. The analysis is based on 310 acquisitions made by publicly listed firms in Sweden, completed in the years 2002 to 2012. The dataset is split to account for the public status of the target company. The study is performed by measuring cumulative abnormal returns of the acquiring firm through an event study around the date of the announcement of the transaction.

Our hypothesis is that the impact of the method of payment on bidder returns varies depending on the public status of the target. Specifically, supported by previous research, we believe that equity as a payment method has a negative effect on bidder returns when the target is publicly listed due to the signaling effects theory. By contrast, we hypothesize that equity as a payment method has a positive effect on bidder returns when the target is privately held due to the formation of block holder shareholders and tax implications. As the full sample contains both listed and unlisted target, we hypothesize that the effect of the method of payment will yield insignificant results.

Our results find strong support for our hypothesis that the choice of equity as a payment method in corporate acquisitions of publicly listed firms lead to lower abnormal returns for the acquiring company. These, our results, are significant on a univariate and multivariate level, and are consistent with the majority of previous research run in the field. Additionally, our results indicate there may be some truth to our second hypothesis, that the choice of equity as a payment method in corporate acquisitions of privately held firms lead to higher abnormal returns for the acquiring company. We find support for this hypothesis in one of our multivariate regressions on the 10 % significance level, while the remaining multivariate regressions yield insignificant results. On a univariate level, results are not significant even on the 10% significance level. This result provides some very limited supporting evidence that equity as a payment method has a positive impact on bidder returns when the target is privately held. We recognize that additional research is needed in order to draw any firm conclusions. However, we believe these results provide enough evidence to warrant further research in the field.

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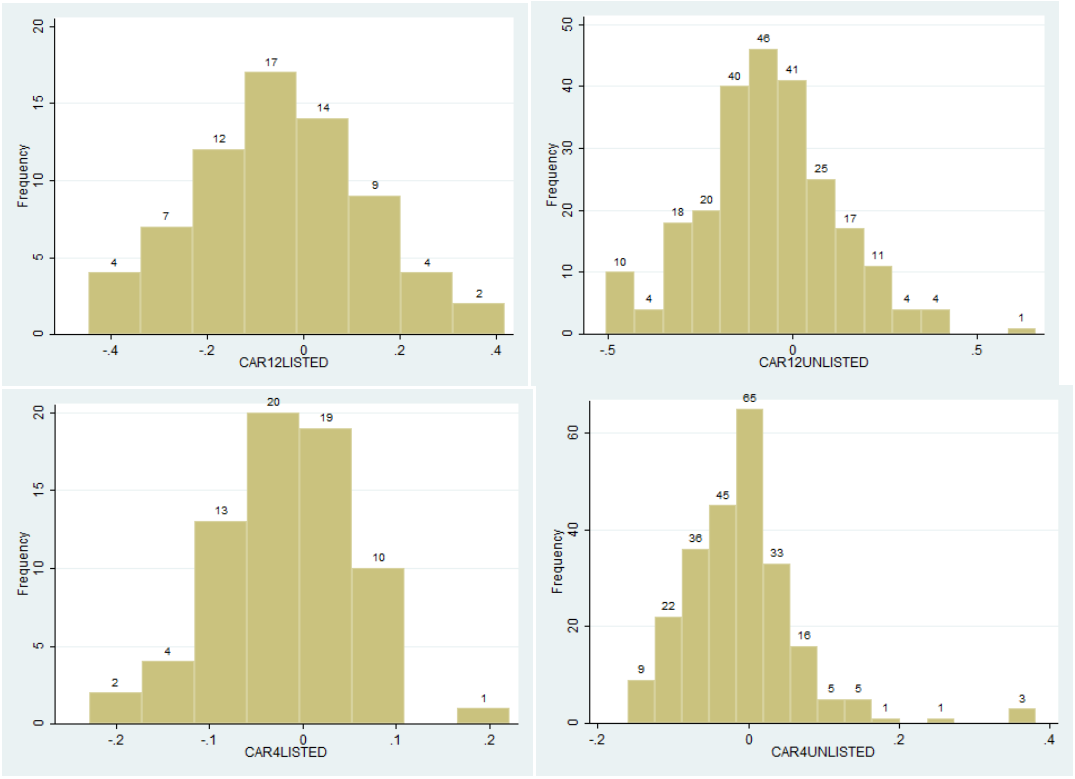
APPENDIX

HISTOGRAM

Below, we attach histograms of our calculated cumulative abnormal returns. We separate the dataset based on the public status of the target, and the length of the event window. CAR12 represents the (-5;5) day event window, and CAR4 represents the (-1;1) day event window.



CORRELATION MATRIX

Below, we attach a correlation table of the control variables included in our regression.

	Stock Payment	Industry	Collateral	Unlisted target	Subsidiary	Intra-industry	Owner	Cross-border	Tobin's Q
Stock Payment	1								
sig									
Industry	0,0439	1							
sig	0,4415								
Collateral	-0,0143	-0,1932***	1						
sig	0,8014	0,0006							
Unlisted target	-0,2714***	0,0020	0,0052	1					
sig	0,0000	0,9725	0,9277						
Subsidiary	-0,1297**	-0,0963*	-0,0150	0,2948***	1				
sig	0,0223	0,0906	0,7919	0,0000					
Intra-industry	0,0866	-0,0041	0,0812	0,0702	0,0055	1			
sig	0,1282	0,9423	0,1539	0,2180	0,9236				
Owner	-0,1474***	-0,1214**	0,0922	0,0591	0,0278	-0,0273	1		
sig	0,0094	0,0327	0,1052	0,3000	0,6262	0,6317			
Cross-border	-0,2847***	-0,0555	0,0791	0,1613***	0,0432	0,2406***	-0,0361	1	
sig	0,0000	0,3303	0,1646	0,0044	0,4485	0,0000	0,5269		
Tobin's Q	0,0858	-0,095*	-0,1232**	-0,0530	-0,1291**	0,0632	0,0052	0,0217	1
sig	0,1323	0,0955	0,0304	0,3536	0,0233	0,2684	0,9277	0,7045	

*Significant on the 10%significance level, ** Significant on the 5%significance level, *** Significant on the 1%significance level

TRANSACTION LIST

Below, we attach a list of all transactions included in our dataset. Transactions have been sorted on the announcement date in the list. A criteria for inclusion in the dataset is that the transaction should have been completed in the period 2002 to 2012. Hence, the transactions with announcement dates in 2001 were completed in 2002 or thereafter, and are included in the list.

Acquiror Ultimate Parent	Target Name	Annuncement date	Public Status of Target
Trelleborg AB	TrekLogic Inc	2001-10-19	Private
SAS AB	Spanair	2001-11-02	Private
Eniro AB	Scandinavia Online AB	2001-11-20	Public
Teleca AB	AU-System AB	2001-12-10	Public
Bure Equity AB	Kipling Holding AB	2001-12-17	Public
Foersaekrings AB Skandia	Lynx Group PLC	2001-12-19	Public
Investor AB	B-Business Partners	2002-01-04	Private
Cardo AB	Amber Doors Holding Ltd	2002-01-07	Private
Graninge AB	Avesta Energi AB	2002-01-17	Private
Telefonaktiebolaget LM	FibreComm Network Sdn Bhd	2002-02-14	Private
Midelfart Sonesson AB	Vitamed	2002-02-15	Private
Tornet Fastighets AB	Amplion Fastigheter AB	2002-02-15	Private
TeliaSonera AB	Sonera Oyj	2002-03-26	Public
HiQ International AB	Softplan Oy	2002-04-10	Private
Ratos AB	Arcorus AB	2002-04-22	Private
Nordea Bank AB	Petrobank(LG Group)	2002-05-07	Public
Ledstiernan AB	Speed Ventures NV	2002-05-27	Private
Lundin Petroleum AB	Coparex International(Paribas)	2002-06-20	Private
Proact IT Group AB	Christiania Consulting AS(CMA)	2002-07-05	Private
Proact IT Group AB	Christiana Consulting(CMA)	2002-07-05	Private
Teleca AB	Pronyx AB	2002-07-05	Public
Song Networks Holding AB	Arrowhead AB	2002-09-09	Private
Skandinaviska Enskilda Banken	Europay Norge AS	2002-10-01	Private
AF AB	RealFast AB	2002-10-03	Private
Kungsleden AB	Bokbacken Vardfastigheter AB	2002-12-20	Private
Nordea Bank AB	Nordisk Renting AB	2003-01-09	Private
Lundin Petroleum AB	OER oil AS	2003-01-14	Private
LGP Allgon Holding AB	Allgon AB	2003-01-21	Public
Swedbank AB	EnterCard AS	2003-02-05	Private
Teleca AB	YacCom SA	2003-02-24	Private
AddNode AB	Mogul AB	2003-02-28	Public
Swedbank AB	FI Holding A/S	2003-03-05	Private
Vostok Nafta Sverige AB	Vostok Energo Investment Ltd	2003-04-09	Public
Zodiak Television AB	Mastiff Media AB	2003-04-28	Private
Tele2 AB	3G Suomen 3G Oy	2003-05-12	Private
Acando AB	Acando AB	2003-05-15	Private
OMHEX AB	HEX Oyj	2003-05-20	Private
Getinge AB	Jostra AG	2003-05-22	Private
AB Volvo	Bilia AB-Truck & Constr Equip	2003-05-26	Private
Atrium Ljungberg AB	Fastighets AB Celtica	2003-06-13	Public

Capio AB	Capio Healthcare UK	2003-06-17	Private
SkiStar AB	Hemsedal Skisenter	2003-06-24	Private
TeliaSonera AB	Reveko Telekom Ltd	2003-07-03	Private
Biotage AB	Personal Chemistry AB	2003-08-07	Private
Svenska Cellulosa AB SCA	Papeles Industriales SA	2003-08-25	Private
Affarsstrategerna AB	Photmetric AB	2003-08-27	Private
Billerud AB	Henry Cooke Ltd	2003-09-09	Private
TeliaSonera AB	LSP	2003-09-17	Private
Meda AB	MedicTeam A/S	2003-10-14	Private
Midelfart Sonesson AB	Vitamex AB	2003-10-17	Private
WM-data AB	Novo Group Oyj	2003-10-29	Public
TeliaSonera AB	ELTEL Networks AS	2003-10-31	Private
Lundin Petroleum AB	DNO Britain Ltd	2003-11-13	Private
Lundin Petroleum AB	Island Petroleum Developments	2003-11-13	Private
TeliaSonera AB	EsData Ltd	2003-12-03	Private
Sweco AB	PI-Management Oy	2003-12-03	Private
Cybercom Group Europe AB	Consafe Infotech AB	2003-12-04	Private
Ratos AB	ErgoBluegarden AS	2003-12-22	Private
B&B Tools AB	Momentum AB	2004-01-21	Private
Ratos AB	Gadelius Europe AB	2004-01-27	Private
Ratos AB	Haendig AB	2004-01-27	Private
Investment AB Kinnevik	Industriforvaltnings Kinnevik	2004-02-16	Public
onetwocom AB	Emoon Communications AS	2004-03-09	Private
AF AB	CTS Engineering Oy	2004-03-22	Private
Eniro AB	Gula Tidningen AB	2004-03-30	Private
Svenska Cellulosa AB SCA	Copamex-Tissue Business	2004-04-01	Private
Sectra AB	Mamea Imaging AB	2004-04-30	Private
Securitas AB	Bell Group PLC	2004-05-06	Public
Sigma AB	RKS AB	2004-05-06	Public
Addtech AB	Carbex AB	2004-06-09	Private
Nordnet AB	Stocknet-Aston Securities ASA	2004-06-15	Private
Karolin Machine Tool AB	ABB KMT Waterjet Systems AB	2004-06-24	Private
Medicover Holding AB	CDL Analco	2004-06-30	Private
Fabege AB	Fabege AB	2004-07-19	Public
Stralfors AB	Roll Systems Inc	2004-09-15	Private
Skandinaviska Enskilda Banken	Bank Agio	2004-10-04	Private
AB Volvo	Prevost Car Inc	2004-10-18	Private
Scania AB	Ainax AB	2004-11-01	Public
Ratos AB	Elitfonster AB	2004-11-05	Private
Midelfart Sonesson AB	Friggs AB	2004-11-22	Private
Getinge AB	Dynamed Inc	2004-11-26	Private
Investor AB	Aldata Industries Oy	2004-12-13	Private
Investor AB	Munksjo AB	2004-12-22	Private

IAR Systems Group AB	TurnIT AB	2004-12-22	Public
Precise Biometrics AB	Fyrplus Teknik AB	2005-01-17	Private
Elekta AB	Impac Medical Systems Inc	2005-01-18	Public
Capio AB	Grupo Sanitario IDC	2005-01-27	Private
ReadSoft AB	Consit Development ApS	2005-02-14	Private
Aspiro AB	Schibsted Mobile AS	2005-02-17	Private
Saab AB	Grintek Ltd	2005-02-21	Public
Beijer Electronics AB	Hitech Electronics Corp	2005-03-22	Private
TeliaSonera AB	Turkcell Iletisim Hizmetleri	2005-03-25	Public
Telelogic AB	Focal Point AB	2005-04-13	Public
Ledstiernan AB	Metrima AB	2005-05-09	Private
Swedbank AB	First Securities ASA	2005-05-13	Private
New Wave Group AB	Intraco Holding BV	2005-05-20	Private
PartnerTech AB	KSH-Productor Oy	2005-06-06	Private
Hexagon AB	Leica Geosystems AG	2005-06-13	Public
Modern Times Group MTG AB	Engine AB	2005-07-01	Private
Ratos AB	Arcus-Gruppen AS	2005-07-12	Private
Tele2 AB	Comunitel	2005-07-14	Private
Ratos AB	Storke Vinduer A/S	2005-07-15	Private
Tele2 AB	Versatel Telecom International	2005-07-18	Public
Precise Biometrics AB	Loqware Sweden AB	2005-08-08	Private
Meda AB	VIATRIS GmbH & Co KG	2005-08-08	Private
B&B Tools AB	Stenlunds Jaernvaru AB	2005-08-15	Private
TeliaSonera AB	Vollvik Gruppen AS	2005-08-29	Private
Svenska Cellulosa AB SCA	Cool Logistics Ltd	2005-08-31	Private
Eniro AB	Findexa AS	2005-09-26	Public
B&B Tools AB	Maskinisten i Vimmerby AB	2005-10-26	Private
Diamyd Medical AB	Nurel Therapeutics Inc	2005-11-22	Private
Elekta AB	Medical Intelligence Medizinte	2005-12-01	Private
Proffice AB	HSG-Henkilostopalvelut Oy	2005-12-12	Private
Scania AB	Griffin Automotive Ltd	2005-12-23	Private
Fabege AB	Tornet Fastighets AB	2005-12-23	Public
Investor AB	MTU Motoren- und Turbinen	2005-12-28	Private
Acando AB	Resco AB	2006-01-09	Public
AF AB	Ingemansson Technology AB	2006-01-19	Private
Teligent AB	Trio Enterprise AB	2006-02-08	Public
Investor AB	Hidroplant SA	2006-02-15	Private
Cardo AB	Grupo Combursa	2006-02-17	Private
B&B Tools AB	Maskinforretningen Thv	2006-02-21	Private
Sigma AB	Meteorit AB	2006-02-24	Private
LBI International AB	LB Icon AB	2006-03-21	Public
A-Com AB	Bizkit AB	2006-03-28	Private

Investment AB Kinnevik	Credit & Business Services Ltd	2006-03-29	Private
Elekta AB	Beijing Med Equip Institute	2006-03-31	Private
AB SKF	SNFA SAS	2006-04-03	Private
Investor AB	Gambro AB	2006-04-03	Public
TeliaSonera AB	Serenda Investment OU	2006-04-05	Private
AB SKF	Macrotech Polyseal Inc	2006-04-06	Private
Sandvik AB	SDS Corp Ltd	2006-04-07	Public
Pricer AB	Eldat Communication Ltd	2006-04-24	Private
RNB Retail & Brands AB	JC AB	2006-05-09	Public
TeliaSonera AB	NextGenTel AS	2006-05-16	Public
AB SKF	Economos Austria GmbH	2006-05-22	Private
Assa Abloy AB	Fargo Electronics Inc	2006-05-23	Public
Hakon Invest AB	Kjell & Co Elektronik AB	2006-05-24	Private
Lundin Petroleum AB	Valkyries Petroleum Corp	2006-05-29	Public
Lagercrantz Group AB	Elpress AB	2006-05-30	Private
Securitas AB	PSI SL	2006-05-30	Private
Telefonaktiebolaget LM	Netwise AB	2006-06-05	Public
TeliaSonera AB	Xfera Moviles SA	2006-06-14	Private
Tele2 AB	E ON Bredband Sverige AB	2006-06-30	Private
Ratos AB	Perlos Healthcare	2006-07-17	Private
Tele2 AB	Vostok Mobile BV	2006-07-20	Private
Lundin Petroleum AB	Total SA-Block24/6A	2006-08-14	Private
Capio AB	Deutsche Klinik GmbH	2006-08-21	Private
Getinge AB	OTY GmbH	2006-08-22	Private
Capio AB	Tonkin Investissements SA	2006-08-31	Private
PartnerTech AB	Hansatech Ltd	2006-09-14	Private
Trelleborg AB	Reeves Brothers Inc	2006-09-25	Private
Aspiro AB	Rubberduck Media Lab Ltd	2006-09-29	Private
PA Resources AB	ADECO Congo BVI Ltd	2006-10-03	Private
Bure Equity AB	GTU IT Gymnasier AB	2006-10-10	Private
Atrium Ljungberg AB	Atrium Fastigheter AB	2006-10-17	Private
Investor AB	Bodilsen A/S	2006-10-27	Private
Protect Data AB	Reflex Software Ltd	2006-11-02	Private
Nordea Bank AB	Orgresbank JSB	2006-11-08	Private
Midelfart Sonesson AB	Midelfart AS	2006-11-15	Public
Sectra AB	imaXperts BV	2006-11-16	Private
TeliaSonera AB	Cygate Group AB	2006-11-16	Private
Investor AB	M/T Owner AB	2006-12-01	Private
Getinge AB	Huntleigh Technology PLC	2006-12-08	Public
Telefonaktiebolaget LM	Redback Networks Inc	2006-12-19	Public
Ratos AB	RH Form AB	2006-12-21	Private
Husqvarna AB	Gardena Holding AG	2006-12-21	Private
Modern Times Group MTG AB	Playahead.com	2007-01-09	Private
D Carnegie & Co AB	Max Matthiessen Holding AB	2007-01-12	Private

AB Volvo	Shandong LCM Co Ltd	2007-01-19	Private
Elanders AB	Sommer Corporate Media GmbH	2007-01-31	Private
Swedbank AB	Soderhamns Sparbank AB	2007-02-12	Private
Modern Times Group MTG AB	Apace Media-Eastern European	2007-02-16	Private
AB Volvo	Nissan Diesel Motor Co Ltd	2007-02-20	Public
Zodiak Television AB	Yellow Bird Holding Ltd	2007-02-26	Private
Telefonaktiebolaget LM	TANDBERG Television ASA	2007-02-26	Public
AB SKF	ABBA Linear Tech Co Ltd	2007-02-26	Private
Semcon AB	IVM Automotive Holding GmbH	2007-03-12	Private
Ratos AB	Mobile Climate Control AB	2007-04-04	Private
AB Volvo	UD Trucks (Oceania) Pty Ltd	2007-04-10	Private
New Wave Group AB	Cutter & Buck Inc	2007-04-12	Public
Svenskt Stal AB	IPSCO Inc	2007-05-03	Public
Ratos AB	Hag ASA	2007-05-23	Private
Eniro AB	Krak	2007-06-01	Private
Telefonaktiebolaget LM	LHS AG	2007-06-05	Public
Hakon Invest AB	inkClub AB	2007-06-19	Private
Ratos AB	EuroMaint AB	2007-06-29	Private
TeliaSonera AB	MCT Corp	2007-07-09	Private
Sigma AB	Intellector AB	2007-07-19	Private
Meda AB	MedPointe Inc	2007-07-20	Private
Ratos AB	Contex Scanning Technology A/S	2007-07-23	Private
TradeDoubler AB	Interactive Marketing Works	2007-07-25	Private
AB SKF	S2M	2007-07-27	Private
Orexo AB	ProStrakan AB	2007-07-31	Private
Modern Times Group MTG AB	NLY Scandinavia AB	2007-09-03	Private
Acando AB	Abeo AS	2007-09-14	Private
XPonCard Group AB	ACSC AB	2007-09-24	Public
Know IT AB	Objectnet AS	2007-09-26	Private
Nefab AB	Oskar Eder Verpackungstechnik	2007-09-28	Private
Hexagon AB	NovAtel Inc	2007-10-08	Public
PA Resources AB	Scotsdale Ltd	2007-10-11	Private
Orexo AB	Biolipox AB	2007-10-15	Private
Novotek AB	DanProces Engineering A/S	2007-10-22	Private
Saab AB	Saab Grintek(Pty)Ltd	2007-10-24	Private
Phonera AB	Rix Telecom AB	2007-10-29	Private
Skandinaviska Enskilda Banken	Factorial Bank KB	2007-11-16	Private
Modern Times Group MTG AB	Gymgrossisten Nordic AB	2007-12-14	Public
Investment AB Kinnevik	Karskar Energi AB	2008-01-03	Private

BE Group AB	Arcelor SSC Sverige AB	2008-01-28	Private
Aspiro AB	My Mobile World AS	2008-02-15	Private
Haldex AB	Concentric PLC	2008-02-22	Private
H&M Hennes & Mauritz AB	Fabric Scandinavien AB	2008-03-06	Private
Enea AB	IP Devel Srl	2008-04-21	Private
Jeeves Information Systems AB	Logistikk-og-IT Partner A/S	2008-05-14	Private
AB Volvo	Torino Motors Real Estate	2008-05-19	Private
Elanders AB	Mairs Graphische Betriebe GmbH	2008-05-21	Private
Morphic Technologies AB	ScanWind Group AS	2008-06-09	Private
Investor AB	Lindorff Group AB	2008-06-11	Private
TeliaSonera AB	Comhouse	2008-06-17	Private
Modern Times Group MTG AB	Nova Televisia	2008-07-31	Private
TeliaSonera AB	IT Koolituskeskus	2008-08-07	Private
Aspiro AB	Mobile Entry AS	2008-08-07	Private
AcadeMedia AB	Anew Learning AB	2008-08-07	Private
Telefonaktiebolaget LM	ST-NXP Wireless SA	2008-08-20	Private
Svenska Handelsbanken AB	Lokalbanken i Nordsjaelland	2008-09-15	Public
Getinge AB	Datascope Corp	2008-09-16	Public
Intellecta AB	Ekotryckredners AB	2008-09-26	Private
TeliaSonera AB	TeliaSonera Asia Holding BV	2008-09-26	Private
Eniro AB	Sentraali Oy	2008-10-06	Private
Peab AB	Peab Industri AB	2008-10-15	Public
Ratos AB	Wer Liefert was? GmbH	2008-12-02	Private
Hakon Invest AB	Cervera	2009-01-12	Private
Traction AB	Nilorngruppen AB	2009-02-19	Public
Eniro AB	Oreo AB	2009-03-11	Private
DGC One AB	Telenova AB	2009-03-12	Private
Opcon AB	Saxlund Holding AB	2009-04-17	Private
Peab AB	Annehem Fastigheter AB	2009-04-17	Public
Micronic Laser Systems AB	MYDATA automation AB	2009-04-21	Private
Hakon Invest AB	Hemtex AB	2009-04-24	Public
Fastighets AB Balder	Din Bostad Sverige AB	2009-06-26	Public
Securitas AB	MKB Tactical	2009-07-01	Private
Nordea Bank AB	Fionia Bank A/S	2009-08-31	Public
Bure Equity AB	Skanditek Industriforvaltning	2009-10-14	Public
Svenska Cellulosa AB SCA	Algodonera Aconcagua SA	2009-10-26	Private
Swedish Orphan Biovitrum AB	Swedish Orphan Intl AB	2009-11-05	Private
LinkMed AB	AbSorber AB	2009-11-11	Private
Brinova Fastigheter AB	Fastighets AB Fosema	2009-12-07	Private
Tele2 AB	Mobile Telecom Service	2009-12-14	Private
Orc Software AB	NeoNet AB	2010-01-25	Public
Wallenstam AB	HB Hokensas Kraft	2010-02-09	Private
Telefonaktiebolaget LM	LG-Nortel Co Ltd	2010-03-18	Private

Bjorn Borg AB	FSSIT-Services AB	2010-03-25	Private
AllTele AB	Spinbox AB	2010-03-30	Private
Assa Abloy AB	Samhwa Precision	2010-04-01	Private
Alfa Laval AB	Si Fang Stainless Steel Prod	2010-04-23	Private
Biotage AB	MIP Technologies AB	2010-04-26	Private
AF AB	Meacont Praha spol sro	2010-05-05	Private
Securitas AB	Bren Security (Pvt) Ltd	2010-06-01	Private
Ratos AB	HL Display AB	2010-06-02	Public
Securitas AB	Paragon Systems LLC	2010-06-09	Private
Nordnet AB	Konsumentkredit i Sverige AB	2010-06-30	Private
Rejlerkoncernen AB	Rabe Industrikonsult AB	2010-09-03	Private
Investment AB Latour	REAC AB	2010-09-13	Private
Global Health Partner AB	Stockholm Gastro Center AB	2010-09-27	Private
Softronic AB	Modul 1 Data AB	2010-09-27	Public
Investment AB Latour	Blue Box Group Srl	2010-10-05	Private
Assa Abloy AB	ActivIdentity Inc	2010-10-11	Public
Electrolux AB	Olympic Grp for Finl Invest	2010-10-11	Public
Hexpol AB	Excel Polymers LLC	2010-10-18	Private
Proact IT Group AB	Storyflex as	2010-10-20	Private
Fagerhult AB	LTS Licht & Leuchten GmbH	2010-10-22	Private
Beijer Electronics AB	QSI Corp	2010-10-22	Private
Securitas AB	NORDSERWIS.PL Sp zoo	2010-10-29	Private
AF AB	Energo AB	2010-11-25	Private
Ratos AB	KVD Kvarndammen AB	2010-11-29	Private
Ratos AB	Biolin Scientific AB	2010-11-29	Public
Assa Abloy AB	Cardo AB	2010-12-13	Public
AF AB	Mercados Energy Markets	2010-12-16	Private
Assa Abloy AB	LaserCard Corp	2010-12-20	Public
Fagerhult AB	Designplan Lighting Ltd	2011-03-09	Private
Investment AB Latour	SakI AB	2011-03-17	Public
Ratos AB	Finnkino Oy	2011-03-21	Private
Vitec Software Group AB	Capitex Fastighet AB	2011-04-01	Private
Medivir AB	BioPhausia AB	2011-04-11	Public
NIBE Industrier AB	Schulthess Group AG	2011-04-11	Public
Peab AB	Kokpunkten Fastighets AB	2011-04-12	Private
Peab AB	Balder Fjorton AB	2011-04-19	Private
CDON Group AB	Tretti AB	2011-04-28	Public
Atlas Copco AB	Aire Comprimido SA	2011-05-27	Private
JM AB	Oie AS	2011-06-07	Private
Telefonaktiebolaget LM	Telcordia Technologies Inc	2011-06-14	Private
Ratos AB	Excellars AS	2011-07-11	Private
Tele2 AB	Network Norway AS	2011-07-22	Private
AllTele AB	Ventelo Sverige AB	2011-07-27	Private

Securitas AB	ZVONIMIR SECURITY doo	2011-07-29	Private
Svenska Cellulosa AB SCA	Sante Saglik Hizmetleri	2011-08-02	Private
Atlas Copco AB	Wuxi Shengda Air/Gas Purify	2011-08-05	Private
Electrolux AB	Somela SA	2011-08-18	Public
Electrolux AB	CTI Cia Tecno Industrial SA	2011-08-19	Private
Bilia AB	Bilia AB-Paintshop	2011-10-03	Private
Aspiro AB	WiMP Music AS	2011-10-27	Private
AF AB	CityPlan spol sro	2011-10-31	Private
New Wave Group AB	Paris Glove of Canada Ltd	2011-12-01	Private
Sweco AB	Finnmap Consulting Oy	2011-12-19	Private
Securitas AB	Protect doo	2012-01-05	Private
Anoto Group AB	Ubiquitous Systems Ltd	2012-01-11	Private
Image Systems AB	RemaControl Sweden AB	2012-01-12	Private
XANO Industri AB	Albins Mekaniska Verkstad AB	2012-01-18	Private
Bilia AB	Blombergs Bilservice i Lidingo	2012-02-01	Private
Bilia AB	Stenshagen Oslo,Kongsvinger	2012-02-06	Private