Stockholm School of Economics
Department of Finance
Master's Thesis in Finance
December 2008

Effect of News on the Voting Premium of Companies Listed on the Stockholm Stock Exchange

- **A Study of the Voting Premium and its response to the news releases connected to the Companies listed on the Stockholm Stock Exchange**

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Abstract

The purpose of this paper is to find whether certain categories of news can help in explaining the daily changes in the price differential commonly found between superior and restricted voting stock, otherwise known as the voting premium. We studied the cross-section and time-series of the voting premium for 22 companies listed on the Stockholm Stock Exchange. Our sample spans over a period of ten years, 1998-2008. We employ time-series and pooled data regression analysis, and supplement these with a classical event study. We have found that certain categories of news are significantly related to daily changes in the voting premium but that significance is highly dependent on the method of categorization and other specifics of the proposed approach.

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Keywords: Voting Premium, News Releases, Event Study, Marginal Investor, Stockholm Stock Exchange.
Tutor: Stefano Rossi
Presentation Date: December 19, 2008. 15.00 pm
Discussants: Patrick Bourke, Gerben Zirkzee

Acknowledgements: We would like to thank our tutor Stefano Rossi for valuable advice during the course of this thesis. We would also like to thank Andrej Koptyug for his encouragement.

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"...Swedish Online News Sources Publish 2,240 Articles on Volvo Sept 2004..."
-Swedish Business Digest, October 8, 2004

1. Introduction

It is commonly believed that the stock markets are efficient, that is news is incorporated into prices almost instantaneously after their announcement or publication. News may be macroeconomic, affecting an entire nation, or firm specific, affecting or having affected a single company. Much like the fact that the same piece of macroeconomic news affects two companies and their respective shares differently, we hypothesize that the same firm specific piece of news may affect two *classes* of shares differently and thus cause changes in the voting premium. Because the voting premium can be interpreted as the value of a vote, we will be examining what types of news may help in explaining the daily changes in the value of votes and in turn the value of corporate control.

Financial theory postulates that two assets having the exact same cash flows command the exact same price. It is often explicitly stated in corporate charters that superior and restricted voting shares are to have the same visible cash flows, for example through dividends and liquidation rights. Despite this, it is commonplace that a price differential otherwise known as the voting premium, occurs.

It has been suggested that control is valuable not only because it allows the controlling party to influence the firm's cash flows through investment decisions but also because it grants private benefits of control (Manne (1964) and Jensen and Meckling (1976)). These benefits come in the form of pecuniary benefits and non-pecuniary benefits, such as prestige. Many studies have been conducted on the specific subject of private benefits (Schleifer and Vishny (1997)). These have focused on identifying the existence of such benefits and estimating their magnitude through market prices.

In such studies one can look into the premiums paid for large blocks of shares carrying substantial amounts of votes. There were a number of block trade studies including, for example, Bergstrom and Rydqvist (1992), Barclay and Holderness (1989), Dyck and Zingales (2002) and Hauser and Lauterbach (2004). Rydqvist (1988) finds the average size of a block to be 32.2% of votes and an average premium of 10.3% in Sweden. Block holders may be able to extract private benefits even in the case when the holder owns less than 50% of all votes, for example, through the formation of a coalition with other block holders. As block holders can use their votes to augment cash flows or extract private benefits, it is not surprising that the acquirer of a block is willing to pay a premium for block votes.

Another known approach is to look into superior and restricted voting shares which are both listed on the stock exchange. The superior voting shares which are traded on exchanges reflect the value of a marginal vote, that is, a vote that is not part of a control block (Smith and Amoako-Adu (1995)). A marginal investor is one that holds superior voting shares where the votes are not part of a control block and according to Zingales (1995) such investors are likely to be small. A small marginal investor is one that owns a relatively small amount of superior voting shares and thus cannot realistically extract the

private benefits associated with control. The reason for this is that they own so few votes that they can easily be outvoted at a general shareholder meeting. Despite this fact early studies have observed statistically significant price differentials between superior and restricted voting shares traded on the stock exchange. Lease, McConnell and Mikkelson (1983) find an average premium of 5.4% in the United States, Chung and Kim (1999) find 9.6% in South Korea while Levy (1983) finds 45.5% in Israel, Zingales (1994) 87.5% in Italy and Horner 18% in Switzerland. In contrast to this, negative premiums have been observed by Neumann (2003) in Denmark and by Ødegaard (2007) in Norway.

As there is no straightforward way for small marginal investors to extract private benefits or influence the firm's cash flows, the question arises of why superior voting shares trade at a premium at all.

Voting premium studies have tried to answer this question by creating models to value voting rights, for it is these rights that ultimately cause the voting premium phenomenon in the case of identical cash flow rights. The models were applied to explaining the cross sectional variation in the size of the premiums. Studies have been conducted in single countries (Megginson (1990), Kunz and Angel (1996) and Caprio and Croci (2008)) and internationally (Nenova (2003)). This has facilitated the understanding of which mechanisms may be causing the premiums and the cross sectional differences.

Very few studies have focused on the time-series variation in the voting premium but some observations have been made. For example, Megginson (1990) concluded that the voting premium in the U.K. was stable during the studied period. At the same time, the studies of Smith and Amoako-Adu (1995) and Caprio and Croci (2008) provide evidence that the voting premium was changing over time. Rydqvist (1996) provided examples of the effect of takeover activity on the voting premium of four Swedish firms where the premium peaks once contests for control are resolved.

In this study we have examined whether the voting premium e.g. the value of marginal votes responds to certain categories of news. Furthermore, we have studied whether news can help in explaining the time-series and cross sectional variation in the daily change of the voting premium and find three cases where news may help explain the time series variation in the voting premium. Such research has not yet been conducted, and it can be of considerable interest in helping to understand the mechanisms driving the premium over time. We have collected over 3500 different news articles and categorized these so as to see which of these may be affecting the voting premium on the day they become public. In order to find meaningful relationships we conducted both a time series and pooled data regression analysis. We do find some support that certain news categories may be causing a significant reaction in the voting premium.

This paper is organized as follows. Section 2 provides the literature review on the valuation of voting rights. In Section 3 we propose our hypotheses and in Section 4 we propose which news may be affecting the voting premium and how to categorize news publications. Section 5 presents our general model as well as pooled and time series data models. In Section 6 we discuss our sample selection criteria

and the data collection process. The empirical results and analysis are presented in Section 7 and we conclude this study in Section 8. Section 9 presents suggestions for further research.

2. *The Valuation of Votes*

Research has focused on a possible explanation of the voting premium phenomenon through constructing diverse valuation models and comparing the forecasts with measured data. It may at first seem strange that studies have proposed valuation models for the explanation of a price differential. However there is a solid reason. For example, in the simplest case, where the two classes of shares differ only in their voting rights, the price differential can be seen as a premium paid for the higher number of votes attached to the superior voting share.

It has been commonplace to use linear regression analysis in order to test the proposed mathematical models against real life data. In order to provide some idea of what such a valuation model may look like, we propose the following generalization. Suppose that the voting premium *VP* depends on the number of parameters $x_1, x_2, \ldots$:

$$VP = f(x_1, x_2, \ldots, x_n) \qquad \text{(i)}$$

Simply, this mathematical model states that the voting premium, as given by the price differential between superior and restricted voting shares divided by the price of restricted voting shares, is a function of the variables $x_1, x_2, \ldots, x_n$. This relationship need not be linear (Rydqvist (1996)) but the function used in previous studies has typically been linear, as already noted. Mathematically, the overall task is in finding such a function $f(\ldots)$ that predicts the voting premium as well as possible. Finding the unknown function of multiple variables of unknown origin is not simple even mathematically. Thus one attempts to simplify the task by monitoring fewer variables (starting, commonly, from only a single one) and 'fixing' other parameters through some data categorization.

While no two models are exactly alike, some share a common theoretical foundation and can be sorted accordingly. Megginson (1990) proposes three ways in which to categorize previous research on the valuation of votes. We will categorize the models in a similar manner.

The first category consists of models focusing on the company ownership structure:

$$VP = f(Ownership\ Structure) \qquad \text{(ii)}$$

Where the *Ownership Structure* covers all relevant parameters that can be chosen in different ways and that vary widely among different companies. In some cases all of the superior voting shares are held by one individual or family while in other cases no single individual has more than 50% of the votes. In order to incorporate these structures into mathematical models able to operate only with defined quantities (or parameters) and specified categories, two different approaches may be employed. Firstly, one may look at the structure as rigid with no interaction between the shareholders. This is achieved by for example, looking at the size of holdings or type of owner.

Megginson (1990) finds that insider holdings of superior voting shares are positively related to the price ratio of superior to restricted voting shares, while insider holdings of restricted voting shares have a negative effect.

Hauser and Lauterbach (2004) study the value of votes during stock unifications and find that the value depends on majority holder's loss of votes, and on whether the firm is family owned.

Caprio and Croci (2008) find that the identity of the controlling shareholder helps explain both the cross-sectional variation *and* variation over time in the voting premium. They find that family control or widely held firms tend to have a significantly higher voting premium.

But incorporating a rigid interpretation of the ownership structure fully ignores any interaction between large shareholders. An improvement on this approach was to introduce a more dynamic structure into the valuation models.

Another category can be generalized as:

$$VP = f(Voting\ Power) \qquad \text{(iii)}$$

Where again, the *Voting Power* covers all relevant parameters and categories. Levy (1983) studied the relationship between the voting premium and the equity structure within the firm. He points out that if the superior voting stock class accounts for a smaller share of total equity, then one would expect a larger premium as compared to the case when superior votes account for the majority of total equity. This is because the voting power of superior voting shares is higher in the case when superior voting shares account for only a small share of equity. He confirms this by finding a positive and significant relationship between the Levy inequality index and the observed voting premium on the Israeli stock market. While this approach did not take interaction into account explicitly, the studies that did were based on the concept of voting power.

Rydqvist (1988) was one of the first to study how the voting premium is related to a dynamic ownership structure. He proposed that the ownership structure is related to the probability of control contests and that a firm with one large shareholder is unlikely to experience a contest for control while a structure with two large shareholders, neither having majority control, is unstable with each shareholder being only a fraction away from acquiring majority rule. This proposition is tested using the theory of oceanic games as quantified by the Shapley value (Millnor and Shapley (1978)). The author finds support for his hypothesis and the proposed model can explain between 23-74% of the cross-sectional variation in the voting premium.

Zingales (1994) argues that marginal votes become valuable when they are pivotal, that is, when they can affect the outcome of a contest for control. Furthermore, he points out that if there is a majority stockholder, companies tend to have a smaller voting premium due to the lower level of competition for control. He finds that the relative Shapley value as well as other proxies for ownership structure can explain 5-15% of the cross-sectional variation in the voting premium.

Rydqvist (1996) confirms previous findings that the voting premium is larger in firms with two

large shareholders of equal size than when the majority shareholder is larger than the second largest shareholder. His model manages to explain 54% of the cross-sectional variation in the voting premium.

Kunz and Angel (1996) show that 70% of the cross-sectional variation in the relative price of voting shares with respect to nonvoting shares can be explained by differences in liquidity, transferability and company-specific factors such as shareholder vote concentration, lack of registered shares, differences in par value of shares and the Levy inequality index.

Chung and Kim (1999) study the Korean market for corporate control. They find that the power ratio of small shareholders, fraction of shares with voting rights and the market value of equity can explain between 14-21% of the cross sectional variation in the voting premium.

Zingales (1995) concludes that the value of a vote is largely determined by the larger price superior voting shares that marginal shareholders expect to receive should there be a takeover.

Teall (1992) gives a good overview of valuing voting rights with power indices including the Shapley and Bahnzaf indices. As the Shapley value has been an important variable in many models, a short description of this value is provided in Appendix B.

The next category can be generalized as:

$$VP = f(Likelihood\ of\ Takeover) \qquad \text{(iv)}$$

Voting power models can be thought of as being based on the probability that there is an internal control contest and that marginal shares become valuable as a result of such contests. Another reason for marginal shares to become valuable is during a takeover when acquirers pay a premium for superior voting shares. The reason for an acquirer to want to pay more for the superior voting shares is precisely because they carry more votes and thus gain control with less equity. Such takeover premiums have been observed by DeAngelo and DeAngelo (1985) and Zingales (1995).

While no model has solely tried to explain the voting premium as a function of the likelihood of takeover, some models have had variables to proxy for the probability of a takeover occurring.

Smith and Amoako-Adu (1995) propose size, ownership structure and abnormal returns as being able to proxy for the likelihood of takeover. They also find that voting power, ownership structure, size and differences in liquidity between SVS and RVS can explain 21% of the cross sectional variation in the voting premium.

Almost all of the more recent studies include company size as a control variable. Other variables linked to the likelihood of takeover are also frequently used.

Another category can be generalized as:

$$VP = f(Regulation) \qquad \text{(v)}$$

While company-specific factors can account for the majority of variables used in trying to value voting rights, these can be heavily affected by changes in regulation.

Nenova (2003) conducts a cross-country analysis and finds that law enforcement, investor protection, takeover regulation and corporate charter provisions help explain roughly two thirds of the

cross-country variation in the value of control-block votes. She estimated the control block premiums from listed dual class shares.

Nenova (2000) studied the changes in regulation in Brazil and finds that they have a significant impact on the voting premium.

Caprio and Croci (2008) find that two regulatory changes in Italy have also had a significant impact on the voting premium.

Yet another category can be generalized as:

$$VP = f(Corporate\ Events) \qquad \text{(vi)}$$

Lease, McConnell and Mikkelson (1984) conduct a case study on 6 firms investigating which factors could be affecting the voting premium. Firstly they suggest that voting rights distribution among shareholders could be an important factor in determining the premium. Furthermore they suggest that certain corporate announcements such as dividend, acquisitions, earnings, financial and investment announcements that may potentially affect the value of the firm, may also influence the voting premium. They do not find significant evidence to support this.

Though we have tried to separate the above models into individual categories, it is obviously very difficult to make a clear distinction between each model.

We have contributed to the body of previous studies by examining whether marginal investors respond to certain categories of news and whether these responses can help explain the variation in the voting premium over time. The news which we choose to include is based on factors found to be significant in previous studies. We also propose a way in which to categorize these news so as to better study their respective effects on the voting premium.

3. *Hypotheses*

It is not difficult to see that the price differential between superior and restricted voting shares may change over time (Rydkvist (1996) and Caprio and Croci (2008)). These changes may be caused by the marginal investors speculating on the fact that their votes could become pivotal in a contest for control or receiving a takeover premium, should there be a takeover (DeAngelo and DeAngelo (1985) and Zingales (1994), (1995)). It may also be because a party is accumulating a large block through open market transactions and there is a higher demand than usual for superior voting shares (Zingales (1995)). This means that a marginal investor need not be small, although as has already been mentioned they are likely to be small. One way for a marginal investor to form an opinion on the held votes becoming valuable, is to monitor the news and adapt expectations to information made public. This being the case, they may interpret a piece of news differently as compared to an investor interested only in future cash flow streams that is, in dividends or capital gains. However, if marginal shareholders respond to news through market transactions, some of the time series variation in the price differential may be explained by news being published.

We hypothesize that

(a) a marginal investor may respond to certain news and cause the price differential between superior and restricted voting shares to change.

(b) the responses of marginal investors to certain news may help explain the time series variation in the price differential.

4. *Categorization of News*

As has already been suggested we suspect certain types of news as being more probable and significant in affecting the voting premium. From the literature review it is clear that certain variables can help explain the cross sectional variation in the voting premium and as proposed by Caprio and Croci (2008) may even help to explain the time series variation. This being the case we have chosen categories of news to include the significant factors found and suggested in previous studies. The categories of news which we believe should be of greater importance are those concerning ownership structure, takeovers, internal or external contests for control and the amount of assets under control. We propose seven broad categories of news that may be of interest with each category having one to eight subcategories. A brief explanation of the categories and subcategories is presented in Table 1 (see Appendix A) and the following discussion.

4.1 Discussion of the chosen News Categories

The first category of news presented in Table 1 relates to any changes in the share holdings of insiders and outsiders. The ownership structure has had significant explanatory power in prior studies but instead of using the Shapley value or other common structure variables, we will look directly to news of trading. We consider that all trading by insiders and outsiders is of interest, as insiders may be contesting control from other insiders while outsiders may have an intention of accumulating toeholds or planning future takeovers.

Another category is news related to organizational changes and changes in company asset portfolios. Such news is connected to the amount of assets under control presently and potentially in the future. While no proof has been found to support that the amount of assets under control is positively correlated with private benefits of control (Lease, McConnell and Mikkelson (1984)), we feel the inclusion of news concerning assets under control is warranted. In our opinion the connection between assets under control and private benefits of control is theoretically sound.

Financial news is a category which is very diverse. Different financial news may affect very different factors previously found to be important for the variation of the voting premium. For example, changes in equity structure through share repurchases or the issuance of new shares may structurally change the voting power of shares (Levy (1983)) in turn causing changes in the voting premium. Stock recommendations and credit rating announcements may signal the expected performance of a company

and be in some way connected to the likelihood of takeovers.

News of internal contests for control is most likely to be connected with feuding parties in management or the board of directors. We believe that news about the appointment of new managers or board members may signal the stability or instability of internal coalitions or the general situation with regards to the internal power distribution.

Even though lawsuits are generally very prolonged and any effects on pricing may take a long time, lawsuits may cause quite serious concerns of the shareholders and thus may affect share prices on announcement. As lawsuits may concern very serious company matters, in some cases the future of the company itself or its well-being, there may be a reaction in the voting premium. Institutional rulings are the immediate conclusion to lawsuits and may also in some cases affect the voting premium, especially if the institutional ruling concerns ownership structure, takeovers or the like.

We feel that if anything is to affect the voting premium it is news of takeover bids on one of the firms in the sample. While this may seem obvious, in order to cause any change in the voting premium there must be a differential bid for the two share classes. We also include the news and articles speculating on potential bids being made because speculation may be causing upward trends in the voting premium[1].

5. *The Model*

The general modelling process starts with the statement of a hypothesis and then the proposal of a mathematical model to compare the propositions of the hypothesis to real data (Gujarati (2003)). As our mathematical model we suggest a slight variation of (i), namely

$$\Delta VP = f(\Delta x_1, \Delta x_2, ..., \Delta x_n) \qquad (1)$$

Model (1) states that the change in the voting premium is a function of the changes in variables $x_1, x_2, ..., x_n$. As the true variables $x_1, x_2, ..., x_n$ are themselves very difficult to determine, we will use news publications as an indicator of the true changes $\Delta x_1, \Delta x_2, ..., \Delta x_n$. In other words we propose that

$$\Delta VP = f(Corporate\ \ News) \qquad (2)$$

This model states that the change in the voting premium is a function of corporate news. To be able to apply this mathematical relationship to real market data, we restate the mathematical relationship in (2) into the following linear econometric model

$$\Delta VP = \theta + \sum_{j=1}^{n} \alpha_j Category_j + \sum_{k=1}^{m} \beta_k \Delta Control_k + \varepsilon \qquad (3)$$

[1] It was being speculated for a number of years that Scania was going to be the target of a takeover. The speculation culminated with the sale of Investor's block of Scania shares to MAN. The situation is very similar to those described by Rydqvist (1996).

where $Category_j$ is the j-th news category dummy variable and $\Delta Control_k$ is the daily change in the kth control variable. A detailed definition of all variables is found in Table 2 (see Appendix A).

The *Voting Ratio* and *Free float Ratio* are used to control for different equity structures and different ownership structures. As firms change the number of superior or restricted voting shares outstanding the voting ratio should change. The relationship we expect to see is negative following the reasoning of Levy (1983). The free float ratio is used to control for ownership concentration with a higher ratio meaning less concentrated. Size is included as it has been linked to costs of control and the likelihood of takeover (Rydqvist (1988) and Smith and Amoako-Adu (1995)) as well as having been found to be significantly negatively related to the voting premium. We also control for liquidity as there is sometimes a large difference in the daily trading volume of superior and restricted voting shares. Liquidity has also been found to affect asset prices (Amihud and Mendelson (1988)) and has been known to affect the voting premium (Neumann (2003) and Ødegaard (2007)). The market return is included to control for general market trends as in Caprio and Croci (2008).

We feel it is of interest to apply (3) to pooled data and to time series data. Studying pooled data may allow us to see if there are certain news categories that have a common affect on all companies while a time series analysis may allow us to see which categories may have been causing the daily changes in each respective company.

5.1 Pooled Data Models

There are many differences between firms which we need to account for in order to make our sample more homogenous before we can pool all the companies. Factors that we have considered are differences in dividend rights between superior and restricted voting shares, different concentrations of ownership, differences in size, differences in equity structures, differences in liquidity between superior and restricted voting shares and also the fact that some companies allow superior voting shares to be freely converted into restricted voting shares. However we choose not to control for conversion rights in line with Smith and Amoako-Adu (1995).

In order to be able to estimate the model using pooled data it has been slightly adapted into models (4) and (5). Firstly the voting premium has to be adjusted to make it comparable across different companies by adjusting for the differing number of votes in superior and restricted voting shares. The econometric model for the pooled data regression with broad categorization becomes:

$$\Delta AVP_{it} = \theta + \sum_{j=1}^{7} \alpha_j BroadCategory_j + \sum_{k=1}^{5} \beta_k \Delta Control_{k,it} + \varepsilon_{it} \qquad (4)$$

for $i = 1,\ldots, 22$ and $t = 1,\ldots, 2607$.

We also estimate the model using the detailed categorization of news, giving:

$$\Delta AVP_{it} = \theta + \sum_{j=1}^{31} \alpha_j DetailedCategory_j + \sum_{k=1}^{5} \beta_k \Delta Control_{k,it} + \varepsilon_{it} \qquad (5)$$

for $i = 1,..., 22$ and $t = 1,..., 2607$.

Models (4) and (5) both include $\Delta Voting\ Ratio$, $\Delta Free\ float\ Ratio$, $\Delta Size$, $\Delta Liquidity$ and *Market Return*[2]. The change in each of the variables is the daily change as in the general case (3). We also choose to estimate models (4) and (5) for $t = 1305,..., 2607$ that is for the second half of our sample period, as the majority of all news in our sample is published after 01.01.2003.

5.2 Time Series Data Models

We have also adapted the general model to be able to estimate the time series regression models (4) for broad categorization and (5) for the detailed categorization.

$$\Delta VP_t = \theta + \sum_{j=1}^{7} \gamma_j BroadCategory_j + \sum_{k=1}^{3} \lambda_k \Delta Control_{k,t} + \sum_{l=1}^{2} \upsilon_l Control_{l,t} + \varepsilon_t \qquad (6)$$

$$\Delta VP_t = \theta + \sum_{j=1}^{31} \gamma_j DetailedCategory_j + \sum_{k=1}^{3} \lambda_k \Delta Control_{k,t} + \sum_{l=1}^{2} \upsilon_l Control_{l,t} + \varepsilon_t \qquad (7)$$

For $t = 1,...2607$

The time series models also contain five control variables three of which $\Delta Size$, $\Delta Liquidity$ and *Market Return* are the daily changes while two others – *Size* and *Liquidity* are included without any additional transformations.

All models are estimated using Ordinary Least Squares and the respective OLS assumptions with heteroskedasticity corrected standard errors as in White (1980). In the case of the pooled data models we also correct for serial correlation between companies.

6. Sample Selection and Data

6.1 Sample Selection

There are 30 companies with both superior and restricted voting shares listed on the *Stockholm Stock Exchange*. While it was intended to include all of the listed firms in our study, the final sample was narrowed down to 22 of these.

The motivation behind excluding firms from the sample was twofold. Firstly, there were many cases of missing values i.e. there were no available price quotes within the Thomson DataStream database for periods ranging from a single day to several months. To overcome this problem we chose to

[2] While market return isn't a difference change it is the common way of measuring the daily change in stock market indices.

include firms where only complete sets of price quotes with no missing values, were available for the entire ten-year period.

This apparently ad hoc method of sample selection may cause some concern with the reader. Here we present arguments why this should not lead to significant distortion in the results. While there are indeed firms that have been excluded purely on the grounds of missing values, these have illiquid superior voting shares or small market capitalizations:

Illiquidity of superior voting shares – It should come as no surprise that the infrequent trading of superior voting shares may lead to days when no trades take place. This means that there is zero or very minor time series variation and due to thin trading and therefore the inclusion of very illiquid superior voting shares will contribute quite little to this study. Firms with illiquid superior voting shares can be found regardless of market capitalization or industry meaning that we should also still be left with a diversified sample after having excluded illiquid firms.

Small firms – In addition to the problem of illiquidity, we would like to point out that in the majority of cases, the news available for small firms are very limited. Hence, even with the necessary data the chances of finding relevant news, let alone interesting results, are very small.

Having taken these details into account, we do not feel that the exclusion of particular firms should have any significant impact on the result of this study.

6.2 Data

For each company, share price values were collected – one set for the restricted voting share and one for the superior voting share. Each set contained daily closing prices for a given share type during the sample period of 22.04.1998 – 18.04.2008. We have chosen this sample period on the grounds that it is sufficiently long to reflect long term processes that may be affecting the premium, as well as being sufficiently recent for us to find enough news through available sources.

The pricing data was obtained from Thomson DataStream. We also collected data on daily trading volumes, free float percentages, market capitalization rates, number of shares outstanding and the daily closing price of the OMXS30 stock index for the same ten year period. For a further definition of the types of data used, please refer to Table 1 (Appendix B). Data on the free float rate was available only from 2002 onwards.

Descriptive statistics for all companies in our sample are provided in Table 3 (see Appendix A). The average premium for the entire sample is 1.58% with individual means ranging from -3% to 13%. The smaller firms such as Conpharm, Midway Holdings and Ortivus have had the largest variation in the voting premium over the ten year period. They have had discounts of up to 65% and premiums of up to 70%.

6.3 Event News

To be able to determine which events affect a firm's voting premium over a period of time we

constructed news catalogues for each firm. Each catalogue is a subset of all news available within the Affärsvälden, Dagens Industri and LexisNexis e-databases for any given firm. A brief description of these databases is given in Appendix B. In turn, each subset consists of news selected either on theoretically significant events or of news which we have subjectively judged to be of importance[3]. By theoretically significant we mean events which have been proposed as being able to explain the variability in the voting premium in prior research. Once all the news had been gathered, it was categorized for further analysis into seven broad categories and thirty one detailed sub-categories as described in Table 1 (Appendix A).

There is always an issue of subjectivity in the choice, as in our case with the choice of news we believe to be 'of importance'. Unfortunately in the case when there is no definite knowledge on the mechanisms behind the studied phenomenon there is hardly any other way than to make certain assumptions (as in this case of which news should be chosen) and to test if these assumptions are true or not. One assumption has been that ownership structure, takeovers, internal or external contests for control and the amount of assets under control are of greater importance than other news. A second assumption has been that a small sample of quantitative news gives an adequate distribution from which the relative importance of each can be judged.

7. *Empirical Results and Discussion*

In this chapter we present the empirical results from our study. We start with the analysis of the results for the pooled data regressions (7.1) and then on the time series regressions (7.2). We then present the brief results of a classical event study (7.3) and thereafter three cases which we feel should be highlighted (7.4). We conclude the chapter with a summary of the results (7.5) and a critical discussion of our findings (7.6).

7.1 Pooled Data Regression Results

As can be seen from Table 4 (Appendix A) we find no support for the hypothesis that corporate events reported in the news, or the publication of the news themselves, can explain a significant amount of the variation in the changes of the voting premium for the pooled data. The only statistically significant variable is *Market return* but with an R^2 of only 0.13% the overall significance of the registered effect is negligible. One should again stress, that we are monitoring the daily changes, and specific studies of longer- term changes may present a different picture.

The changes in ownership, be it by insiders or outsiders, does not seem to have any significant impact on the voting premium. The simplest explanation for this is that we do not differentiate between trades in superior voting shares or restricted voting shares. If we had so, we may have found an effect

[3] For example, consider the news that "Scania receives order for 500 trucks from Great Britain"[3]. To our knowledge there is currently no evidence that operational news/events have any impact on the voting premium nor do we know whether 500 trucks is a significant amount for Scania AB.

similar to that of Megginson (1990) who finds that the voting premium is positively related to insider holdings of superior voting shares and negatively related to insider holdings of restricted voting shares. Another fact is that trades by insiders must be disclosed even in the case of small posts that almost certainly would not cause much of an impact on the voting premium on the day the trade occurs. As insider trading is considered of interest irrespective of the size of the posts that are accumulated, they are reported in the news and thus make it into our sample.

Manne (1964), Grossman and Hart (1988) and Harris and Raviv (1988) all suggest that private benefits of control are positively correlated with the amount of assets that are under control. *Organizational* news and news concerning changes in *Assets* are both, directly or indirectly, connected to the amount of assets under control. *Financial* and *Legal* news may also affect the number of assets under control (e.g. dividend payouts and fines). We do not find any evidence to suggest that the daily changes in the voting premium can be explained by changes in asset portfolios, financial policies and events, or organizational decisions that may lead to an increase in assets under control. It may also be the case that it takes much longer than a single day for any increase in assets to be incorporated into the premium. Furthermore, it may take a significant amount of assets to change the private benefits of control or to increase the cost of control due to larger company size.

Changes in the Board of Directors also do not demonstrate any significant impact on the voting premium. But on the other hand, two of the sub-categories here turn out to be highly significant. At the moment we can not present any explanation why it is so, but further studies can bring quite interesting insights into the mechanisms responsible for such an effect.

If we look at the detailed categorization the picture is very similar to that of broad categorization. From Table 5 (Appendix A), the coefficients for *Restructuring* and *Stock Option Programs* turn out to be significant.

Restructuring generally signals the deteriorating health of a firm or that management is trying to signal activity. Poor company performance has been linked to the likelihood of takeover in previous studies, for example by Caprio and Croci (2008) and is consistent with a positive coefficient.

The coefficient for *Stock Option Programs* turns out to be negative. The negative coefficient could be an indication that stock options may lead to the entrenchment of managers through larger stock holdings. Another possible explanation is that stock options usually have a long maturity and may signal that no changes to management are planned for the foreseeable future.

Even if we look at the second half of our sample period, where most of the news is concentrated, the R^2 becomes only 0.72% for broad categorization and 0.73% for detailed categorization. A negative and significant coefficient for *Change in the Float ratio* is found. This is contradictory to what we expected to see as we believed that the more votes that are floating freely on the market, the higher the voting premium would be.

Change in Non-executive Management becomes significant and negative during 2003-2008. This

may be explained in a similar way to news regarding stock option programs. Any changes within management may signal conflicts of interest or problems within internal coalitions. The negative coefficient could be an indication that conflicts are resolved through the appointment of managers more sympathetic to the agenda of the coalitions already in place. *Restructuring* is still significant but the coefficient becomes somewhat larger. This may be because the concentration of restructuring news is higher during this period or because the effect from such announcements increased.

7.2 Time Series Data Regression Results

The individual firm results for the broad categorization are to be found in Tables 6-27 (Appendix A). If we look at the overall picture in Tables 50-51 (Appendix A), we can see that most categories have been significant for at least one out of twenty two firms. All detailed time series model results are presented in Tables 28-49 (Appendix A). Here we choose to analyze categories which have been significant in at least half of the models in which they were included. This choice does not presume that the findings on the other categories should not deserve additional studies in the future.

When it comes to the models with broad categorization, only one category is found to be significant in eight out of fourteen cases; *Outside bids* is significant and is consistent with the more detailed categorization where both *Bid Speculation* and *Miscellaneous bid news* are significant in more than 50% of the relevant cases. This is also consistent with our hypothesis that any news regarding bids may cause changes in the voting premium and is further consistent with previous studies (DeAngelo and DeAngelo (1985)). Furthermore, *Market Return* and *Change in Size* are significant both in the broad and detailed categorization models. The significance of the return on the OMXS30 index may indicate that voting premiums also follow the general macroeconomic trends as the stock index. The *Change in Size* may be explained by an increase in variability of the voting premium on days when large changes in the overall value of the company occur.

Project Cancellations is significant but this is only in one out of two cases. *Joint Ventures* and *Orders* are significant in roughly five out of ten cases and the coefficients are mainly positive. Why these categories should have positive coefficients is unclear but overall, supports our hypothesis that organizational changes may be affecting the voting premium. *Changes in Debt* and *Dividend Policy Announcements and Dividend Payments* are also significant in five out of ten cases. This suggests that changes in debt may be affecting the equity structure and thus the voting power of shares as hypothesized. While we hypothesized that *Changes in Real Estate Holdings* is related to the amount of assets under control, the category may also be a signal of company health. This is because for example the purchase of office blocks may signal a solid company while the sale of offices may signal poor performance and the need for restructuring. *Bids on Companies* is significant in eight out of fifteen cases and further supports the proposal that assets under control may be related to the magnitude of private benefits.

Changes in Board Members is significant for six out of eight cases and is consistent with our expectations, indicating that any changes in board members may signal internal conflicts or instability. *Lawsuit Filings* and *Miscellaneous Legal news* are consistent with our belief that any legal questions important enough to be published in the news may signal a company's future.

The variables that are least significant appear to be the natural logarithm of the market capitalization i.e. size, news on stock option programs and bid announcements made by outsiders. The latter two categories of news appear only once so the lack of significance may be caused by too few observations. It is somewhat surprising size is generally insignificant as we hypothesized that the daily changes in the voting premium may be larger for smaller firms where the voting premium tends to be higher. The number of small firms in our sample is very low and may not be enough to prove that such a relationship exists.

Overall, the R^2 of the different time series models lies between 0.3% and 24.44%. We feel an R^2 24.44% is quite a considerable result. However, if we choose to remove all the news categories from the estimated model and look only at the explanatory power of the control variables, the R^2 remains largely unchanged. We feel that this indicates that it is the explanatory power of the control variables, rather than the news, which influences the R^2 coefficients. A summary of all of the R^2 can be seen from Table 52, Appendix A.

7.3 Event Study Results

We have chosen to conduct a classical event study in order to see if this methodology will give results consistent with those of our models and also help find support for hypothesis (a). A description of the methodology and details of the study are provided in Appendix C where we also provide full results for each of the four cases presented below.

We focused on looking for cases when the average cumulative abnormal return for certain news was found to be significant for the superior voting shares but insignificant for restricted voting shares. If the superior voting shares seem to react abnormally while the restricted shares do not, this may be an indication that the price differential between the two shares changes when certain news are published. If we find the Standardized Average Cumulative Return Ω_1 to be significant we can reject the hypothesis that the average cumulative return is equal to zero.

Table 1 (Appendix C) presents a summary of all the cases when the test statistic Ω_1 is significant at the 10% level. Tables 2-3 (Appendix C) provide the detailed results for the four cases. Significant standardized cumulative abnormal returns are found for only 6 out of 1672 cases[4] and only for broad categories. In two of the significant cases the test statistic for superior voting shares Ω_{SVS} is significant while the test statistic for the restricted voting shares Ω_{RVS} is insignificant.

[4] (7 Broad + 31 Detailed Categories) x 22 Companies x 2 Share classes

In the case of Electrolux the superior voting shares are responding significantly to financial announcements and policy changes while the restricted voting shares do not. For Ortivus the same is true for news concerning organizational changes. This supports our hypothesis (a) that marginal investors may respond to certain categories of news causing the voting premium to change.

In the remaining two cases both classes of shares respond to a news category but at a different level of significance. This may also be an indication of a differential response between the two share classes but not a clear one. The superior voting shares of Volvo seems to react to news about organizational changes while financial announcements and policy changes seem to affect the superior voting shares of Modern Times Group.

7.4 Cases of Further Interest

In three cases, there may have been significant events which we feel should be highlighted. In the case of Volvo and Investor there are a handful of news items closely related to individuals or funds taking stakes in company shares in order to practice shareholder activism. An activist shareholder is one "who tries to change the status quo through 'voice,' without a change in control of the firm" (Gillan and Starks (1998)).For Scania rumors of a takeover bid had been circulating for a number of years and culminated with Investor selling their stake in Scania to MAN.

7.4.1 Investor

On 28.11.2000 Affärsvärlden published that someone had become a new large shareholder in Investor[5]. It was rumored that the Swiss financier Martin Ebner was the one accumulating a post in Investor. These rumors were proven to be correct in a publication on 14.12.2000 where it was also stated that Martin Ebner had made himself known as a "Corporate Pirate"[6]. Ebner continued to accumulate votes in Investor but was forced to sell as reported in an article on the 31.07.2002.[7] During this time period very small changes in the voting premium occurred as can be seen from Graph 1 (Appendix A).

7.4.2 Volvo

News regarding the purchase of a large amount of superior voting shares had been published on Affärsvärlden's web publication on 04.09.2006[8]. The very next day another article made it public that Christer Gardell and his Cevian fund had been the ones buying large quantities of Volvo superior voting shares and had accumulated a 5% of votes[9]. Cevian can be seen as an activist fund, that is, "Cevian Capital is a private investment firm acquiring significant ownership positions in European public companies where long term value can be enhanced through active ownership."[10] The same article

[5] http://www.affarsvarlden.se/eceRedirect?articleId=243110&pubId=3
[6] http://www.affarsvarlden.se/eceRedirect?articleId=244152&pubId=3
[7] http://www.affarsvarlden.se/eceRedirect?articleId=255266&pubId=3
[8] http://www.affarsvarlden.se/eceRedirect?articleId=273201&pubId=3
[9] http://www.affarsvarlden.se/eceRedirect?articleId=273201&pubId=3
[10] http:// www.ceviancapital.com

concluded that speculation about a new large owner had caused the superior voting share of Volvo to appreciate by 30% and the voting premium to rise, since rumors began in July of the same year. Thereafter Cevian gradually increased holdings in superior voting shares but was generally unsuccessful with making its voice heard leading the voting premium to gradually decrease and once again become negative in early 2008. The evolution of the voting premium over time can be seen from Graph 2 (Appendix A).

7.4.3 Scania

Rumors about the sale of Volkswagen's block of Scania votes amounting to roughly 34% was published by Affärsvärlden on 01.02.2006.[11] Roughly three weeks later on 21.02.2006 MAN announced that it was interested in acquiring Volkswagen's block of shares.[12] On the 13.09.2006 it was published that MAN was preparing a bid on Volkswagen's block[13] and on 14.09.2006 an official bid of 440 SEK per share was announced[14]. However on 09.10.2006 MAN officially withdrew its bid.[15] The story didn't end there and a control battle continued between Volkswagen, MAN and Investor until finally culminating on 01.02.2008 when the premium for Scania's superior voting share traded at a 20% premium. Thereafter it started to drop off and returned to 10% without any clear indication in our news sample as to why this was the case. The case of interest is depicted in Graph 3 (Appendix A).

7.5 Summary of Results

We have found no significant coefficients for any of the broad news categories in our pooled regression analysis. In contrast to this, we find that the detailed categorization yields three significant categories. *Restructuring* and *Stock Option Programs* are significant during the entire period while *Change in Non-executive Management* is significant during the second half of our sample. We believe restructuring activity may send negative signals about the firm's health and change the likelihood of takeover. *Stock Option Programs* and *Change in Non-executive Management* may both give signals about internal stability within management and have a negative effect on the voting premium. The R^2 of all models lies between 0.13-0.73% meaning that very little variation in the daily changes can be explained.

Looking at the 22 time series models, we find one broad category that is significant in 8 out of 14 models namely, *Outside Bids*. As for detailed categorization we find more significant results. *Project Cancellations* is significant but this is in only one out of two models making it difficult to judge the significance due to lack of observations. *Joint Ventures* and *Orders* are significant in roughly five out of ten models. The coefficients of these three organizational news sub-categories are mostly positive. *Changes in Debt* and *Dividend Policy Announcements and Dividend Payments* are also significant in

[11] http://www.affarsvarlden.se/eceRedirect?articleId=270549&publd=3
[12] http://www.affarsvarlden.se/eceRedirect?articleId=270852&publd=3
[13] http://www.affarsvarlden.se/eceRedirect?articleId=273364&publd=3
[14] http://www.affarsvarlden.se/eceRedirect?articleId=273384&publd=3
[15] http://www.affarsvarlden.se/eceRedirect?articleId=273741&publd=3

roughly five out of ten models with mixed coefficients. Any changes in debt may cause changes because it affects the equity structure of the company as well as making it possible to invest in more assets. *Changes in Real Estate Holdings* and *Bids on Companies* are significant in three out of six and eight out of fifteen models respectively. *Changes in Board Members*, *Lawsuit Filings* and *Miscellaneous Legal news* are also found to be significant in more than half of the models in which these categories were included.

The R^2 of all models lies between 0.3% and 24.44% for the broad categories and only slightly higher for the detailed categories, meaning that more variability in the daily changes of the voting premium can be explained by time series models (see Table 43, Appendix A for a summary of the R^2). However, if we remove the news categories from our time series models, they have a slightly smaller R^2 indicating that news does not help significantly in explaining the variability in the daily changes in the voting premium.

Using an event study methodology we find that the standardized cumulative abnormal returns caused by two separate broad categories of news, are statistically significant for superior voting shares but not the restricted voting shares in two out of four cases. This means that the two classes of shares may be reacting differently to the same piece of news, causing the voting premium to change. For the remaining two cases we present, the standardized cumulative abnormal returns seemingly caused by news, are statistically significant for both superior and restricted voting shares but at different levels of significance.

Furthermore, we have presented three cases where the news may help explain potential activist activity by shareholders and a prolonged contest for control between rival shareholders.

7.6 Critical Discussion of the Findings

While we have found significant categories, these have been few and the explanatory power of our models has been negligible. Here we propose why this may be the case.

7.6.1 Data

We have already pointed out that we look at the daily changes in the voting premium. Previous studies have generally looked at averages and as compared to these studies our data will have a lot of 'noise'. This noise may be caused by speculating marginal shareholders (Zingales (1995)) or even other parties such as arbitrageurs.

Another source of noise will undoubtedly be non-synchronous trading between superior and restricted voting shares. This means that, due to the liquidity of respective share type, the two closing prices may have been set by trades occurring hours apart. Reducing this noise may also significantly reduce the apparent daily variability in the voting premium.

This noise may make it generally difficult to find clear signals without any additional filtering or

smoothing of the time series data. But such purely mathematical transformations generally cause the loss of information as compared to the original data. The filtering is beneficial only in case of some knowledge about what actually is desired information (e.g. 'signal') and what is undesired ('noise'). Thus more studies should be carried out to get such information out of the 'noise'.

7.6.2 News

Even though we have collected roughly 3500 news articles in total, this is less than one tenth of the number of pooled daily changes in the voting premium which we have. This, per definition, means that we will never be able explain 100% of the time series variation by looking at news alone.

An implicit assumption of this paper has been that the event reported in the news and the publication of the news itself occurs on the same day. This means that we have implicitly assumed that the main response of the stock market occurs on the same day that the news article is published. In reality this need not be the case and the main response to an event may occur one or two days before ever making the news. We have not considered this fact in our models and do not feel that this is always an easy task.

We have tried to account for this problem by using a classical event study methodology which allows us to look at the returns around an event date instead of solely looking at the event date itself. We chose to look at an event window of ± one day and found four cases when the standardized cumulative abnormal returns for the three days in the event window, were statistically significant.

7.6.3 Models and Variables

It is common to use the Shapley value or other power indices (Teall (1992)) for the valuation of votes. Firstly as has been pointed out in previous studies, the time variation in these indices and the underlying structures which they attempt to measure, is very small (Rydqvist (1988)). These indices change very rarely and are, in our opinion, more suited for studies using monthly averages of the voting premium, instead of daily changes. In this sense variables found to be significant in cross sectional studies may be unsuitable for time series studies.

Furthermore, one would expect that any fundamental changes to equity or ownership structures would be reported in the news and thus be included in our sample anyway.

8. Conclusions

From our results we can conclude a number of things. Firstly, our models together with the conducted event study suggest that marginal investors respond to certain categories of news while not responding to others. Secondly, these responses are significantly related to the daily changes in the voting premium. Hence, we find evidence to support our first hypothesis.

We find three cases where the news may help explain a significant part of the time series

variation over longer periods of time, even though their effect may not be fully captured by our models or conducted event study. As our main approach focuses on explaining the daily changes in the voting premium we cannot draw a conclusion about the time series variation over longer periods of time.

We can however conclude that with low R^2 coefficients for the majority of our models, news can help explain only a small fraction of the daily cross-sectional and time series changes in the voting premium. It is also the case that with roughly 3 500 news articles against 57 375 daily changes, our models will never be able to explain 100% of the daily changes in the voting premium with news alone.

9. Suggestions for Further Research

Our study opens for further research in several different ways. Firstly it would be of interest to look at a broader range of news. One could include macroeconomic news, regulatory or judicial news to name but a few. This would allow for a greater range of factors such as interest rate policies, exchange rates, taxation rules and acquisition rules to be taken into account. One could also examine all firm specific news instead of picking out specific sub-categories in order to achieve a broader scope of potential factors. A further possibility is to make an attempt at splitting news into positive and negative. This would allow for a closer examination of the specific effect of each category of news instead of only examining whether such an effect exists.

Another very interesting path for further research would be to look at longer processes and mechanisms instead of only daily changes as in this study. We suspect that a possible explanation for our poor results is that we only look at daily changes in the voting premium and thus completely ignore longer trends.

A slightly different topic of research would be trying to understand the marginal shareholder. During the course of this study we have observed that the superior voting stock of certain companies trades quite frequently and sometimes in fairly large posts. While this may indicate that someone is forming a block from traded shares, we can only speculate about which parties participate on this market.

Lastly, a case study would make it possible to go into more detail and look for firm specific relationships. A more detailed study would allow for a much better mapping of ownership structure, internal coalitions and possibly even give a better insight into the likelihood of takeover.

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Thomson DataStream - http://www.datastream.com

Cevian Capital - http:// www.ceviancapital.com

Appendix A

Table 1. Categorization of news*

This table reports the definitions and descriptions of the news categories

Category	*Definition*
1. Ownership Changes	
Changes in Insider Holdings	Any news regarding trading conducted by insiders**.
Changes in Outsider Holdings	Any news regarding trading conducted by outsiders***.
2. Organizational Changes	
Restructuring	Any news about restructuring programs, their fulfillment or progress reports.
Changes in Company Work-force	Any news about the sacking of old workers or the hiring of new workers.
Project Cancellations	News about the cancellation of internal projects or product lines.
New Projects and Geographic Expansion	News about new product lines, projects or the geographic expansion into new regions and countries.
Joint-Ventures	News of new joint venture projects and the ceasing of previous projects.
Orders	News and announcements of significant orders being placed or about to be placed.
Misc(organizational)	
3. Financial Announcements and policy	
Financial Reports	Releases of quarterly and annual financial reports.
Credit Ratings Announcements	Any announcements on changes in the companies credit rating.
Stock Recommendation and Price Target Announcements	Any recommendations made on the firms stock.
Changes in Debt	Any announcements on the repayment of old debt, the issuance of corporate debt or the taking of new bank debt.
Changes in Equity	Any announcements on stock repurchases or the issuance of new stock
Dividend Policy Announcements and Dividend Payments	Any news on dividends and dividend policies. Includes the payment of dividends, the changes in the size of dividend payments or analysis of dividend policies.
Misc(financial)	
4. Company Asset Portfolio	
Changes in Real Estate Holdings	News on purchases or sales of real estate, for example offices.
Changes in Stock Holdings	News on the purchase or sale of stock in other companies.
Bids on Companies	News on bids announced by a firm in our sample.
Misc(assets)	
5. Board Changes	
Changes in CEO	News on retirement, appointment or sacking of company's CEO.
Changes in Board member	News on the appointment of new board members or leaving of old members
Changes in Non-executive	News on the sacking or appointment of management other than CEO and Management Vice CEO.
Stock Option Programs	News on stock option programs or the issuance of new stock options.
6. Legal	
Lawsuit Filings	News on lawsuits being filed or having been filed in the past.
Institutional Rulings	News on any rulings taken by government institutions.
Misc(legal)	
7. Outside Bids	
Bid Announcements by Outsiders	Any news of outright bids on a firm in our sample. Includes both bid announcements and the withdrawal of bids.
Bid Speculation	Any news, analysis or other speculative articles about bids taking place on a firm in our sample.
Misc(bids)	

* Our categories are inspired by the categorisation made by Becht et. al. (2008) and tables are inspired cy Caprio and Croci (2008).

** An insider is defined as a person or entity that has to disclose trading to The Swedish Financial Supervisory Authority.

*** An outsider is defined as a person or entity

Table 2. Variables*

This table reports the variables used in the models presented on pages 10.11 in the main text

Variable	*Definition*
1. Voting Premiums	
Voting Premium	Daily difference in the price of superior and restricted voting shares divided by the price of a restricted voting share (Zingales, 1994).
Adjusted Voting Premium	The Voting Premium divided by one minus the ratio of votes attached to superior voting shares to the number of votes attached to restricted voting shares (Zingales, 1995).
Change in Voting Premium	The change in the (adjusted) voting premium from day *t-1* to day *t*.
2. Control Variables	
Market Return	Daily return of the OMXS 30 stock index.
Liquidity	The ratio of the daily turnover of superior voting shares and daily turnover of restricted voting shares.
Size	Natural logarithm of the daily market capitalization.
Free Float Ratio	The ratio of the free float rate of superior voting shares and free float rate of restricted voting shares.
Voting Ratio	The ratio of outstanding superior voting shares to outstanding restricted voting shares.
3a. Broad Category Variables	
Ownership	Dummy variable taking the value 1 if *ownership* news was published.
Organizational	Dummy variable taking the value 1 if *organizational* news was published.
Financial	Dummy variable taking the value 1 if *financial* news was published.
Change in Assets	Dummy variable taking the value 1 if news about *changes in assets* was published.
Board Changes	Dummy variable taking the value 1 if news on *board changes* was published.
Legal	Dummy variable taking the value 1 if *legal* news was published.
Outside Bids	Dummy variable taking the value 1 if news about *bids* on a sample firm was published.
3b. Detailed Category Variables	*See table 1 for definitions of the detailed categorization of news.*
Detailed Category	Dummy variable taking the value 1 if news within the given detailed category was published.

* All variables have been tested for unit roots. For the Size variable we could not reject the hypothesis of no unit root in 19 out of 22 cases but for the remaining variables we find no unit roots.

Table 3. Descriptive statistics

This table reports the descriptive statistics for the company VP's in the sample period 22.04.1998-18.04.2008*

Company	*Mean in %*	*Sd in %*	*Min in %*	*Max in %*	*Mean Liquidity*	*Mean Size***
Atlas Copco	7.32	3.17	-0.55	15.02	4.0798	67119.5
Conpharm	-2.56	14.45	-64.52	71.88	0.8926	61.0
Electrolux	1.22	6.82	-19.46	30.09	0.0003	51525.3
Ericsson	3.99	5.95	-2.15	38.24	0.0021	459462.4
Handelsbanken	3.34	3.36	-2.14	19.52	116.3474	103857.4
Holmen	4.69	4.38	-7.11	31.96	0.0044	20492.9
Investor	-2.58	5.80	-21.82	5.94	0.1169	88555.6
Kinnevik	-0.42	4.25	-19.08	28.24	0.5885	12265.9
Latour	-1.66	4.37	-21.24	16.25	0.1626	8427.0
Midway	13.08	16.97	-16.81	78.61	0.0577	741.1
MTG	-3.48	4.62	-28.50	33.05	0.0071	16027.0
NCC	-1.13	1.77	-9.78	7.65	0.1135	10646.5
Ortivus	10.69	15.61	-63.66	75.62	0.0594	430.5
Ratos	1.96	4.51	-15.02	24.87	0.0100	12426.8
SCA	0.05	1.26	-5.23	6.92	0.0165	61835.6
Scania	-0.07	2.86	-5.40	20.44	0.1762	58340.4
Scribona	-0.18	7.53	-20.64	39.16	0.1506	813.1
SKF	-2.44	3.69	-16.04	2.67	0.0635	31883.1
SSAB	4.72	2.44	-2.55	11.67	5.0020	20656.5
Svolder	5.31	8.61	-14.74	60.10	0.0373	803.5
Tele2	-2.12	3.73	-16.47	8.72	0.0063	43349.2
Volvo	-2.38	2.15	-6.85	4.21	0.0875	120048.1
Pooled	1.59	8.50	-64.52	78.61		
Market Return	0.02	1.58	-8.17	11.65		

*Voting Premiums

** In millions of SEK

Table 4. Broad Categorization Pooled Regression Results

This table reports the pooled data regression results for the model described on page 10 in the main text

Variable	*Model*			
	I		*II*	
	Coefficient	*P-value*	*Coefficient*	*P-value*
Constant	0.00007	0.219	0.00011	0.181
Δ(Voting Ratio)	0.00050	0.160	0.00131	0.249
Δ(Free Float Ratio)	-0.01330	0.114	-0.01075*	0.072
MarketReturn	-0.26454 *	0.085	0.00000	0.255
Δ(Liquidity)	0.00000	0.861	0.53497	0.420
Δ(Size)	0.05698	0.763	-0.74222	0.202
Ownership Changes	-0.00060	0.477	-0.00093	0.461
Organizational Changes	-0.00012	0.964	0.00101	0.780
Financial Announcements and Policy	0.00033	0.728	0.00130	0.402
Company Asset Portfolio	-0.00054	0.332	0.00013	0.838
Board Changes	-0.00026	0.816	-0.00037	0.800
Legal	0.00161	0.364	0.00114	0.571
Outside Bids	0.00094	0.834	-0.01391	0.549
R^2	0.0013		0.0072	
Observations	57375		28732	

Statistically significant at the * 10% level

Table 5. Detailed Categorization Pooled Regression Results

This table reports the pooled data regression results for the model described on page 10 in the main text

Variable	*Model*			
	I		*II*	
	Coefficient	*P-value*	*Coefficient*	*P-value*
Constant	0.00007	0.220	0.00011	0.183
Δ(Voting Ratio)	0.00050	0.158	0.00131	0.247
Δ(Free Float Ratio)	-0.01337	0.113	-0.01085*	0.071
MarketReturn	-0.26466*	0.085	0.00000	0.309
Δ(Liquidity)	0.00000	0.827	0.53787	0.420
Δ(Size)	0.05718	0.763	-0.74408	0.203
Changes in Insider Holdings	-0.00054	0.687	-0.00055	0.735
Changes in Outsider Holdings	-0.00063	0.440	-0.00118	0.512
Restructuring	0.00627***	0.005	0.01011**	0.039
Changes in Company Work-force	0.00375	0.340	0.00660	0.277
Project Cancellations	-0.00123	0.695	-0.00015	0.951
New projects and Geographic Expansion	-0.00220	0.347	-0.00312	0.547
Joint-Ventures	0.00254	0.506	0.00094	0.898
Orders	-0.00429	0.509	-0.00325	0.668
Misc(organizational)	0.00130	0.562	0.00886	0.141
Financial Reports	0.00037	0.883	0.00332	0.314
Credit Ratings Announcements	-0.00397	0.177	-0.00093	0.828
Stock Recommendation and Price Target Announcements	0.00151	0.368	-0.00129	0.624
Changes in Debt	-0.00071	0.735	-0.00394	0.440
Changes in Equity	-0.00192	0.441	-0.00829	0.461
Dividend Policy Announcements and Dividend Payments	0.00314	0.508	0.00453	0.595
Misc(financial)	-0.00034	0.818	0.00754	0.437
Changes in Real Estate Holdings	-0.00046	0.884	-0.00151	0.271
Changes in Stock Holdings	-0.00042	0.595	-0.00014	0.872
Bids on Companies	-0.00131	0.766	0.00022	0.967
Misc(assets)	-0.00080	0.734	0.00189	0.578
Changes in CEO	-0.00015	0.893	-0.00034	0.817
Changes in Board Member	-0.00499	0.253	-0.00144	0.686
Changes in Non-executive Management	0.00340	0.579	-0.00352***	0.010
Stock Option Programs	-0.00494**	0.000		
Lawsuit Filings	0.00267	0.465	-0.00184	0.779
Institutional Rulings	0.00255	0.149	0.00363	0.251
Misc(legal)	-0.00125	0.834	-0.00803	0.299
Bid Announcements by Outsiders	-0.00068	0.828	-0.00881	0.425
Bid Speculation	0.00324	0.473	-0.00042	0.942
Misc(bids)	-0.00291	0.756	-0.03262	0.564
R^2	0.0013		0.0073	
Observations	57375		28732	

Statistically significant at the * 10% level, ** 5% level, *** 1% level

Table 6. Broad Categorization Time Series Regression Results – Atlas Copco
This table reports the regression results for Atlas Copco Voting Premium

Variable	***Coefficient***	***P-value***
Constant	0.00042	0.881
Liquidity	0.00002	0.644
Δ(Liquidity)	-0.00006	0.202
Size	-0.00004	0.857
Δ(Size)	***-0.03698	0.000
MarketReturn	-0.00801	0.532
Ownership Changes	-0.00121	0.319
Organizational Changes	-0.00051	0.624
Financial Announcements and Policy	0.00043	0.694
Company Asset Portfolio	0.00060	0.224
Board Changes	0.00011	0.946
Legal	-0.00058	0.691
Outside Bids	0.00007	0.776
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 7. Broad Categorization Time Series Regression Results – Conpharm
This table reports the regression results for Conpharm Voting Premium

Variable	***Coefficient***	***P-value***
Constant	-0.00009	0.988
Liquidity	-0.00018	0.582
Δ(Liquidity)	0.00016	0.680
Size	0.00000	0.997
Δ(Size)	**-0.17431	0.018
MarketReturn	0.14229	0.331
Financial Announcements and Policy	0.01974	0.109
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 8. Broad Categorization Time Series Regression Results – Electrolux
This table reports the regression results for Electrolux Voting Premium

Variable	***Coefficient***	***P-value***
Constant	-0.05544	0.102
Liquidity	0.84061	0.165
Δ(Liquidity)	0.00301	0.993
Size	0.00507	0.104
Δ(Size)	***-0.53831	0.000
MarketReturn	-0.10182	0.210
Ownership Changes	0.00755	0.178
Organizational Changes	0.00534	0.239
Financial Announcements and Policy	-0.00030	0.943
Company Asset Portfolio	0.00292	0.589
Board Changes	-0.00487	0.447
Legal	-0.00178	0.811
Outside Bids	0.01118	0.342
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 9. Broad Categorization Time Series Regression Results – Ericsson
This table reports the regression results for Ericsson Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00178	0.805
Liquidity	0.13511	0.123
Δ(Liquidity)	-0.05681	0.292
Size	-0.00016	0.773
Δ(Size)	***-0.13633	0.000
MarketReturn	0.02443	0.526
Ownership Changes	-0.00094	0.576
Organizational Changes	0.00212	0.191
Financial Announcements and Policy	-0.00281	0.114
Company Asset Portfolio	0.00164	0.249
Board Changes	-0.00145	0.598
Legal	0.00035	0.828
Outside Bids	***-0.00885	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 10. Broad Categorization Time Series Regression Results – Handelsbanken
This table reports the regression results for Handelsbanken Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00220	0.878
Liquidity	0.00000	0.901
Δ(Liquidity)	0.00000	0.747
Size	-0.00019	0.877
Δ(Size)	***0.06042	0.001
MarketReturn	-0.03326	0.104
Ownership Changes	-0.00147	0.260
Organizational Changes	-0.00103	0.529
Financial Announcements and Policy	-0.00014	0.919
Company Asset Portfolio	-0.00204	0.102
Board Changes	*0.00404	0.069
Legal	0.00371	0.268
Outside Bids	***-0.00446	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 11. Broad Categorization Time Series Regression Results – Holmen
This table reports the regression results for Holmen Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.03398	0.344
Liquidity	0.00520	0.803
Δ(Liquidity)	-0.00365	0.527
Size	0.00341	0.345
Δ(Size)	0.01570	0.761
MarketReturn	***-0.34543	0.000
Ownership Changes	0.00411	0.618
Organizational Changes	-0.00020	0.961
Financial Announcements and Policy	0.00586	0.141
Company Asset Portfolio	-0.00266	0.744
Board Changes	0.00119	0.798
Legal	0.00045	0.849
Outside Bids	**0.04790	0.026
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 12. Broad Categorization Time Series Regression Results – Investor
This table reports the regression results for Investor Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00052	0.928
Liquidity	0.00083	0.489
Δ(Liquidity)	-0.00008	0.955
Size	-0.00004	0.935
Δ(Size)	0.04656	0.222
MarketReturn	**-0.07252	0.041
Ownership Changes	-0.00164	0.225
Organizational Changes	0.00267	0.514
Financial Announcements and Policy	-0.00146	0.189
Company Asset Portfolio	*-0.00115	0.073
Board Changes	-0.00122	0.322
Legal	0.00090	0.734
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 13. Broad Categorization Time Series Regression Results – Kinnevik
This table reports the regression results for Kinnevik Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00180	0.753
Liquidity	*0.00009	0.058
Δ(Liquidity)	**-0.00007	0.034
Size	0.00022	0.721
Δ(Size)	***0.11612	0.009
MarketReturn	***-0.41039	0.000
Ownership Changes	-0.00676	0.096
Organizational Changes	***-0.02745	0.001
Financial Announcements and Policy	-0.00611	0.265
Company Asset Portfolio	-0.00363	0.681
Board Changes	0.00618	0.301
Legal	***0.01474	0.000
Outside Bids	*-0.08704	0.098
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 14. Broad Categorization Time Series Regression Results – Latour
This table reports the regression results for Latour Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00589	0.680
Liquidity	-0.00076	0.274
Δ(Liquidity)	0.00002	0.858
Size	0.00069	0.661
Δ(Size)	***-0.36500	0.000
MarketReturn	***-0.15899	0.000
Ownership Changes	-0.00085	0.746
Financial Announcements and Policy	-0.00407	0.478
Company Asset Portfolio	-0.00103	0.762
Board Changes	0.00223	0.357
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 15. Broad Categorization Time Series Regression Results – Midway
This table reports the regression results for Midway Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00239	0.796
Liquidity	0.00405	0.483
Δ(Liquidity)	**-0.00667	0.023
Size	0.00034	0.806
Δ(Size)	***0.66186	0.000
MarketReturn	***-0.36138	0.000
Ownership Changes	*0.03443	0.087
Financial Announcements and Policy	-0.02584	0.450
Company Asset Portfolio	***-0.01966	0.001
Board Changes	***0.00750	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 16. Broad Categorization Time Series Regression Results – MTG
This table reports the regression results for MTG Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00713	0.528
Liquidity	0.01874	0.209
Δ(Liquidity)	0.00221	0.795
Size	0.00075	0.518
Δ(Size)	-0.02129	0.634
MarketReturn	***-0.43699	0.000
Ownership Changes	-0.00711	0.197
Organizational Changes	0.00464	0.479
Financial Announcements and Policy	-0.00076	0.867
Company Asset Portfolio	-0.00268	0.564
Board Changes	0.00890	0.345
Legal	-0.02463	0.268
Outside Bids	-0.00150	0.115
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 17. Broad Categorization Time Series Regression Results – NCC
This table reports the regression results for NCC Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00210	0.740
Liquidity	0.00032	0.480
Δ(Liquidity)	-0.00022	0.557
Size	0.00022	0.742
Δ(Size)	***0.19695	0.000
MarketReturn	***-0.21466	0.000
Ownership Changes	*-0.00727	0.053
Organizational Changes	0.00070	0.625
Financial Announcements and Policy	0.00406	0.287
Company Asset Portfolio	-0.00171	0.352
Board Changes	-0.00218	0.475
Legal	*0.00648	0.079
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 18. Broad Categorization Time Series Regression Results – Ortivus
This table reports the regression results for Ortivus Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.01548	0.671
Liquidity	-0.00030	0.893
Δ(Liquidity)	0.00022	0.661
Size	0.00267	0.684
Δ(Size)	0.02056	0.976
MarketReturn	-0.53722	0.173
Ownership Changes	0.00157	0.845
Organizational Changes	-0.03066	0.136
Financial Announcements and Policy	*0.01948	0.099
Company Asset Portfolio	-0.00895	0.547
Board Changes	-0.02222	0.199
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 19. Broad Categorization Time Series Regression Results – Ratos
This table reports the regression results for Ratos Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00034	0.968
Liquidity	-0.00298	0.915
Δ(Liquidity)	0.00214	0.906
Size	0.00003	0.970
Δ(Size)	**0.13687	0.037
MarketReturn	***-0.34773	0.000
Ownership Changes	0.00454	0.621
Organizational Changes	0.00674	0.692
Financial Announcements and Policy	-0.00219	0.498
Company Asset Portfolio	-0.00205	0.530
Board Changes	0.00695	0.434
Legal	**0.01381	0.058
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 20. Broad Categorization Time Series Regression Results – SCA
This table reports the regression results for SCA Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00260	0.839
Liquidity	0.00093	0.876
Δ(Liquidity)	-0.00003	0.995
Size	0.00023	0.843
Δ(Size)	-0.01224	0.653
MarketReturn	***-0.07562	0.001
Ownership Changes	0.00124	0.379
Organizational Changes	0.00040	0.837
Financial Announcements and Policy	0.00200	0.344
Company Asset Portfolio	0.00171	0.245
Board Changes	-0.00161	0.604
Legal	-0.00266	0.691
Outside Bids	***0.01383	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 21. Broad Categorization Time Series Regression Results – Scania
This table reports the regression results for Scania Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00308	0.479
Liquidity	-0.00011	0.799
Δ(Liquidity)	0.00015	0.700
Size	0.00029	0.462
Δ(Size)	***0.04331	0.000
MarketReturn	***-0.04134	0.001
Ownership Changes	-0.00109	0.570
Organizational Changes	***0.00427	0.000
Financial Announcements and Policy	*-0.00204	0.081
Company Asset Portfolio	-0.00060	0.586
Board Changes	-0.00125	0.764
Legal	0.00165	0.550
Outside Bids	-0.00088	0.292
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 22. Broad Categorization Time Series Regression Results – Scribona
This table reports the regression results for Scribona Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00355	0.785
Liquidity	-0.00087	0.696
Δ(Liquidity)	**-0.00283	0.025
Size	0.00049	0.799
Δ(Size)	***-0.31896	0.000
MarketReturn	-0.08278	0.150
Ownership Changes	0.00230	0.471
Organizational Changes	0.00689	0.214
Financial Announcements and Policy	-0.00213	0.797
Company Asset Portfolio	0.00230	0.830
Board Changes	-0.00002	0.998
Outside Bids	*0.01860	0.084
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 23. Broad Categorization Time Series Regression Results – SKF
This table reports the regression results for SKF Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00474	0.362
Liquidity	**0.00388	0.038
Δ(Liquidity)	*-0.00287	0.090
Size	0.00044	0.379
Δ(Size)	***0.04505	0.003
MarketReturn	**-0.04708	0.014
Ownership Changes	-0.00037	0.827
Organizational Changes	*0.00343	0.070
Financial Announcements and Policy	0.00101	0.405
Company Asset Portfolio	0.00009	0.944
Board Changes	-0.00040	0.726
Legal	-0.00107	0.683
Outside Bids	**-0.00656	0.031
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 24. Broad Categorization Time Series Regression Results – SSAB

This table reports the regression results for SSAB Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00062	0.809
Liquidity	0.00001	0.780
Δ(Liquidity)	*0.00007	0.095
Size	0.00006	0.795
Δ(Size)	***0.04277	0.001
MarketReturn	*-0.03721	0.069
Ownership Changes	-0.00031	0.788
Organizational Changes	-0.00395	0.300
Financial Announcements and Policy	-0.00113	0.241
Company Asset Portfolio	-0.00090	0.754
Board Changes	-0.00070	0.697
Legal	0.00472	0.153
Outside Bids	-0.00823	0.216
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 25. Broad Categorization Time Series Regression Results – Svolder

This table reports the regression results for Svolder Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00792	0.581
Liquidity	-0.00455	0.254
Δ(Liquidity)	0.00022	0.912
Size	0.00118	0.579
Δ(Size)	***-0.84765	0.000
MarketReturn	***-0.16130	0.006
Ownership Changes	0.00042	0.794
Organizational Changes	**0.00368	0.043
Financial Announcements and Policy	-0.00311	0.451
Company Asset Portfolio	*0.00874	0.099
Board Changes	**0.00974	0.013
Outside Bids	***0.02463	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 26. Broad Categorization Time Series Regression Results – Tele2

This table reports the regression results for Tele2 Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00304	0.830
Liquidity	-0.00224	0.932
Δ(Liquidity)	-0.01856	0.439
Size	0.00030	0.823
Δ(Size)	***-0.04693	0.010
MarketReturn	***-0.11439	0.000
Ownership Changes	**-0.00633	0.050
Organizational Changes	0.00324	0.469
Financial Announcements and Policy	0.00069	0.721
Company Asset Portfolio	-0.00124	0.562
Board Changes	***-0.00451	0.008
Legal	-0.00034	0.921
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 27. Broad Categorization Time Series Regression Results – Volvo
This table reports the regression results for Volvo Voting Premium

Variable	***Coefficient***	***P-value***
Constant	0.00061	0.835
Liquidity	0.00011	0.893
Δ(Liquidity)	-0.00032	0.672
Size	-0.00006	0.825
Δ(Size)	**0.02034	0.019
MarketReturn	-0.00410	0.729
Ownership Changes	0.00035	0.658
Organizational Changes	-0.00034	0.593
Financial Announcements and Policy	*0.00118	0.008
Company Asset Portfolio	-0.00074	0.358
Board Changes	-0.00058	0.390
Legal	0.00120	0.508
Outside Bids	0.00057	0.492
Statistically significant at the * 10% level,	** 5% level,	*** 1% level

Table 28. Detailed Categorization Time Series Regression Results – Atlas Copco
This table reports the regression results for Atlas Copco Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00041	0.881
Δ(Liquidity)	-0.00006	0.177
Δ(Size)	***-0.03629	0.000
Liquidity	0.00002	0.710
Size	-0.00004	0.863
MarketReturn	-0.00811	0.528
Changes in Insider Holdings	-0.00048	0.707
Changes in Outsider Holdings	-0.00243	0.294
Restructuring	0.00074	0.797
Changes in Company Workforce	***-0.00288	0.000
New Projects and Geographic Expansion	-0.00117	0.435
Orders	0.00020	0.927
Misc(organizational)	-0.00011	0.963
Financial Reports	*0.00409	0.098
Stock Recommendation and Price Target Announcements	0.00144	0.277
Changes in Equity	-0.00956	0.106
Misc(financial)	-0.00213	0.128
Changes in Stock Holdings	0.00067	0.192
Misc(assets)	-0.00058	0.631
Changes in CEO	*0.00289	0.099
Changes in Board Member	***-0.00255	0.000
Lawsuit Filings	**-0.00033	0.031
Institutional Rulings	-0.00078	0.700
Misc(legal)	0.00016	0.524
Bid Speculation	0.00006	0.784
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 29. Detailed Categorization Time Series Regression Results – Conpharm
This table reports the regression results for Conpharm Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00009	0.988
Δ(Liquidity)	0.00016	0.680
Δ(Size)	**-0.17431	0.018
Liquidity	-0.00018	0.582
Size	0.00000	0.997
MarketReturn	0.14229	0.331
Financial Reports	0.01974	0.109
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 30. Detailed Categorization Time Series Regression Results – Electrolux
This table reports the regression results for Electrolux Voting Premium

Variable	*Coefficient*	*P-value*
Constant	*-0.05770	0.093
Δ(Liquidity)	0.00500	0.989
Δ(Size)	***-0.54725	0.000
Liquidity	0.84334	0.180
Size	*0.00528	0.095
MarketReturn	-0.09431	0.229
Changes in Insider Holdings	0.01003	0.209
Changes in Outsider Holdings	0.00535	0.493
Restructuring	*0.00919	0.083
Changes in Company Workforce	0.00092	0.903
New Projects and Geographic Expansion	0.00578	0.076
Joint-Ventures	***0.01781	0.000
Misc(organizational)	0.00505	0.727
Financial Reports	0.00735	0.411
Credit Ratings Announcements	***0.01100	0.000
Stock Recommendation and Price Target Announcements	0.00628	0.292
Changes in Equity	-0.00049	0.892
Dividend Policy Announcements and Dividend Payments	-0.00267	0.815
Misc(financial)	-0.01440	*0.093
Changes in Stock Holdings	0.00228	0.717
Bids on Companies	***0.01359	0.000
Misc(assets)	0.00494	0.447
Changes in CEO	-0.00489	0.448
Lawsuit Filings	***0.03569	0.000
Institutional Rulings	0.00385	0.549
Misc(legal)	***-0.02537	0.006
Bid Speculation	0.01134	0.337
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 31. Detailed Categorization Time Series Regression Results – Ericsson
This table reports the regression results for Ericsson Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00158	0.824
Δ(Liquidity)	-0.05275	0.301
Δ(Size)	***-0.13993	0.000
Liquidity	0.12766	0.134
Size	0.00014	0.794
MarketReturn	0.03029	0.435
Changes in Insider Holdings	0.00316	0.319
Changes in Outsider Holdings	-0.00190	0.315
Restructuring	-0.00508	0.174
Changes in Company Workforce	0.00522	0.188
New Projects and Geographic Expansion	-0.00250	0.542
Joint-Ventures	**0.00744	0.028
Orders	0.00152	0.482
Misc(organizational)	***0.01321	0.000
Financial Reports	-0.00227	0.332
Credit Ratings Announcements	-0.01020	0.266
Stock Recommendation and Price Target Announcements	0.00245	0.320
Changes in Debt	0.00366	0.413
Changes in Equity	-0.01109	0.163
Dividend Policy Announcements and Dividend Payments	-0.00460	0.420
Misc(financial)	-0.00293	0.331
Changes in Real Estate Holdings	**0.01217	0.048
Changes in Stock Holdings	0.00081	0.627
Bids on Companies	0.00022	0.957
Misc(assets)	0.00087	0.766
Changes in CEO	-0.00149	0.593
Lawsuit Filings	0.00259	0.424
Institutional Rulings	-0.00110	0.547
Misc(legal)	0.00135	0.777
Bid Speculation	***-0.00904	0.000

Statistically significant at the * 10% level, ** 5% level, *** 1% level

Table 32. Detailed Categorization Time Series Regression Results-Handelsbanken
This table reports the regression results for Handelsbanken Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00319	0.826
Δ(Liquidity)	0.00000	0.554
Δ(Size)	***0.06104	0.001
Liquidity	0.00000	0.663
Size	-0.00028	0.822
MarketReturn	-0.03328	0.105
Changes in Insider Holdings	0.00045	0.204
Changes in Outsider Holdings	-0.00170	0.240
New Projects and Geographic Expansion	0.00279	0.101
Joint-Ventures	***-0.00372	0.000
Misc(organizational)	-0.00337	0.148
Financial Reports	-0.00277	0.138
Credit Ratings Announcements	-0.00328	0.234
Stock Recommendation and Price Target Announcements	0.00148	0.556
Changes in Debt	***0.00686	0.000
Changes in Equity	**0.01076	0.043
Dividend Policy Announcements and Dividend Payments	***-0.01373	0.000
Misc(financial)	0.00180	0.371
Changes in Stock Holdings	**-0.00301	0.025
Bids on Companies	*-0.00799	0.074
Misc(assets)	0.00118	0.635
Changes in CEO	0.00383	0.183
Changes in Board Member	0.00068	0.270
Changes in Non-executive Management	***0.00317	0.000
Institutional Rulings	0.00725	0.112
Misc(legal)	***-0.00160	0.007
Misc(bids)	***-0.00443	0.000

Statistically significant at the * 10% level, ** 5% level, *** 1% level

Table 33. Detailed Categorization Time Series Regression Results – Holmen
This table reports the regression results for Holmen Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.02232	0.539
Δ(Liquidity)	-0.00388	0.507
Δ(Size)	0.01797	0.728
Liquidity	0.00561	0.789
Size	0.00224	0.540
MarketReturn	***-0.35142	0.000
Changes in Insider Holdings	0.00887	0.543
Changes in Outsider Holdings	0.00150	0.879
Restructuring	-0.00183	0.702
Changes in Company Workforce	*-0.01081	0.093
New Projects and Geographic Expansion	-0.00406	0.672
Misc(organizational)	**0.01147	0.015
Financial Reports	0.00659	0.195
Stock Recommendation and Price Target Announcements	**0.01816	0.037
Changes in Equity	-0.02766	0.302
Dividend Policy Announcements and Dividend Payments	-0.00218	0.707
Misc(financial)	-0.00190	0.819
Changes in Stock Holdings	-0.00066	0.946
Bids on Companies	***-0.00339	0.000
Misc(assets)	***-0.01984	0.000
Changes in CEO	0.00127	0.785
Lawsuit Filings	***0.00813	0.000
Institutional Rulings	-0.00158	0.433
Bid Speculation	***0.07870	0.000
Misc(bids)	***0.01735	0.000
Statistically significant at the * 10% level,	** 5% level,	*** 1% level

Table 34. Detailed Categorization Time Series Regression Results – Investor
This table reports the regression results for Investor Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00073	0.901
Δ(Liquidity)	-0.00006	0.967
Δ(Size)	0.04653	0.226
Liquidity	0.00080	0.500
Size	-0.00006	0.908
MarketReturn	**-0.07104	0.046
Changes in Insider Holdings	-0.00085	0.731
Changes in Outsider Holdings	-0.00205	0.204
Restructuring	-0.00126	0.651
Changes in Company Workforce	***-0.00735	0.000
New Projects and Geographic Expansion	-0.00342	0.210
Misc(organizational)	***0.01969	0.003
Financial Reports	-0.00118	0.483
Credit Ratings Announcements	***0.00875	0.000
Stock Recommendation and Price Target Announcements	-0.00184	0.635
Changes in Debt	-0.00382	0.401
Changes in Equity	*-0.00143	0.068
Dividend Policy Announcements and Dividend Payments	-0.00305	0.232
Misc(financial)	-0.00223	0.264
Changes in Stock Holdings	***-0.00180	0.008
Bids on Companies	0.00419	0.123
Misc(assets)	-0.00075	0.619
Changes in CEO	-0.00530	0.107
Changes in Board Member	0.00390	0.217
Stock Option Programs	-0.00782	0.525
Institutional Rulings	0.00488	0.142
Misc(legal)	***-0.00305	0.000

Statistically significant at the * 10% level, ** 5% level, *** 1% level

Table 35. Detailed Categorization Time Series Regression Results – Kinnevik
This table reports the regression results for Kinnevik Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00089	0.875
Δ(Liquidity)	**-0.00007	0.035
Δ(Size)	***0.11941	0.007
Liquidity	*0.00008	0.060
Size	0.00012	0.847
MarketReturn	***-0.40935	0.000
Changes in Insider Holdings	**-0.01153	0.016
Changes in Outsider Holdings	-0.00316	0.591
Restructuring	***-0.00783	0.000
Misc(organizational)	***-0.03739	0.000
Financial Reports	-0.00706	0.342
Stock Recommendation and Price Target Announcements	***0.01922	0.000
Changes in Debt	***-0.01270	0.000
Changes in Equity	-0.00068	0.919
Misc(financial)	-0.01778	0.267
Changes in Real Estate Holdings	-0.00132	0.265
Changes in Stock Holdings	*-0.02041	0.080
Misc(assets)	***0.02555	0.001
Changes in CEO	0.00611	0.308
Institutional Rulings	***0.01108	0.001
Misc(legal)	***0.02552	0.000
Misc(bids)	*-0.08908	0.099
Statistically significant at the * 10% level,	** 5% level,	*** 1% level

Table 36. Detailed Categorization Time Series Regression Results – Latour
This table reports the regression results for Latour Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00720	0.614
Δ(Liquidity)	0.00002	0.860
Δ(Size)	***-0.36610	0.000
Liquidity	-0.00081	0.243
Size	0.00084	0.595
MarketReturn	***-0.16251	0.000
Changes in Insider Holdings	-0.00092	0.726
Financial Reports	-0.00324	0.452
Stock Recommendation and Price Target Announcements	-0.01531	0.119
Changes in Equity	0.00883	0.424
Misc(financial)	-0.02010	0.410
Changes in Real Estate Holdings	***-0.00272	0.000
Changes in Stock Holdings	0.00188	0.522
Bids on Companies	***-0.05692	0.007
Misc(assets)	-0.00234	0.120
Changes in CEO	*0.00526	0.061
Changes in Board Member	***-0.00171	0.004
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 37. Detailed Categorization Time Series Regression Results – Midway
This table reports the regression results for Midway Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00280	0.763
Δ(Liquidity)	**-0.00670	0.023
Δ(Size)	***0.66117	0.000
Liquidity	0.00407	0.481
Size	0.00040	0.772
MarketReturn	***-0.36411	0.000
Changes in Insider Holdings	*0.03440	0.088
Financial Reports	-0.03517	0.384
Changes in Equity	0.00469	0.183
Misc(financial)	***0.03684	0.000
Changes in Stock Holdings	***-0.01998	0.003
Misc(assets)	***-0.01740	0.000
Changes in CEO	0.00747	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 38. Detailed Categorization Time Series Regression Results – MTG
This table reports the regression results for MTG Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00611	0.590
Δ(Liquidity)	0.00279	0.735
Δ(Size)	-0.02553	0.569
Liquidity	0.01841	0.214
Size	0.00065	0.581
MarketReturn	***-0.44151	0.000
Changes in Insider Holdings	**-0.01815	0.039
Changes in Outsider Holdings	-0.00439	0.491
Restructuring	0.00399	0.345
New Projects and Geographic Expansion	-0.00141	0.876
Joint-Ventures	***0.01515	0.000
Misc(organizational)	0.01502	0.271
Financial Reports	-0.00155	0.850
Stock Recommendation and Price Target Announcements	0.00217	0.679
Changes in Debt	***0.00611	0.007
Changes in Equity	0.00796	0.290
Misc(financial)	-0.00791	0.423
Changes in Stock Holdings	0.00344	0.414
Bids on Companies	-0.00103	0.545
Misc(assets)	*-0.02311	0.093
Changes in CEO	-0.01837	0.189
Changes in Board member	***0.02487	0.004
Institutional Rulings	***0.00692	0.000
Misc(legal)	***-0.05632	0.000
Bid Speculation	-0.00152	0.111
Statistically significant at the * 10% level,	** 5% level,	*** 1% level

Table 39. Detailed Categorization Time Series Regression Results – NCC
This table reports the regression results for NCC Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00151	0.812
Δ(Liquidity)	-0.00007	0.861
Δ(Size)	***0.19828	0.000
Liquidity	0.00009	0.855
Size	0.00016	0.813
MarketReturn	***-0.21572	0.000
Changes in Insider Holdings	*-0.01028	0.092
Changes in Outsider Holdings	-0.00545	0.248
Restructuring	**0.01065	0.033
Changes in Company Workforce	-0.00233	0.139
Project Cancellations	***-0.00709	0.000
New Projects and Geographic Expansion	0.00411	0.694
Joint-Ventures	-0.00280	0.516
Orders	-0.00036	0.820
Misc(organizational)	*0.01212	0.094
Financial Reports	*0.01161	0.080
Stock Recommendation and Price Target Announcements	0.00281	0.392
Changes in Equity	-0.00366	0.604
Dividend Policy Announcements and Dividend Payments	***0.00710	0.000
Misc(financial)	-0.00302	0.679
Changes in Real Estate Holdings	-0.00316	0.167
Changes in Stock Holdings	-0.00018	0.949
Bids on Companies	-0.00777	0.613
Misc(assets)	-0.00296	0.615
Changes in CEO	***0.02096	0.000
Changes in Board Member	***-0.02218	0.000
Lawsuit Filings	-0.00077	0.920
Institutional Rulings	0.00165	0.592
Misc(legal)	***0.01717	0.009

Statistically significant at the * 10% level. ** 5% level. *** 1% level

Table 40. Detailed Categorization Time Series Regression Results – Ortivus
This table reports the regression results for Ortivus Voting Premium

Variable	***Coefficient***	***P-value***
Constant	-0.01626	0.659
Δ(Liquidity)	0.00024	0.620
Δ(Size)	0.02924	0.966
Liquidity	-0.00032	0.888
Size	0.00280	0.672
MarketReturn	-0.54172	0.175
Changes in Insider Holdings	0.00108	0.926
Changes in Outsider Holdings	0.00203	0.865
Restructuring	0.01051	0.308
New Projects and Geographic Expansion	-0.03121	0.274
Joint-Ventures	-0.03445	0.169
Orders	-0.04176	0.125
Misc(organizational)	**0.06138	0.049
Financial Reports	*0.03084	0.085
Stock Recommendation and Price Target Announcements	0.01334	0.597
Changes in Debt	0.00364	0.472
Changes in Equity	-0.00573	0.964
Misc(financial)	-0.03200	0.300
Changes in Stock Holdings	-0.00903	0.548
Changes in CEO	-0.02235	0.203
Statistically significant at the * 10% level,	** 5% level,	*** 1% level

Table 41. Detailed Categorization Time Series Regression Results – Ratos

This table reports the regression results for Ratos Voting Premium

Variable	***Coefficient***	***P-value***
Constant	-0.00039	0.964
Δ(Liquidity)	0.00172	0.924
Δ(Size)	**0.13617	0.040
Liquidity	-0.00212	0.940
Size	0.00004	0.966
MarketReturn	***-0.34911	0.000
Changes in Insider Holdings	-0.00295	0.737
Changes in Outsider Holdings	**0.03831	0.029
Restructuring	***-0.01085	0.000
New Projects and Geographic Expansion	***0.01560	0.001
Misc(organizational)	0.00663	0.872
Financial Reports	0.00015	0.974
Stock Recommendation and Price Target Announcements	0.00261	0.713
Dividend Policy Announcements and Dividend Payments	**-0.01003	0.020
Misc(financial)	-0.00650	0.229
Changes in Stock Holdings	-0.00124	0.749
Bids on Companies	-0.01192	0.313
Misc(assets)	-0.00151	0.759
Changes in CEO	0.00694	0.435
Institutional Rulings	***0.02021	0.001
Misc(legal)	***-0.00539	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 42. Detailed Categorization Time Series Regression Results – SCA

This table reports the regression results for SCA Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00193	0.881
Δ(Liquidity)	-0.00007	0.989
Δ(Size)	-0.01494	0.584
Liquidity	0.00070	0.907
Size	0.00017	0.885
MarketReturn	***-0.07672	0.001
Changes in Insider Holdings	0.00267	0.270
Changes in Outsider Holdings	0.00079	0.636
Restructuring	0.00558	0.298
Changes in Company Workforce	*-0.01112	0.080
New Projects and Geographic Expansion	0.00080	0.634
Joint-Ventures	0.00156	0.805
Orders	***0.01239	0.000
Misc(organizational)	*-0.00995	0.074
Financial Reports	-0.00045	0.830
Credit Ratings Announcements	-0.00315	0.631
Stock Recommendation and Price Target Announcements	-0.00135	0.616
Changes in Debt	***-0.01870	0.000
Changes in Equity	0.00184	0.592
Misc(financial)	**0.01558	0.036
Changes in Stock Holdings	*0.00254	0.090
Bids on Companies	***-0.00106	0.005
Misc(assets)	-0.00079	0.841
Changes in CEO	-0.00160	0.608
Lawsuit Filings	***-0.00972	0.000
Institutional Rulings	0.00250	0.402
Misc(legal)	-0.01233	0.581
Bid Speculation	***0.01385	0.000

Statistically significant at the * 10% level. ** 5% level. *** 1% level

Table 43. Detailed Categorization Time Series Regression Results – Scania
This table reports the regression results for Scania Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00371	0.401
Δ(Liquidity)	0.00020	0.614
Δ(Size)	***0.04347	0.000
Liquidity	-0.00012	0.791
Size	0.00035	0.385
MarketReturn	***-0.04145	0.001
Changes in Insider Holdings	0.00164	0.657
Changes in Outsider Holdings	-0.00140	0.501
Restructuring	**0.00734	0.040
Project Cancellations	0.00002	0.921
New Projects and Geographic Expansion	0.00121	0.337
Joint-Ventures	***0.00882	0.000
Orders	**0.00576	0.022
Misc(organizational)	0.00250	0.186
Financial Reports	-0.00110	0.295
Credit Ratings Announcements	***0.00170	0.000
Stock Recommendation and Price Target Announcements	**-0.00476	0.020
Dividend Policy Announcements and Dividend Payments	**-0.00078	0.017
Misc(financial)	0.00152	0.717
Changes in Real Estate Holdings	***-0.00348	0.000
Changes in Stock Holdings	0.00054	0.607
Bids on Companies	**-0.00381	0.025
Misc(assets)	-0.00107	0.852
Changes in CEO	-0.00127	0.762
Institutional Rulings	0.00251	0.400
Misc(legal)	-0.00011	0.984
Bid Announcements by Outsiders	-0.00015	0.929
Bid Speculation	-0.00168	0.212
Misc(bids)	-0.00021	0.869
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 44. Detailed Categorization Time Series Regression Results – Scribona
This table reports the regression results for Scribona Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00436	0.737
Δ(Liquidity)	**-0.00283	0.026
Δ(Size)	***-0.31665	0.000
Liquidity	-0.00087	0.699
Size	0.00062	0.751
MarketReturn	-0.08451	0.142
Changes in Insider Holdings	-0.00399	0.426
Changes in Outsider Holdings	0.00305	0.382
Restructuring	0.00737	0.528
Changes in Company Workforce	0.02692	0.234
New Projects and Geographic Expansion	-0.00314	0.709
Joint-Ventures	0.01000	0.262
Orders	***0.01795	0.001
Misc(organizational)	-0.00628	0.168
Financial Reports	-0.01050	0.366
Changes in Equity	0.01164	0.340
Dividend Policy Announcements and Dividend Payments	***0.04115	0.000
Misc(financial)	0.00616	0.636
Changes in Stock Holdings	-0.00327	0.645
Bids on Companies	-0.01736	0.136
Misc(assets)	0.02343	0.501
Changes in CEO	0.00000	1.000
Bid Speculation	*0.01855	0.085
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 45. Detailed Categorization Time Series Regression Results – SKF
This table reports the regression results for SKF Voting Premium

Variable	***Coefficient***	***P-value***
Constant	-0.00479	0.361
Δ(Liquidity)	*-0.00289	0.088
Δ(Size)	***0.04552	0.003
Liquidity	**0.00387	0.039
Size	0.00044	0.377
MarketReturn	**-0.04766	0.013
Changes in Insider Holdings	0.00262	0.560
Changes in Outsider Holdings	-0.00066	0.714
Restructuring	0.00344	0.281
Changes in Company Workforce	0.00536	0.136
New Projects and Geographic Expansion	0.00759	0.210
Joint-Ventures	-0.00065	0.776
Orders	***-0.00416	0.000
Misc(organizational)	0.00411	0.171
Financial Reports	0.00041	0.800
Credit Ratings Announcements	***-0.00154	0.000
Stock Recommendation and Price Target Announcements	0.00007	0.971
Changes in Debt	-0.00012	0.746
Changes in Equity	***0.00931	0.000
Misc(financial)	0.00164	0.545
Changes in Real Estate Holdings	-0.00224	0.122
Changes in Stock Holdings	0.00044	0.793
Misc(assets)	-0.00106	0.339
Changes in CEO	-0.00185	0.264
Changes in Board Member	0.00124	0.255
Institutional Rulings	-0.00193	0.537
Misc(legal)	***0.00242	0.000
Bid Speculation	**-0.00656	0.032
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 46. Detailed Categorization Time Series Regression Results – SSAB
This table reports the regression results for SSAB Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00076	0.769
Δ(Liquidity)	*0.00007	0.093
Δ(Size)	***0.04347	0.000
Liquidity	0.00001	0.804
Size	0.00008	0.751
MarketReturn	*-0.03787	0.066
Changes in Insider Holdings	-0.00072	0.701
Changes in Outsider Holdings	-0.00024	0.852
New Projects and Geographic Expansion	-0.00050	0.571
Misc(organizational)	-0.00860	0.282
Financial Reports	0.00015	0.937
Credit Ratings Announcements	-0.00618	0.127
Stock Recommendation and Price Target Announcements	-0.00248	0.110
Changes in Equity	-0.00202	0.212
Misc(financial)	0.00100	0.672
Changes in Stock Holdings	*-0.00236	0.096
Bids on Companies	***0.00839	0.000
Misc(assets)	-0.00208	0.753
Changes in CEO	***0.01714	0.000
Changes in Board Member	***-0.01601	0.000
Changes in Non-executive Management	***0.01197	0.000
Institutional Rulings	0.00473	0.152
Bid Speculation	-0.00824	0.216

Statistically significant at the * 10% level, ** 5% level, *** 1% level

Table 47. Detailed Categorization Time Series Regression Results – Svolder
This table reports the regression results for Svolder Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00835	0.563
Δ(Liquidity)	0.00024	0.904
Δ(Size)	***-0.84498	0.000
Liquidity	-0.00456	0.254
Size	0.00125	0.561
MarketReturn	***-0.16341	0.006
Changes in Insider Holdings	*-0.00144	0.061
Changes in Outsider Holdings	0.00121	0.569
Misc(organizational)	**0.00374	0.041
Financial Reports	-0.01279	0.316
Stock Recommendation and Price Target Announcements	-0.00751	0.102
Changes in Equity	***-0.00973	0.000
Dividend Policy Announcements and Dividend Payments	***0.01587	0.000
Misc(financial)	0.00367	0.287
Changes in Stock Holdings	0.00912	0.103
Misc(assets)	0.00210	0.606
Changes in CEO	**0.00982	0.012
Bid Speculation	***0.02472	0.000
Statistically significant at the * 10% level.	** 5% level.	*** 1% level

Table 48. Detailed Categorization Time Series Regression Results – Tele 2
This table reports the regression results for Tele2 Voting Premium

Variable	*Coefficient*	*P-value*
Constant	-0.00375	0.792
Δ(Liquidity)	-0.01896	0.438
Δ(Size)	***-0.04747	0.009
Liquidity	-0.00286	0.915
Size	0.00036	0.784
MarketReturn	***-0.11419	0.000
Changes in Insider Holdings	-0.00230	0.605
Changes in Outsider Holdings	**-0.00926	0.033
Restructuring	-0.00001	0.984
Changes in Company Workforce	***0.00618	0.000
New Projects and Geographic Expansion	***-0.03157	0.000
Orders	***0.00668	0.005
Misc(organizational)	0.00640	0.255
Financial Reports	0.00226	0.586
Stock Recommendation and Price Target Announcements	-0.00097	0.664
Changes in Debt	***-0.00758	0.000
Changes in Equity	***0.00565	0.000
Misc(financial)	0.00647	0.252
Changes in Stock Holdings	-0.00174	0.446
Bids on Companies	**0.02182	0.046
Misc(assets)	***-0.00717	0.008
Changes in CEO	***-0.00451	0.008
Institutional Rulings	-0.00033	0.922
Statistically significant at the * 10% level,	** 5% level,	*** 1% level

Table 49. Detailed Categorization Time Series Regression Results – Volvo
This table reports the regression results for Volvo Voting Premium

Variable	*Coefficient*	*P-value*
Constant	0.00024	0.936
Δ(Liquidity)	-0.00027	0.725
Δ(Size)	**0.02053	0.018
Liquidity	0.00003	0.971
Size	-0.00002	0.930
MarketReturn	-0.00486	0.682
Changes in Insider Holdings	-0.00267	0.117
Changes in Outsider Holdings	0.00096	0.259
Restructuring	**0.00374	0.016
Changes in Company Workforce	-0.00124	0.531
New Projects and Geographic Expansion	-0.00024	0.798
Joint-Ventures	***0.00251	0.000
Orders	0.00010	0.919
Misc(organizational)	*-0.00264	0.061
Financial Reports	0.00041	0.631
Credit Ratings Announcements	0.00019	0.444
Stock Recommendation and Price Target Announcements	**0.00196	0.013
Changes in Debt	-0.00112	0.303
Changes in Equity	*0.00218	0.100
Dividend Policy Announcements and Dividend Payments	*0.00158	0.055
Misc(financial)	0.00109	0.285
Changes in Stock Holdings	-0.00093	0.385
Bids on Companies	0.00009	0.930
Misc(assets)	-0.00056	0.693
Changes in CEO	***0.00381	0.000
Changes in Board Member	***-0.00424	0.000
Lawsuit Filings	***0.00619	0.000
Institutional Rulings	-0.00208	0.195
Misc(legal)	*0.00571	0.080
Bid Speculation	0.00004	0.977
Misc(bids)	0.00113	0.150

Statistically significant at the * 10% level. ** 5% level. *** 1% level

Table 50. Broad Time Series Regression Analysis Result Summary

This table reports the regression results summary for the model described on page 11 in the main text

Variable	*Significant cases**	*Number of models***
Constant	0	22
Liquidity	2	22
Δ(Liquidity)	5	22
Size	0	22
Δ(Size)	17	22
Market Return	14	22
Ownership Changes	4	21
Organizational Changes	4	19
Financial Announcements and Policy	3	22
Company Asset Portfolio	3	21
Board Changes	4	21
Legal	3	16
Outside Bids	8	14

* Significant at the 10% level

** Number of models in which the category is included

Table 51. Summary of Detailed Categorization Time Series Regression Results

This table reports the regression results summary for the model described on page 11 in the main text

Variable	*Significant cases**	*Number of models***
Constant	1	22
Liquidity	2	22
Δ(Liquidity)	5	22
Size	0	22
Δ(Size)	17	22
Market Return	14	22
Changes in Insider Holdings	5	21
Changes in Outsider Holdings	2	19
Restructuring	6	16
Changes in Company Work-force	5	11
Project Cancellations	1	2
New Projects and Geographic Expansion	3	17
Joint-Ventures	6	11
Orders	5	10
Misc(organizational)	9	19
Financial Reports	3	22
Credit Ratings Announcements	4	9
Stock Recommendation and Price Target Announcements	4	19
Changes in Debt	5	10
Changes in Equity	6	19
Dividend Policy Announcements and Dividend Payments	5	10
Misc(financial)	3	21
Changes in Real Estate Holdings	3	6
Changes in Stock Holdings	6	21
Bids on Companies	8	15
Misc(assets)	5	20
Changes in CEO	8	21
Changes in Board Member	6	8
Changes in Non-executive Management	2	20
Stock Option Programs	0	1
Lawsuit Filings	5	7
Institutional Rulings	3	16
Misc(legal)	9	13
Bid Announcements by Outsiders	0	1
Bid Speculation	6	12
Misc(bids)	3	5

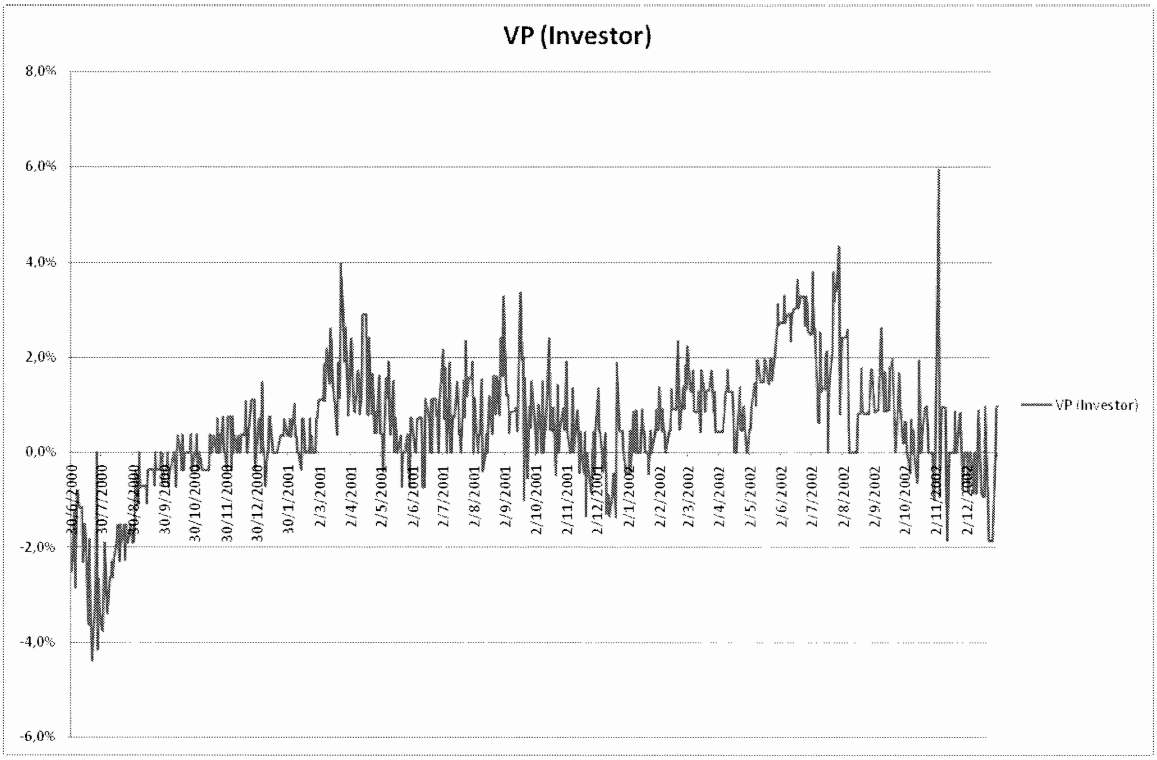
* Significant at the 10% level

** Number of models in which the category or variable is included

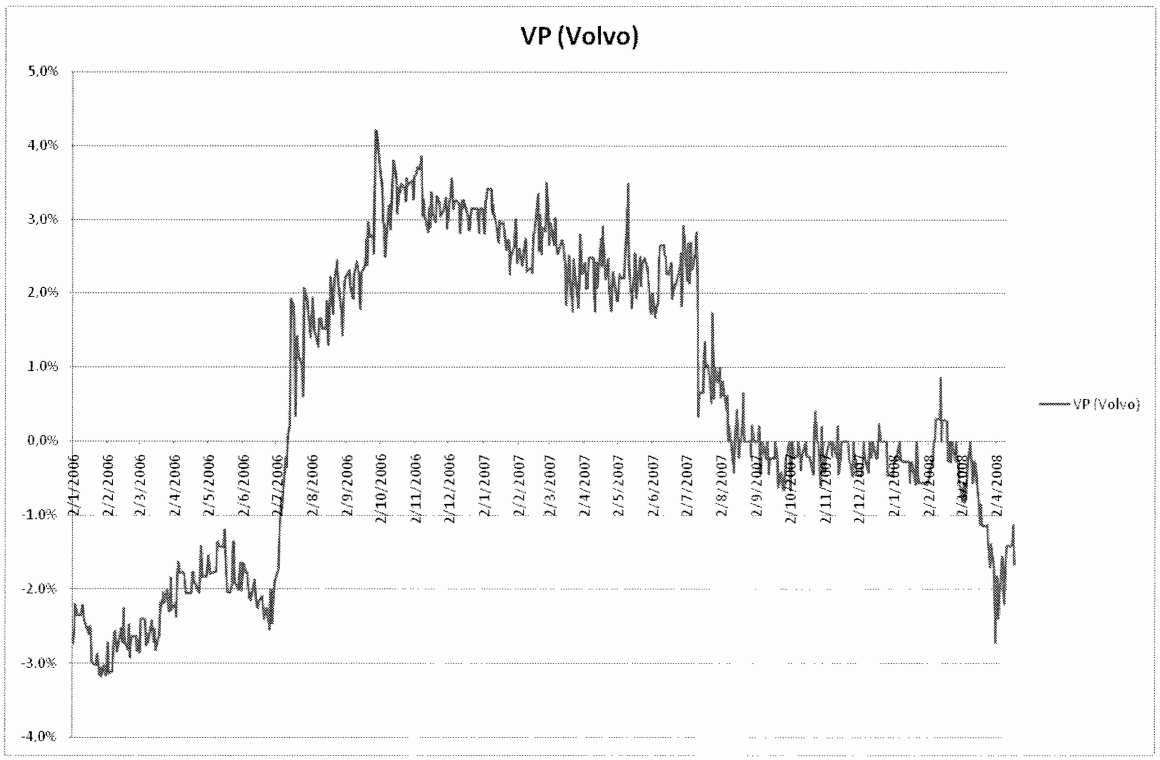
Table 52. R-square coefficients of Time series models

This table reports R-square coefficients for the models described on page 11 in the main text

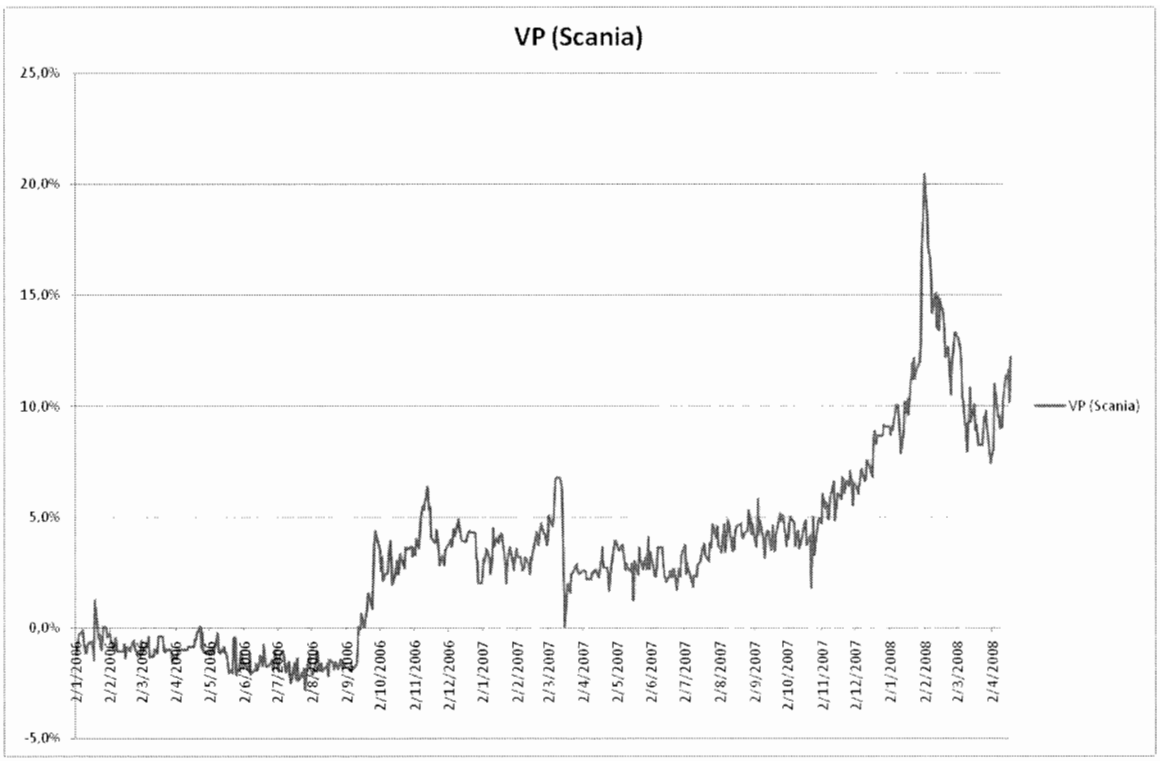
	R-squared	
	Broad Categorization	***Detailed Categorization***
Company		
Atlas Copco	0.0212	0.0299
Conpharm	0.0130	0.0130
Electrolux	0.2444	0.2489
Ericsson	0.1202	0.1287
Handelsbanken	0.0093	0.0160
Holmen	0.0438	0.0499
Investor	0.0131	0.0218
Kinnevik	0.0494	0.0565
Latour	0.0678	0.0724
Midway	0.1054	0.1065
MTG	0.0578	0.0622
NCC	0.0608	0.0669
Ortivus	0.0030	0.0034
Ratos	0.0335	0.0358
SCA	0.0121	0.0225
Scania	0.0181	0.0233
Scribona	0.0754	0.0779
SKF	0.0108	0.0129
SSAB	0.0138	0.0165
Svolder	0.2354	0.2359
Tele2	0.0290	0.0372
Volvo	0.0073	0.0159



Graph 1. Voting Premium for Investor during the period 30.06.2000-01.01.2003.



Graph 2. Voting Premium for Volvo during the period 02.01.2006-18.04.2008.



Graph 3. Voting Premium for Scania during the period 02.01.2006-18.04.2008.

Appendix B

Table 1. Data definitions*

This table reports the data type definitions

Variable	
Price, closing	The 'current' price on DataStream's equity programs is the latest price available to us from the appropriate market in primary units of currency (except in the case of the UK where price is given in pence). It is the previous day's closing price from the default exchange except where more recent or real-time prices are available, as listed in the Data sources & updating procedures section of this help system. The 'current' prices taken at the close of market are stored each day. These stored prices are adjusted for subsequent capital actions, and this adjusted figure then becomes the default price offered on all Research programs. The actual historical prices can be accessed using the unadjusted price data type (UP).Prices are generally based on 'last trade' or an official price fixing. For stocks which are listed on more than one exchange within a country, default prices are taken from the primary exchange of that country (note that this is not necessarily the 'home' exchange of the stock).
Market value	Market value on DataStream is the share price multiplied by the number of ordinary shares in issue. The amount in issue is updated whenever new tranches of stock are issued or after a capital change. For companies with more than one class of equity capital, the market value is expressed according to the individual issue. Market value is displayed in millions of units of local currency.
Free float number of shares	The percentage of total shares in issue available to ordinary investors. The total number of shares less the strategic holdings.
Turnover by volume	This shows the number of shares traded for a stock on a particular day. The figure is always expressed in thousands. Daily figures are adjusted for capital changes; non-daily figures are not adjusted. For stocks, which are traded on more than one exchange within a country, default volumes are taken from the primary exchange of that country (note that this is not necessarily the 'home' exchange of the stock).
Number of shares in issue	This is the total number of ordinary shares that represent the capital of is held separately for each issue. The amount is updated whenever new tranches of stock are issued or after capital changes.

*Source: Thomson DataStream

The Shapley Value

The Shapley value can be seen as the introduction of cooperative game theory which is about the formation of coalitions, into the corporate ownership structure (Rydqvist (1987)).

According to Rydqvist (1987) the Shapley value "of [...] major shareholders or of the collective of minor shareholders reflects the ability of the respective shareholder to affect the outcome of a vote, i.e. the Shapley value reflects the voting power of the individual shareholder." Nenova (2003) describes the Shapley value as reflecting "the payoff or value of participating players, measured as the extent to which is pivotal to the voted decision." For further details see Millnor and Shapley (1978).

E-databases

Affärsvärlden.se – Affärsvärlden is a Swedish business magazine with over one hundred thousand readers. We have used the magazine's web publication which gives "daily commentary, analysis for those who want to keep up to date as to the development in the business world and stock markets." [16] Like many other web publications Affärsvärlden has an archive of earlier publications.

di.se – This is the business news paper Dagens Industri's web publication and is "one of the largest business sites in Sweden with between 750 000 to 850 000 unique visitors per week"[17]. Like Affärsvälden, di.se has an archive of previously published news articles.

LexisNexis – "LexisNexis® is a leading global provider of content-enabled workflow solutions designed specifically for professionals in the legal, risk management, corporate, government, law enforcement, accounting, and academic markets. LexisNexis originally pioneered online information with its Lexis® and Nexis® services. A member of Reed Elsevier, LexisNexis serves customers in more than 100 countries with more than 18,000 employees worldwide. Through the integration of information and technology, LexisNexis uniquely unites proprietary brands, advanced Web technologies and premium information sources. Across the globe, LexisNexis provides customers with access to five billion searchable documents from more than 40,000 legal, news and business sources."[18]

[16] http://www.affarsvarlden.se/om_affarsvarlden/oversikt/
[17] http://di.se/?
[18] http://www.lexisnexis.com/about-us/

Appendix C

We conduct our event study according to MacKinley (1997) and will be using the same notation throughout. The author proposes the following event study structure:

1. Definition of event and event window
2. Sample selection
3. Selection of a model for calculation of the abnormal return
4. Selection of the estimation window
5. Calculation of abnormal return and testing
6. Analysis of Empirical results

1. Definition of event and event window

We define our events of interest as the publication of a piece of news. As we have seven broad and thirty one detailed categories of news we will study each category in turn. The publication of a piece of news within the category being studied will be classified as one event. We choose our event window as ± 1 day from the day the event occurred. In other words our event window is a total of 3 days.

2. Sample selection

Our sample is selected by the same criteria as our initial sample, and thus remains unchanged for the event study.

3. Selection of a model for calculation of the abnormal return

As is common, we use the market model to estimate what return one would expect had the event not occurred:

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

$$E(\varepsilon_{it}) = 0 \qquad Var(\varepsilon_{it}) = \sigma_{\varepsilon_i}^2$$

where R_{it} and R_{mt} are the return for news item *i* and the market return (OMXS30 stock index return) for period *t*, α_i is the intercept and ε_{it} the error term for news item *i* and period *t*. It must be made clear that this model is estimated multiple times for the same security instead of across many different securities as is commonly the case.

4. Selection of the estimation window and estimation

We chose our estimation window to be 30 trading days excluding the event date. We estimate the market model using ordinary least squares and obtain

$$R_{i\tau} = \hat{\alpha}_i + \hat{\beta}_i R_{m\tau} + \varepsilon_{i\tau}$$

for each piece of news *i* within a given category and $\tau = 1,...,30$. The estimated coefficients are given by

$$\hat{\beta}_i = \frac{\sum_{\tau=1}^{30}\left(R_{i\tau} - \hat{\mu}_\tau\right)\left(R_{m\tau} - \hat{\mu}_m\right)}{\sum_{\tau=1}^{30}\left(R_{m\tau} - \hat{\mu}_m\right)^2}$$

$$\hat{\alpha}_i = \hat{\mu}_i - \hat{\beta}_i \hat{\mu}_m$$

$$\hat{\sigma}_{\varepsilon_i}^2 = \frac{1}{L_1 - 2}\sum_{\tau=1}^{30}\left(R_{i\tau} - \hat{\alpha}_i - \hat{\beta}_i \hat{R}_{m\tau}\right)^2$$

where

$$\hat{\mu}_i = \frac{1}{L_1}\sum_{\tau=1}^{30} R_{i\tau}$$

$$\hat{\mu}_m = \frac{1}{L_1}\sum_{\tau=1}^{30} R_{m\tau}$$

and L_1 is the length of the estimation window i.e. 30 days. So as to minimize confusion we would like to point out that the summation in the parameter formulas occurs over the estimation window of 30 days while the summation of abnormal returns and cumulative abnormal returns occurs over the event window of 3 days.

5. Calculation of abnormal return and testing

Once the market model parameters had been estimated we calculated the abnormal returns as

$$\hat{AR}_{i\tau} = R_{i\tau} - \hat{\alpha}_i - \hat{\beta}_i R_{m\tau}$$

for each piece of news *i* within a given category and $\tau = 1,2,3$. The variance of the abnormal returns is

given as

$$\sigma^2\left(\hat{AR}_{i\tau}\right)=\hat{\sigma}^2_{\varepsilon_i}+\frac{1}{L_1}\left[1+\frac{\left(R_{m\tau}-\hat{\mu}_m\right)^2}{\sigma^2_m}\right]$$

where

$$\frac{1}{L_1}\left[1+\frac{\left(R_{m\tau}-\hat{\mu}_m\right)^2}{\sigma^2_m}\right]=\Psi$$

is an adjustment made to correct for the sampling error in the coefficients α_i, β_i, L_1 the length of the estimation window, $\hat{\mu}_m$ and $\hat{\sigma}^2_{\varepsilon_i}$ as above. Next we calculate the cumulative abnormal returns for each news publication *i* as given by

$$\hat{CAR}_i(\tau_1,\tau_2)=\sum_{\tau=\tau_1}^{\tau_2}\hat{AR}_{i\tau}$$

with the variance $\sigma^2_i(\tau_1,\tau_2)=(\tau_2-\tau_1+1)\sigma^2_{\varepsilon_i}$

and with $\tau_1=1$ and $\tau_2=3$.

The variance for the cumulative abnormal return should also be adjusted by Ψ according to MacKinley (1997) and we choose to follow his recommendation.

In order to be able to draw an overall conclusion about whether the particular category of news affects the return of shares, we aggregate the cumulative abnormal returns over *N* different news and calculate the average cumulative abnormal return as

$$\overline{CAR}(\tau_1,\tau_2)=\frac{1}{N}\sum_{i=1}^{N}\hat{CAR}_i(\tau_1,\tau_2)$$

with the variance $Var\left(\overline{CAR}(\tau_1,\tau_2)\right)=\frac{1}{N^2}\sum_{i=1}^{N}\sigma^2_i(\tau_1,\tau_2)$.

Thereafter we construct the following test statistic with which we use to test whether the cumulative abnormal return is equal to zero

$$\Omega_1 = \frac{\overline{CAR}(\tau_1, \tau_2)}{Var\left(\overline{CAR}(\tau_1, \tau_2)\right)^{1/2}} \sim N(0,1)$$

The methodology was used to test the reaction of *both* superior and restricted voting shares of one particular company to each of our thirty nine news categories. In all this gives us 1672 test statistics for a total of 38 categories of news spread across the superior and restricted voting shares of 22 different companies.

6. Analysis of Empirical results

While we conduct the main analysis of the results from our event study, we present the four cases which we analyse, in full, below. We include the results of only 4 out of 22 companies because the remaining results were insignificant and their inclusion would add very little. The summary is found in Table 1 below while the details are found in Tables 2-3 below.

Table 1. Standardized Average Cumulative Returns

This table gives a summary of the significant standardized cumulative abnormal returns found for Electrolux, MTG, Ortivus and Volvo

	Company							
	Electrolux		**MTG**		**Ortivus**		**Volvo**	
	Ω_{SVS}	Ω_{RVS}	Ω_{SVS}	Ω_{RVS}	Ω_{SVS}	Ω_{RVS}	Ω_{SVS}	Ω_{RVS}
Category								
Organizational Changes					-2.29**	1.27	-4.62***	-2.32**
Financial Announcements and Policy	1.91*	0.75	2.11**	1.88*				

Statistically significant at the * 10% level, ** 5% level, *** 1% level

Table 2. Event study test statistics - Electrolux and MTG

This table gives a detailed report of the standardized cumulative abnormal returns found for Electrolux and MTG

	Company			
	Electrolux		**MTG**	
	Ω_{SIS}	Ω_{RIS}	Ω_{SIS}	Ω_{RIS}
Broad				
Ownership Changes	0.04	0.63	-0.10	-0.07
Organizational Changes	-0.07	-0.27	0.98	0.47
Financial Announcements and Policy	1.91*	0.75	2.11**	1.88*
Company Asset Portfolio	1.18	0.51	-0.61	-0.42
Board Changes	-0.13	-0.24	0.15	-0.03
Legal	0.10	0.27	0.07	0.07
Outside Bids	-0.06	0.17	0.06	0.01
Detailed				
Changes in Insider Holdings	0.42	0.19	0.08	0.12
Changes in Outsider Holdings	-0.33	0.43	-0.24	-0.27
Restructuring	-0.45	-0.19	0.56	0.69
Changes in Company Work-force	0.02	-0.23	0.00	0.00
Project Cancellations				
New Projects and Geographic Expansion	0.05	-0.18	0.00	-0.24
Joint-Ventures	0.08	0.00	-0.07	-0.04
Orders				
Misc(organizational)	0.23	0.26	0.51	0.08
Financial Reports	1.01	1.02	0.93	1.35
Credit Ratings Announcements	0.18	-0.02		
Stock Recommendation and Price Target Announcements	0.16	0.34	0.62	0.69
Changes in Debt			0.74	-0.06
Changes in Equity	0.18	0.06	-0.17	-0.11
Dividend Policy Announcements and Dividend Payments	0.19	-0.05	0.00	0.00
Misc(financial)	0.26	-0.45	0.00	-0.09
Changes in Real Estate Holdings				
Changes in Stock Holdings	0.71	0.45	-0.06	0.01
Bids on Companies	0.12	-0.02	0.02	-0.02
Misc(assets)	0.38	0.08	-0.55	-0.39
Changes in CEO	-0.13	-0.24	0.34	-0.02
Changes in Board Member				
Changes in Non-executive Management			-0.17	-0.01
Stock Option Programs				
Lawsuit Filings	0.09	0.03		
Institutional Rulings	0.14	0.17	0.07	0.00
Misc(legal)	-0.11	0.07	0.00	0.07
Bid Announcements by Outsiders				
Bid Speculation	-0.06	0.17	0.06	0.01
Misc(bids)				

Statistically significant at the * 10% level. ** 5% level

Table 3. Event study test statistics - Ortivus and Volvo

This table gives a detailed report of the standardized cumulative abnormal returns found for Ortivus and Volvo

	Company			
	Ortivus		**Volvo**	
	Ω_{SVS}	Ω_{RVS}	Ω_{SVS}	Ω_{RVS}
Broad				
Ownership Changes	0.87	1.61	-0.67	-0.87
Organizational Changes	-2.29*	1.27	-4.62**	-2.32*
Financial Announcements and Policy	-0.65	-0.08	-0.55	-0.48
Company Asset Portfolio	-0.05	0.10	-0.27	-1.10
Board Changes	0.08	0.10	0.31	-0.03
Legal			0.24	0.08
Outside Bids			-0.12	-0.14
Detailed				
Changes in Insider Holdings	0.34	0.15	-0.01	0.02
Changes in Outsider Holdings	0.53	1.43	-0.22	-0.15
Restructuring	0.08	0.35	0.10	0.10
Changes in Company Work-force			-0.13	-0.11
Project Cancellations				
New Projects and Geographic Expansion	-1.36	0.39	-0.18	-0.23
Joint-Ventures	0.00	0.01	0.00	-0.02
Orders	-0.41	0.68	0.14	0.10
Misc(organizational)	0.00	-0.24	-0.33	-0.24
Financial Reports	-0.48	-0.77	0.21	0.19
Credit Ratings Announcements			-0.02	-0.02
Stock Recommendation and Price Target Announcements	-0.13	-0.28	0.79	0.75
Changes in Debt	0.00	-0.02	0.06	0.06
Changes in Equity	-0.06	0.10	0.04	0.00
Dividend Policy Announcements and Dividend Payments			-0.11	-0.14
Misc(financial)	0.01	1.01	-0.29	-0.32
Changes in Real Estate Holdings				
Changes in Stock Holdings	-0.05	0.10	-0.06	-0.07
Bids on Companies			-0.07	-0.13
Misc(assets)			-0.15	-0.16
Changes in CEO	0.08	0.10	0.29	0.19
Changes in Board Member				
Changes in Non-executive Management			-0.02	-0.03
Stock Option Programs				
Lawsuit Filings			0.06	-0.02
Institutional Rulings			0.17	0.12
Misc(legal)			-0.11	-0.14
Bid Announcements by Outsiders				
Bid Speculation			0.03	0.05
Misc(bids)			0.08	0.08

Statistically significant at the * 5% level, ** 1% level