

Appendix A

Mini Cases. The following cases are based on cross-border expansions patterns and their impact on value creation of EMMs. They are original in the way they are presented as each EMM is observed in terms of its JV, SA, and M&A expansion activities. Furthermore, expansion patterns are analyzed based on firm, industry, and country factors. Since this study entails three regions (Asia, Latin America and Eastern Europe) in its examination, each EMM is chosen from one of the three regions.

CEMEX: Value Creation through Locational and Internalization Advantages in Cross-border Expansions

CEMEX, a catalyst in cross-border expansion activities, has originated in an emerging market, namely Mexico in 1906. CEMEX's primary business focus is on cement manufacturing. Today, CEMEX's shares are listed on both the NYSE and the Mexican Stock Exchange (MSE).²⁰³ The evolution of its cross-border expansions was influenced by a number of factors – essentially firm, industry and county factors. One key feature of the firm factor that played a crucial role has been value creation. All other factors have been instrumental in achieving the goal – value creation.

The initial cross-border expansions began with CEMEX's swaying desire to reduce its reliance on the Mexican construction market that was experiencing a volatile demand. The volatile demand was created by an on-going economic turmoil after the 1982 debt crisis. During that time, the share of gross domestic investment in GNP declined from 30 percent to 18 percent making the operating capacity of the cement industry 50 percent. Mexico's constraints generally, among other factors, were attributable to government policies, and also the size of the market. Hence, home country constraints to value creation were instrumental for CEMEX to expand internationally.

Another instrumental factor in CEMEX's cross-border expansion was the enormous demand in the developing countries, where considerable amount of construction was being undertaken or needed. CEMEX recognized this need without delay. Gradually, CEMEX invested heavily in developing countries and secured its overseas markets for obtaining raw materials, manufacturing, and serving the local markets. At the same time, however, it invested in research and development in industrialized nations in order to gain access to advanced technology. Hence, while obtaining raw materials, and supplying host country markets in pursuit of value, CEMEX also began transferring technology to the developing world. This, in turn, gave CEMEX competitive advantage over firms in the host countries, in which technologies were more suitable to the needs and to the socioeconomic situations. CEMEX empathized with the needs of the construction businesses in the developing world better than the well-established MNCs from the developed countries. As a result, the competitive advantage over the multinational corporations (MNCs) was also achieved.

²⁰³ www.cemex.com

Regional Cross-border Expansion. CEMEX's early cross-border expansions mainly stayed regional. One important reason for CEMEX to stay regional was government policies of its home country. Political pressures, labor laws and instability also induced CEMEX for risk diversification. On the other hand, such factors as geographical and cultural ties also became instrumental in regional expansion. Hence, early targets in CEMEX's regional expansion were developing countries. CEMEX launched its initial cross-border expansion with a systematic program of regional acquisitions. Nevertheless, in CEMEX's cross-border acquisitions, not only home but host country policies became instrumental factors as well.

As CEMEX achieved value creation, its acquisitions grew over the years. Some of the crucial and the most notable acquisitions took place in such countries as Venezuela, Colombia and Chile. For example, in April 1994, the acquisition of Cia Venezolana de Cementos, the largest cement manufacturer of hydraulic cement (with a 49 percent market share) in Venezuela was achieved. The acquisition was based on a 51 percent interest, amounting to \$300 million. Host country government policies played an influential role in this acquisition because the same year Venezuelan Legislation on foreign investment was passed, which was effective in January 1, 1994.²⁰⁴

The acquisitions of the second and the third largest cement manufacturers - Cementos Diamante (majority interest of 93.6 percent) and Cementos Samper in Colombia that took place in 1996 were also influential in value creation. The acquisition of 93.6 percent interest in Cementos Diamante was worth \$700 million. In this acquisition as well, one of the influential dynamic came from the Colombian government where the same year the prior authorization requirement for FDI was eliminated. Furthermore, the equal treatment of national and foreign investors was instated, and restrictions on the repatriation of capital gains and dividends from registered investments were lifted.²⁰⁵

Value creation was also achieved by another cross-border acquisition. In 1999, CEMEX acquired an 11.9 percent of Cementos Bio-Bio Sa in Chile. However, in this case, governmental policies did not play a substantial role as the same year the Chilean government put restrictions on foreign investment.²⁰⁶ However, this policy may have also played a reverse role, giving that the acquisition of only 11.9 percent of stake was actualized. CEMEX was cautious with its investment.

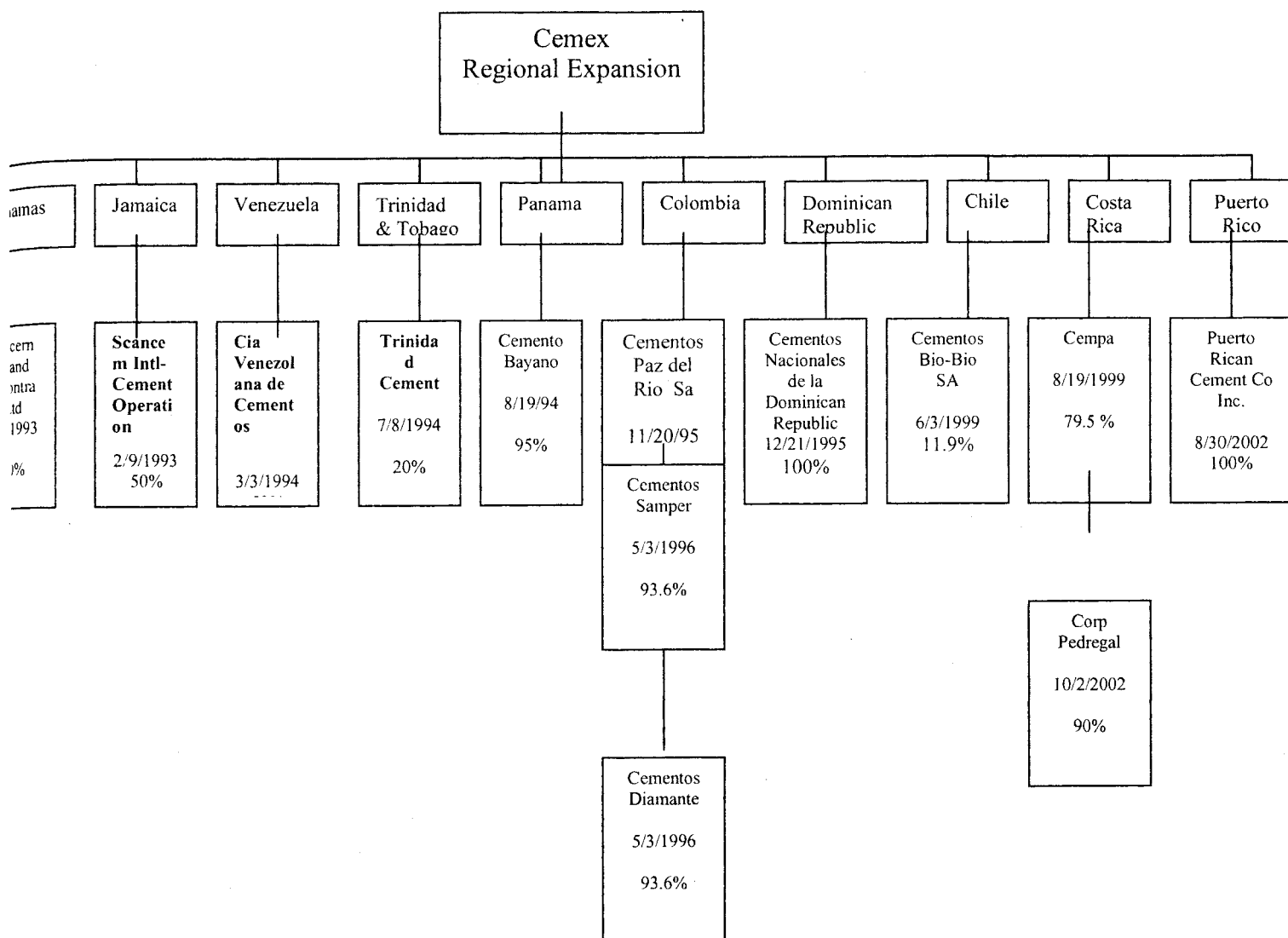
Hence, in CEMEX's regional expansion a number factors were instrumental. The figure below exhibits CEMEX's regional expansion pattern. (See figure 1).

²⁰⁴ Economic History of Emerging Markets - Venezuela (1980 -2004).

²⁰⁵ Economic History of Emerging Markets - Colombia (1980 -2004).

²⁰⁶ Economic History of Emerging Markets - Chile (1980 -2004).

Figure 1:



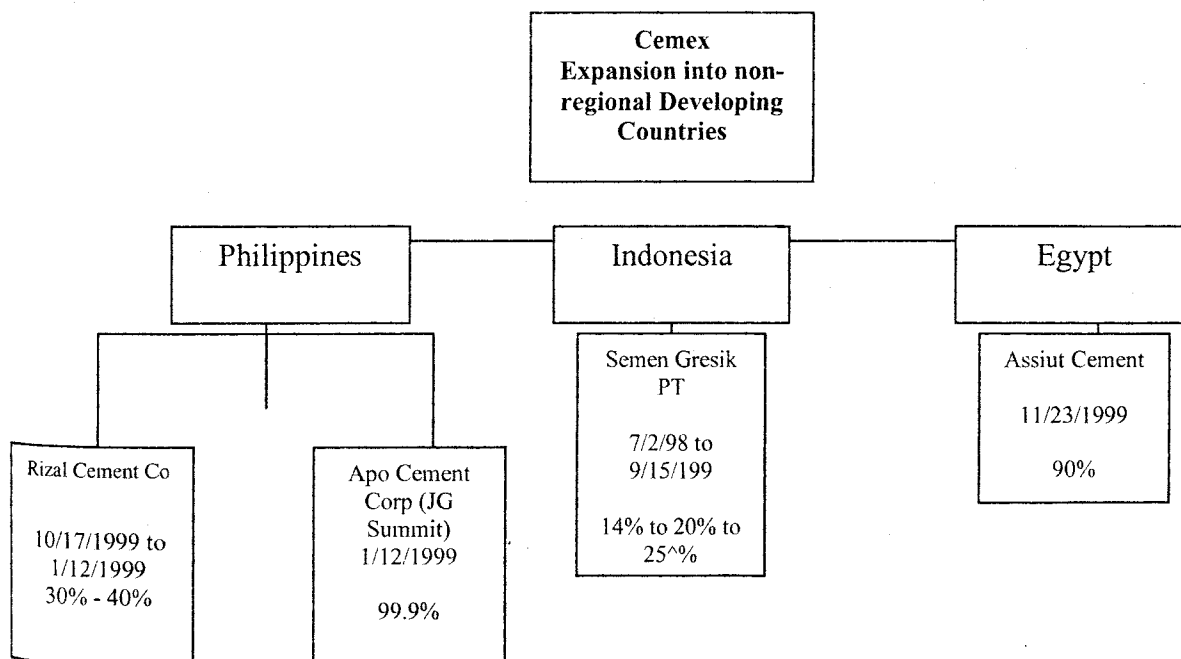
Cross-border Expansion into other Developing Countries. Most of CEMEX's earlier expansions prior to 1997 were based on regional acquisitions, which included countries similar to CEMEX's national culture that were geographically close to its home country. However, after

1997, CEMEX's cross-border expansion patterns began to have a more diverse outlook by including such developing countries, as Philippines, Indonesia and Thailand that did not have geographical proximity to Mexico. The need for what CEMEX offered was there in full force. Hence, CEMEX considered it could create value by acquiring cement companies in the developing markets and by transferring its skills in customer service, marketing, information technology, and production management to those entities.

Cross-border expansion of CEMEX into developing countries mostly began in Indonesia, Phillipines and other South East countries. For example, in Philippines, the acquisition of 30 percent stake in Rizal Cement was completed in 1997. The Rizal Cement acquisition was raised to 40 percent in 1999. The same year, Cemex also acquired Apo Cement Corporation in Philippines. The interest was 99.9 percent. With the acquisitions of Rizal and Apo, CEMEX was able actualize value creation.

CEMEX's cross-border expansions did not merely stay in the Southeastern region of the world, but spanned around the Middle East as well. For Example, in November 1999, CEMEX expanded into Egypt by acquiring a 90 percent interest in Assiut Cement - a manufacturer of cement. With this acquisition, CEMEX showed that geographic and cultural ties no longer mattered; what mattered was the geographic reach in order to pursue value creation in today's dynamic business world. The following figure exhibits CEMEX's cross-border expansion into the developing countries. (See figure 2).

Figure 2:



Cross-border Expansion into the Developed Countries. CEMEX, gradually broadened its cross-border expansion horizon and moved into the developed markets. This move was encouraged by

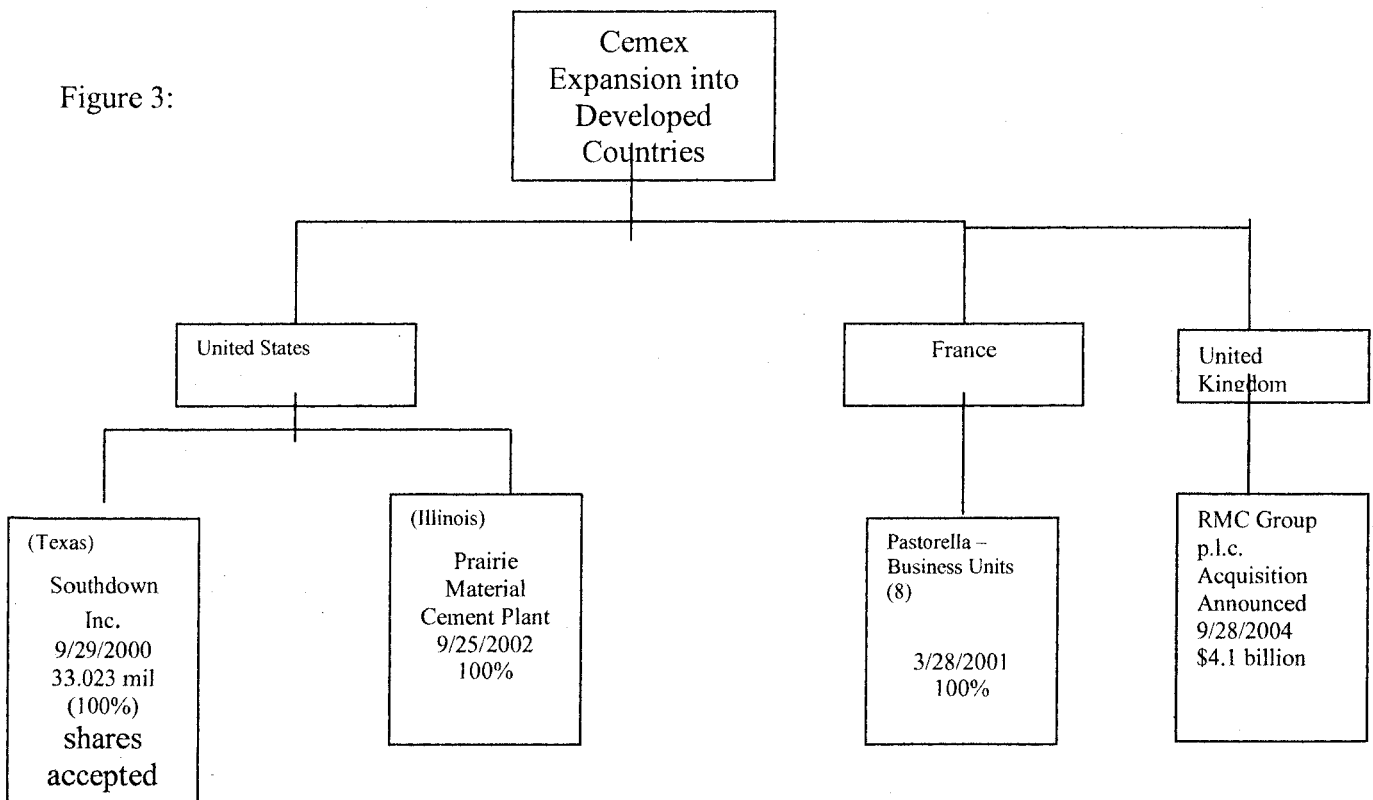
various firm factors. One influential factor was its special assets. In its earlier cross-border expansions CEMEX adapted foreign technology to specific operations where it secured its locational and internalization advantages. Later, it applied the technology to new markets at low marginal costs. Hence, CEMEX was able to obtain special assets as a result of knowledge accumulation. Upon obtaining its special assets, CEMEX was ready to move into a larger frontier. Therefore, the attainment of special assets became a necessary condition for CEMEX to expand into the developed countries.

In 2000, CEMEX undertook its largest cross-border expansion, the \$2.5 billion- 100 percent acquisition of Houston-based Southland (Southdown Inc.), one of the largest cement companies in the United States. Value creation was continued with other acquisitions in the developed markets. In 2002, 100 percent of interest of Prairie Material Cement Plant in Illinois, United States was acquired. In 2001, Pastorella-Business Units (8) in France, a construction company was also acquired with a 100 percent interest.

Furthermore, recently CEMEX announced its recommended acquisition of RMC Group p.l.c. in the United Kingdom for \$4.1 billion in cash, which was finalized on March 1, 2005. This merger joined the two of the biggest construction firms, which have operations in various regions in the world. With this acquisition CEMEX is beginning to extend its cross-border expansion in a wider scale, as RMC already has presence in Eastern Europe, including such countries as Poland, the Czech Republic and Hungary, as well as the United States with more than 50 locations in Northern California.

Value creation is already foreseeable through this merger as expected annual synergies are around \$200 million by 2007. CEMEX expects that the acquisition will achieve its 10 percent return on capital employed in 2007 and expects to realize a ratio of net debt to EBITDA of 2.7 times by the end of 2005. The figure below gives a synopsis of CEMEX's cross-border expansion into the developed markets. (See figure 3).

Figure 3:



CEMEX's pattern of expansion has mostly included acquisitions through which the company now owns around 100 cement plants in more than 30 countries. In all cases, CEMEX has devoted great attention to transferring its technological, management, and marketing know-how to acquired firms. Today, CEMEX is a leading EMM, which integrates information technology to its business operations in order to match production with consumer demand. When value creation is concerned, by 2000, CEMEX was number one among the world's four largest cement manufacturers on most measures of financial performance. Thus, CEMEX no longer focuses on regional expansion and geographic proximity; instead its focus is on geographical reach to wherever it can attain value creation.

This case study on CEMEX further supports the empirical findings of the research. Specifically, the improvement of the company's performance through cross-border expansions is inline with the findings. The correlation with the findings is also indicative of CEMEX's geographic reach rather than the importance of target's geographic proximity as the empirical findings suggest geographic proximity or psychic distance is not necessarily a value creating mechanism for EMMs. Since CEMEX is a Latin American EMM and since the value creation is achieved, this case study adds further robustness to the study as the findings suggest most EMMs from Latin America are able attain value creation more so than the EMMs from Asia and the Eastern Europe.

References

CEMEX. Retrieved from the World Wide Web October 18, 2004 from
www.cemex.com

CEMEX 's Acquisitions. Retrieved from the World Wide Web October 24, 2004 from
www.financialtimes.com

CEMEX Completes Acquisition of RMC Group. Retrieved from the World Wide Web March 1, 2005 from

http://www.allianceofceos.com/member_news/200503RMC

<http://w5d2.ccnmatthews.com/scripts/ccn-release.pl?current/0301006n.html>

<http://www.rmc-group.com/>

CEMEX. Retrieved from the World Wide Web October 25, 2004 from
www.forbes.com

History of Emerging Market Multinationals (1980-2004).

SDC Data Base

Berjaya Group: Value Implications of Internal and External Factors in Cross-border Expansions

The Berjaya Group, a Malaysian based investment holding group, was incorporated in 1967. The formation of the group itself dates back to 1984. Today, Berjaya Group employs about 22,000 employees and is engaged in a number of businesses including financial services; consumer marketing; vacation time-share, travel, hotels and resorts development and management; recreation development and management; property investment and development; gaming and lottery management; food and beverages; industrial; and motor industries. Primary activities in the financial services sector include stock brokerage, general insurance, and leasing. Berjaya also operates in the marketing of consumer products through such recognizable names as Singer, Starbucks Coffee, The Roadhouse Grille, 7-Eleven, and Hyundai vehicles.²⁰⁷

Today, the Berjaya group is a major listed Malaysian conglomerate. The Berjaya group of companies listed on Bursa Malaysia includes Berjaya Land Berhad; Berjaya Capital Berhad; Berjaya Sports Toto Berhad; Cosway Corporation Berhad; and Dunham-Bush (Malaysia) BHD. The Berjaya group of companies listed on the International Stock Exchanges is as follows: Berjaya Holdings (HK) Limited (listed on the Hong Kong Stock Exchange); Taiga Forest Products Limited (listed on the Toronto Stock Exchange); Roadhouse Grill Inc (listed on NASDAQ USA); Informatics Holdings LTD (listed on Singapore Stock Exchange); and Prime Gaming Philippines, Inc (listed on the Philippines Stock Exchange). The Berjaya group achieved being publicly listed through its cross-border expansions over the years. The development of Berjaya group's cross-border expansions is very interesting to follow as it has gradually changed over the years in pattern, scope and geographical standing.

Berjaya group began its cross-border expansion activities mainly with joint ventures and gradually included mergers and acquisitions. Today, Berjaya Group's cross-border expansion patterns include a mixture of joint ventures, wholly owned subsidiaries, and mergers and acquisitions. In the early 90s, cross-border expansion was mostly regional and involved countries, which were mostly developing nations with geographical proximity and cultural ties to Malaysia. Once the group actualized specific advantages through its regional expansion, it began to change the scope of its cross-border expansion. Today, geographical reach of its cross-border expansions entail both the developing and developed countries and does not solely focus on regional investments.

There are multiple factors, which are instrumental in Berjaya's cross-border expansions. One of the instrumental factors is the changes that have been taken place in Malaysia both politically and economically over the years. Malaysia has experienced rapid growth since the 1970s, averaging 8 percent per year during the last ten years. The Malaysian government played a central role in the country's economic evolution, which has embraced liberalization and privatization and reformed its tax policy and tariff regimes. In 1991, the New Development Policy was launched as Malaysia's economic blueprint for the next 20 years.²⁰⁸ It was during this time Berjaya accelerated its mostly regional cross-border expansion activities. Hence, the Malaysian government was an instrumental factor in Berjaya's cross-border expansions.

Cross-Border Expansion to Developing Countries. During the 1990s, Berjaya's cross-border expansion based on joint ventures stayed mostly regional and included developing countries. For example, on May 27 1992, the Berjaya Group expanded into Singapore through a

²⁰⁷ www.berjaya.com.

²⁰⁸ History of Emerging Markets-Malaysia (1980-2004).

joint venture with Singmarine Industries Ltd. On June 14 1993, the group established a joint venture with Bee Mac Transpac, an amusement park service provider in Philippines with a share of 100 percent. In both of these expansions, Berjaya was able achieve value creation. On June 16, 1993, the Berjaya group formed a joint venture with two Chinese companies - Minfu Investment Group and ICBC financial services with a share of 10 percent on the project of amusement park services valued at \$8 million. With the formation of these two joint ventures, the company was able to expand into China. Since the Chinese market was familiar to Berjaya's home market and since structural changes were taking place in China as the country was opening up to the free market, the group continued its expansion into China with four other joint ventures till the end of June 1993. The cross-border expansion into China also involved the Chinese government. For example, on June 22, 1993 the joint venture with the Nanjing Municipal Government, and SIG Holdings was accomplished. In this construction project that amounted to \$193.4 million, Berjaya Group held 40 percent stake.

On July 10 1993, the group acquired 35.7 per cent of Wing Hung Kee Holding of Hong Kong, manufacture of nonferrous metals at a cost of \$11.335 million. With this merger the company also expanded into Hong Kong. On October 29 1993, Berjaya group formed a joint venture with the Hyundai Group's Hyundai Motors that involved manufacturing trucks. The transaction value of this joint venture was \$78.4 million. This joint venture enabled Berjaya to expand into South Korea. Hence, during the early 1990s, firm value creation was achieved in China, Hong Kong, Korea and other developing countries such as Taiwan, India, and Sri Lanka.

Berjaya's expansion into the developing world mainly focused on specific countries where the company could establish its subsidiaries in close proximity through ethnic networks. Therefore, ethnic bond and geographic proximity played a crucial role in Berjaya's early expansion activities. Certainly, these factors were once looked as location-specific factors were instrumental in Berjaya's gaining locational advantages. For example, expansion into such target country as Hong Kong meant moving closer to marketplace and becoming more market oriented in return. Furthermore, in expanding into the developing countries emphasis on production was the ultimate intention. The use of technology of Berjaya was generally adapted to the specific conditions of specific developing countries where the company operated in small-scale technologies. Hence, Berjaya as other EMMs was able make use of locally available raw materials. Berjaya was also able to internalize its comparative advantages by investing production facilities in developing countries. Therefore, internalization advantages also played a crucial role in Berjaya's cross border expansion and value creation. Furthermore, the market uncertainty was reduced as Berjaya gained experience and knowledge from these markets with similar conditions.

Once the production was no longer in the early stages of development and strategic assets, locational and internalization advantages were gained, and the market uncertainty was reduced, Berjaya increased its capital commitments gradually and began to expand into developed countries. In doing so, Berjaya also increased diversification.

Cross-border Expansion into Developed Countries. When Berjaya launched its cross-border expansion into developed countries, it began to change its expansion pattern and included M&As as well. Furthermore, geographic and cultural proximity no longer mattered as the company was expanding into distant countries, such as the United States and the United Kingdom. For example, on July 1, 1993, Berjaya Group's Lottery Management acquired shares in International Totalizator Systems of the United States that manufactured totalizing meters. Although Berjaya Group only acquired 28.4 percent stake in this company, the transaction value

amounted to \$ 25.575 million. On June 29, 1993, Berjaya Group expanded into the United Kingdom through a joint venture agreement. This joint venture was partnered by the Universal Casino Consultants, a consulting services firm. The goal in this joint venture was to build and operate resort casinos in the Pacific Rim. Total transaction cost of this project was \$72 million. Through all of these acquisitions Berjaya was able to experience value creation.

Expansion into developed countries was also achieved through other joint ventures. In 1993, the group formed a joint venture with Kenny Rogers Roasters of the United States to operate Asian fast food restaurants, which took place on August 23 1993. The transaction value of this joint venture amounted to \$10 million with Berjaya group owning 50 percent of shares. On February 20 1995, the group expanded further into the United States with a 51.9 percent acquisition of Roadhouse Grill Inc. that involved retail trade, eating and drinking places. The cross-border expansions into the United States and the United Kingdom were accelerated in the latter part of the 1990s, which included both the M&As and JVs.

In the same vein, cross-border expansion into the other parts of the world was also exhibited by Berjaya. For example, the company expanded into Australia on October 17, 1994 and acquired a 24.5 percent stake in Carlovers Carwash Ltd, a deal valued at \$2.349 million. This acquisition was repeated with an additional stake of 25.2 percent on July 12 1996.

Value creation was achieved in all of these expansion activities owing mostly to advantages gained in the developing countries earlier. Since Berjaya internalized its comparative advantage by investing production facilities in developing countries and later establishing its own subsidiaries in major markets, it gained additional advantages such as scale economies, managerial expertise, technological or knowledge advantage, product differentiation, and financial strength.

Hence, value creation was one of the most influential factors in Berjaya's cross-border expansions. This was especially apparent in Berjaya's financial prospects and performance prior to 1997. During the late 1990s, however, Berjaya's performance began to show a serious decline and as its cross-border expansion (multinationality) increased, its performance began to decrease. Today, the company is heavily debt laden and has consistently reported negative earnings for the past earnings before taxes since the year 2000. Revenues, capital and equity funds, as well as total assets have also been on the decline throughout the past several years. As of April 30, 2003, Berjaya reported, in Malaysian Ringgits, total revenues of 7.2 billion (1.9 billion USD), a net income of negative 4.6 million, assets totaling 11.1 billion, with liabilities totaling approximately 8 billion.²⁰⁹

Much of Berjaya's losses can be credited to the economic crisis in Asia between 1997 and 1998. With such enormous, fast and contagion crisis Malaysia was affected seriously as its currency suddenly collapsed. The collapse was mainly due to Malaysia's banking system that was heavily exposed in the property market. This in turn affected the well-being of domestic companies such as Berjaya. However, today, Berjaya continues to work aggressively, expand and develop its overseas heavily diversified activities. The recent expansions of Berjaya is mainly focused on spreading economic and market risks, while at the same time working through joint ventures and shared subsidiaries as well as mergers and acquisitions where applicable so as to minimize unnecessary foreign exposure risk. By staying diversified throughout the several markets, Berjaya still remains an attractive investment for investors to add variety and depth to

²⁰⁹ www.mergentononline.com.

their portfolios. Furthermore, the Malaysian government is augmenting its financial sector and positively influencing its domestic firms, such as the Berjaya Group.

In 1998, with the aftermath of the Asian crisis, the Malaysian government undertook specific capital control measures in order to strengthen the financial sector and to avoid systemic risks. Furthermore, the National Economic Action Council (NEAC) was founded in January 1998 to revitalize the economy. The gradual economic recovery led domestic companies to restructure their business process. Berjaya group was one of the leading companies that began implementing changes. In May of 2001 Berjaya announced its plans to streamline the company by restructuring debt and exchanging shares and securities over into a newly incorporated company Newco. The company planned to cut bank borrowings by \$237 million and through the issuance of Newco shares at a higher par value would seek profit turnarounds by 2003.²¹⁰ Hence, today the company's key goal is mainly focused on increasing shareholder value as it is accountable to over 83,000 shareholders.

In conclusion, the Berjaya case shows that in EMMs' cross border expansions and value creation not only firm, country and industry factors, but unanticipated events such as the Asian Crisis can have implications as well.

The case of Berjaya group supports the findings of this research. It specifically illustrates the value creation through joint ventures and mergers and acquisitions. It also shows the importance of the external factors that are parallel to firm and industry factors in value creation as the findings suggest.

²¹⁰ (Malaysia's Berjaya Unveils Restructure, 1).

References

Berjaya Group. Retrieved from the World Wide Web October 8, 2004 from <http://www.berjaya.com.my/operationoverview.htm>

Berjaya Group Berhad, Company Profiles. Retrived from the World Wide Web October 8, 2004 from <http://www.mergentonline.com>

History of Emerging Markets-Malaysia (1980-2004).

Malasia's Berjaya Unveils Restructure. May 23, 2001. Retrieved from the World Wide Web October 8, 2004 <http://cnn.worldnews.printatthis.clickability.com>

SDC Data Base

KOC HOLDING A.Ş: Value Creation through Network Ties in Cross-border Expansions

Established in 1926, Koc Holding A.S. is Turkey's largest industrial and financial conglomerate. The Koc group listed in the Istanbul Stock Exchange was originally formed in 1938. Since then Koc Holding has been a leader in a number of business areas operating in the automotive industry, household appliances and electronics, food, retailing, energy, financial services, hospitality and information technologies.

Although Koc Holding has been active in the international business environment throughout of its history, the acceleration of its cross-border expansions began in the 1980s. In this acceleration, changing government policies in Turkey were instrumental. Prior to the early 1980s, Turkish economy was mostly based on import substitution, carrying out a semi-closed economic policy. In the beginning of the 1980s, the Turkish government began to implement such structural changes as liberalization and privatization and encouraged its economy to become more open to international trade. During this time, while state-owned companies were being privatized, foreign investments of domestic firms were also being supported. Koc Holding, as one of biggest conglomerates in Turkey, took advantage of the new policies and increased its cross-border expansions and internationalized rapidly while experiencing firm value creation. In the early years, Koc Holding's cross-border expansions illustrated technology-seeking characteristics, which can be explained by *market seeking approach*. In addition, its rapid internalization displayed an *accelerated growth approach*.

During the early years, Koc Holding's cross-border expansions were mostly based on export activities. This was mainly influenced by its 48 years of experience in retail services. However, the expansions also included joint ventures and mergers and acquisitions. Today, Koc Holding still continues its export-based activities, but focuses mainly on joint ventures and mergers and acquisitions. Since Koc Holding seeks growth and value creation from its cross-border expansion, acquisitions and joint-ventures have increased significantly. Especially mergers and acquisitions have taken a key role in Koc Holding's recent expansions.

In the late 1990s, Koc Holding took a new leap forward and further accelerated its cross-border expansions. Wherein, the government policies, once again, played an instrumental role. In the beginning of 1996, Turkey began to emphasize an open trade policy in consequence of the customs union with the European Union (EU). The new policies encouraged Koc Holding for more vigorous international presence and geographic reach where it could experience further value creation. From that point on Koc Holding's cross-border expansions became inexorable.

Although Koc Holding's cross-border expansions have mostly been regional, this was predominantly due to its home country's strategic and cartographical location - being close to Europe, the Middle East, North Africa and Central Asia. Therefore, Koc Holding's geographical reach encircled a vast area.

Koc Holding's wide geographical reach becomes more visible through the movement of its Ram operations when a joint venture with Swiss Migros was actualized in 1996. This joint venture eventually became the originator of a number of supermarkets, hypermarkets and shopping centers under the name of Ramstores in such countries as the Russian Federation, and Bulgaria, and the Turkic Republics of Central

Asia, such as Azerbaijan, and Kazakhstan. Ram is an exporting company, which is operated by Koc Holding's Foreign Trade division. Ram is currently in the process of expanding further into new markets in the CIS, CEE and the rest of the Balkans.

Koc Holding's cross-border expansions through Ram in these regions are not only attributed to geographic proximity, but also associated with the social relations link. The expansion of Koc Holding especially into CEE and CIS regions are also related to existing previous business and network ties, cultural and ethnic ties, and market size. In these cross-border expansions, previous investment also (mainly construction work) plays a crucial role especially in the former Soviet Union.

With the joint venture of Ram, geographical reach went even further as Koc Holding's expansion into the developed countries also gained momentum. Through the cross-border expansion activities of Ram, Koc Holding obtained a number of distributions, servicing and trading affiliates in the United States and in number of locations in Europe. Furthermore, Koc Holding was also able to attain affiliates in various Asian countries that it had no prior presence.

During this time, Koc Holding was also achieving value creation in its cross-border expansions and widening its geographical reach through its other operations. For example, in 1996 the entrance into the Netherlands was achieved. This expansion was mostly based on service sector – mainly on financial services. In May 1996, Kocbank Nederland N.V. was founded, which later became an affiliate of Koc Financial Services (KFS).

In addition, various other locations were being explored. In April 2002, Koc Holding expanded further into Germany through a merger where the company's appliance producer - Arcelik acquired the Blomberg unit – a maker of washers and dryers. In May 2002, Arcelik also acquired the Elektra Bregenz unit in Austria. In July 2002, Koc Holding expanded further into France through a merger when Arcelik acquired two affiliates of the bankrupt Brandt group of France - an appliance maker. The same month, Koc Holding broadened its expansion into the United Kingdom through an acquisition by Arcelik of two British appliance brands - Leisure and Flavel. In September 2002, the Romanian market, once again, was explored through Arcelik's acquisition of a major stake in Arctic – a Romanian refrigerator producer.

Furthermore, early in 2004, through its electronics operations headed by Beko, the company acquired Grundig Company of Germany at a cost of €80 million based on an equal contribution with British Alba Company. Beko is now targeting international markets by using Grundig's sales distribution network and research and development knowledge. Since Beko is Koc Holding's marketing company all over Europe, Koc Holding distributes its appliance goods under its international Beko brand.

In accordance with cross-border expansions, Koc Holding's group of companies, such as Arcelik, Beko, Ford Otosan and Migros have been focusing more on international markets and making unyielding advancement towards generating value creation through overseas networks. Value creation for Koc Holding is especially evident in its expansions into the Western European countries where the company manufactures and/or produces variety of its good. Since Koc Holding is producing in the developed world, the company is augmenting the way EMMs are operating in the international business environment in recent years.

In addition to its regional cross-border expansion activities, Koc Holding also focuses on distant countries such as China through its DemirDokum Company. Koc Holding has recently established a new plant in China with a capacity of 300,000 oil radiators a year.

Hence, the multitude of host countries that Koc Holding expanded into is quite vast and its geographical reach is not constraint by proximity as it includes the Middle Eastern region and North Africa covering such countries as Algeria, Bahrain, and Iraq; Western Europe, such as Austria, England, the Republic of Ireland, France, Germany, Italy, Spain, Switzerland, the Netherlands; Eastern Europe, such as Bulgaria, Macedonia, Romania, and the Russian Federation; Central Europe, such as Poland; Asia, such as Azerbaijan, Kazakhstan, Uzbekistan, China and Hong Kong; and North America, such as the United States.

Majority of these cross-border expansion activities have been attributed to Koc Holdings value creation. Value creation is especially apparent in recent years as through an efficient use of capital, resource and network ties, Koc Holding produces its goods in developed countries and attracting investors in the international capital markets. Moreover, since Koc Holding is not restricted to geographic proximity or to a particular industry, its activities are very similar to those of MNCs from developed countries. Its resemblance to MNCs is also apparent through its focus on creating shareholder value by generating growth and expanding globally to earn significant revenues from international operations.

As a result of its cross-border expansions and consolidation efforts implemented by the executive management, the value of the company increased dramatically in recent years, despite the negative impact of the stagnant economic conditions in the domestic market. The company consolidated revenues increased by 8 percent to \$ 6.7 billion and exports of 2.2 billion in 2004, in spite of the 34 percent decrease in banking and financial services revenues. This decline is triggered by the decrease in nominal interest rates, and is more than offset by the 24 percent upsurge in revenues gained by other operations. Exports also increased by 50 percent to \$ 2.2 billion. Total foreign exchange earnings increased 48 percent to \$ 3.2 billion. The consolidated operating profit rose to \$ 244 million, from a loss of \$ 287 million in 2002. In addition, the consolidated net income improved to \$ 25 million, from negative \$ 312 million. Overall, however, this improvement has mainly been attributed to banking and financial services.

Commitment to value creation is also apparent in the group's improving corporate governance structure, as it recently ensued to reorganize it. Many of the senior executive positions, which the family members held have been replaced by professional managers and specialists in specific areas.

Commitment to value creation and cross-border expansion through network ties is also evident in its recent bids. Koc Holding's Information Technologies Group entered into a joint bid with Turk Telekom for a stake in Bulgarian Telecom Company in 2002. Furthermore, on June 17, 2005, the privatization of state-owned telecommunication company, Turk Telekom was announced. Turkish government is planning to auction a 55 percent stake of the company.²¹¹ Koc Holding has already signed a deal with the Carlyle

²¹¹ www.forbes.com
www.reuters.com
www.sfgate.com

Group's TC group LLC based in the United States in order to have a stake in Turk Telekom.

Overall, all of Koc Holding's cross-border expansions display value creation as at the end of 2003, Koc Holding held 96 consolidated companies, 54.000 employees, a distribution network of over 12.000 dealers and cross-border expansions into 23 countries, comprising 29 companies and 42 offices.²¹² The company is also displaying value creation through its enhancing financial performance.

This case study adds value to the findings of the research in several aspects. It specifically notes the importance of network ties in value creation when expanding internationally. It is also inline with the empirial findings on the impact of target country characteristics. This study finds that better institutional infrastructure and higher levels of economic development in the target country is positively correlated with EMM value creation. In the same vein, Koc Holding's expansions into developed countries suggest value creation for the company. In addition, this case study further supports the positive impact of diversification in cross-border expansion and value creation as the findings also suggest.

²¹² www.koc.com.tr

References

Erkilek, Asim. (2003) "A Comparative Analysis of Inward and Outward FDI in Turkey." *UNCTAD Transnational Corporations* 12:3, 79-105.

For Consortiums Qualify for Turk Auction. Retrieved from the World Wide Web on June 21, 2005 from

<http://www.forbes.com>

<http://sfgate.com>

Koc Holding A.S. Retrieved from the World Wide Web on March 18 2004 from

<http://www.business.com>

Koc Holding. Retrieved from the World Wide Web on various dates from

www.koc.com.tr

www.reuters.com

www.shibuimarkets.com

www.yeald.com

Mergers & Acquisitions: Koc, Carlyle Sign Turk Telekom tender deal. Retrieved from the World Wide Web on June 17, 2005 from

<http://www.reuters.com>

SDC Data Base

Appendix B

Event Study Tables

Table 1. Daily and Standardized Abnormal Returns of Cross-Border Expansion Announcements (All Announcements)

The table presents the Daily Standardized Abnormal Returns (SARs) of 982 cross-border expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Abnormal Returns (SARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. The data set includes 436 M&As, 387 JVs and 159 SAs. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Day	Mean	Z-Value Mean	Median	WSRT-Z for Median	Positive:Neg ative	Doukas Z for Positive: Negative	Total Numbe r of Events	Positive Market Reaction %
SAR-10	0.034295	1.072896	-0.00801	0.064285	485:492	-0.22395	977	49.64%
SAR -9	0.054506 **	1.70673	-0.01785	0.058379	470:979	-1.24645	979	48.01%
SAR -8	-0.03131	-0.94138	-0.0209 **	-1.70515	465:514 *	-1.56605	979	47.50%
SAR -7	-0.01123	-0.3375	-0.03538 *	-1.36202	447:532 ***	-2.71661	979	45.66%
SAR-6	-0.00934	-0.28333	-0.03364 *	-1.55763	452:527 ***	-2.39701	979	46.17%
SAR-5	0.025321	0.798838	-0.02958	-0.32266	453:525 ***	-2.30231	978	46.32%
SAR-4	-0.00055	-0.01627	-0.03236	-1.13221	460:521 **	-1.94758	981	46.89%
SAR-3	-0.01317	-0.41124	-0.02652 *	-1.45138	461:520 **	-1.88373	981	46.99%
SAR-2	0.020024	0.658227	-0.02959	-1.20296	453:528 ***	-2.39457	981	46.18%
SAR-1	-0.03875	-1.12003	-0.02937 **	-1.74671	463:518 **	-1.75601	981	47.20%
SAR 0	-0.01403	-0.41124	-0.03314 **	-1.76567	447:534 ***	-2.7777	981	45.57%
SAR 1	0.047131 *	1.357689	-0.02005	0.120583	474:507	-1.05361	981	48.32%
SAR 2	-0.05195	-1.69804	-0.03458 ***	-2.6706	444:538 ***	-2.99966	982	45.21%
SAR 3	0.035147	1.04866	-0.00749	0.228006	481:501	-0.20222	982	48.98%
SAR 4	-0.03756 *	-1.28797	-0.02801 **	-2.03282	460:526 **	-1.9785	982	46.84%
SAR 5	0.001315	0.042738	-0.02703	-1.09273	456:526 **	-2.23379	982	46.44%
SAR 6	-0.03734	-1.06643	-0.02511 **	-1.96144	460:522 **	-1.9785	982	46.84%
SAR 7	-0.04993 *	-1.49241	-0.03962 **	-2.28416	449:533 ***	-2.68055	982	45.72%
SAR 8	0.01663	0.527549	-0.0325	-1.27833	460:522 **	-1.9785	982	46.84%
SAR 9	-0.04923 *	-1.60451	-0.04242 ***	-2.42471	441:541 ***	-3.19113	982	44.91%
SAR 10	0.000697	0.021226	-0.02561	-1.25589	447:534 ***	-2.7777	981	45.57%

Panel A: EMMs' Daily Abnormal Returns (SARs) M&As

The table presents the Daily Standardized Abnormal Returns (SARs) of 436 cross-border M&A expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Abnormal Returns (SARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Day	Mean	Z-Value Mean	Median	WSRT-Z for Median	Positive: Negative	Doukas Z for Positive :Negative	Number of total transact ions	Positive market reaction %
SAR-10	0.04341	0.960609	0.015267	0.933866	227:208	0.91098	435	52.18%
SAR -9	-0.03027	-0.64024	-0.03567 *	-1.41628	197:239 **	-2.01144	436	45.18%
SAR -8	-0.03762	-0.80498	-0.01867	-1.07232	210:226	-0.76626	436	48.17%
SAR -7	-0.00694	-0.14785	-0.02163	-0.5411	205:231	-1.24517	436	47.02%
SAR-6	-0.02228	-0.44276	-0.00616	-0.63074	216:220	-0.19157	436	49.54%
SAR-5	0.01154	0.263748	-0.03269	-0.35687	200:235 **	-1.67812	435	45.98%
SAR-4	-0.03859	-0.7262	-0.00573	-0.39846	214:222	-0.38313	436	49.08%
SAR-3	-0.00254	-0.05471	-0.00349	-0.20455	214:222	-0.38313	436	49.08%
SAR-2	0.049093	1.061401	-0.01617	-0.12706	208:228	-0.95783	436	47.71%
SAR-1	-0.09906 **	-2.21832	-0.0299 **	-2.17997	202:234 *	-1.53252	436	46.33%
SAR 0	-0.06454 *	-1.35925	-0.02708 **	-1.82329	195:241 **	-2.203	436	44.72%
SAR 1	0.013881	0.248222	-0.03149	-0.59485	207:229	-1.05361	436	47.48%
SAR 2	-0.05154	-1.05211	-0.04297 **	-1.95263	194:242 **	-2.29878	436	44.50%
SAR 3	0.031269	0.649838	-0.02538	-0.38669	203:233 *	-1.43674	436	46.56%
SAR 4	-0.00374	-0.08459	-0.01315	-0.78819	210:226	-0.76626	436	48.17%
SAR 5	-0.02587	-0.60207	-0.04347 **	-1.28105	192:244 ***	-2.49035	436	44.04%
SAR 6	0.019723	0.361665	-0.00498	-0.0114	213:223	-0.47891	436	48.85%
SAR 7	-0.04795	-0.88888	-0.04443 *	-1.5498	198:238 **	-1.91565	436	45.41%
SAR 8	0.039184	0.830828	-0.01913	-0.3356	211:225	-0.67048	436	48.39%
SAR 9	-0.02194	-0.47455	-0.02747	-0.93463	203:233 *	-1.43674	436	46.56%
SAR10	0.021843	0.453235	-0.00921	-0.01576	210:226	-0.76626	436	48.17%

Panel B: EMMs' Daily Abnormal Returns (SARs) JVs

The table presents the Daily Standardized Abnormal Returns (SARs) of 387 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Abnormal Returns (SARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for

unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Day	Mean	Z-Value Mean	Median	WSRT-Z for Median	Positive:Neg ative	Doukas Z for Positive:Neg ative	Number of total transact ions	Positive market Reaction
SAR-10	0.002927	0.055813	-0.02214	-0.79178	186:199	-0.66254	385	48.31%
SAR -9	0.128169 ***	2.509883	0.011589	1.245234	198:188	0.508987	386	51.30%
SAR -8	-0.02052	-0.33976	-0.03206 *	-1.43711	179:207 *	-1.42516	386	46.37%
SAR -7	-0.10839 **	-1.93563	-0.06282 ***	-2.94165	159:227 ***	-3.46111	386	41.19%
SAR-6	0.01069	0.217064	-0.02965	-0.58629	177:209 *	-1.62876	386	45.85%
SAR-5	0.036053	0.67448	-0.02808	-0.05291	180:206 *	-1.32337	386	46.63%
SAR-4	0.018886	0.361868	-0.06481	-1.18756	172:215 **	-2.18581	387	44.44%
SAR-3	-0.02002	-0.36914	-0.03465 *	-1.56086	174:213 **	-1.98248	387	44.96%
SAR-2	0.002511	0.05078	-0.05729	-1.17552	172:215 **	-2.18581	387	44.44%
SAR-1	-0.04179	-0.74983	-0.03736	-0.53815	186:201	-0.76249	387	48.06%
SAR 0	0.03157	0.56084	-0.03448	-0.6183	184:203	-0.96582	387	47.55%
SAR 1	0.077884 *	1.421898	0.003994	0.725705	194:192	0.101797	386	50.26%
SAR 2	-0.07116 *	-1.53589	-0.03108 **	-1.91077	177:210 **	-1.67748	387	45.74%
SAR 3	0.041746	0.766836	0.021238	0.661899	201:186	0.762493	387	51.94%
SAR 4	-0.0824 **	-1.85174	-0.05257 ***	-2.45255	171:216 **	-2.28748	387	44.19%
SAR 5	0.042954	0.861676	0.00538	0.208674	195:192	0.152499	387	50.39%
SAR 6	-0.14084	-2.60863	-0.03973 ***	-2.86127	173:214 **	-2.08415	387	44.70%
SAR 7	-0.05472	-1.05733	-0.04219 **	-1.81835	174:213 **	-1.98248	387	44.96%
SAR 8	-0.02827	-0.56375	-0.05087 **	-1.88806	172:215 **	-2.18581	387	44.44%
SAR 9	-0.07437 *	-1.50564	-0.05921 **	-2.25341	170:217 ***	-2.38914	387	43.93%
SAR 10	-0.0189	-0.35156	-0.02816	-0.88147	175:211 **	-1.88082	386	45.34%

Panel C: EMMs' Daily Abnormal Returns (SARs) SAs

The table presents the Daily Standardized Abnormal Returns (SARs) of 159 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Abnormal Returns (SARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Day	Mean	Z-Value Mean	Median	WSRT-Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Number of total transactio ns	Positive Markeet Reaction
SAR-10	0.085963	1.000118	-0.05986	-0.06793	72:85	-1.03751	157	45.86%
SAR -9	0.108824 *	1.349152	-0.01248	0.498712	75:82	-0.55866	157	47.77%

SAR -8	-0.0403	-0.62103	-0.01104	-0.2012	76:81	-0.39904	157	48.41%
SAR -7	0.21573 ***	2.633553	0.03 **	2.049878	83:74	0.718278	157	52.87%
SAR-6	-0.02268	-0.25097	-0.08061**	-1.91058	59:98 ***	-3.11254	157	37.58%
SAR-5	0.037122	0.440844	-0.02514	-0.16165	73:84	-0.8779	157	46.50%
SAR-4	0.056832	0.725899	-0.03201	-0.3534	74:84	-0.79556	158	46.84%
SAR-3	-0.0257	-0.34572	-0.04394	-0.85555	73:85	-0.95467	158	46.20%
SAR-2	-0.0173	-0.2506	-0.04078	-0.96217	73:85	-0.95467	158	46.20%
SAR-1	0.13509	1.224883	-0.02016	0.080826	75:83	-0.63645	158	47.47%
SAR 0	0.013662	0.146415	-0.04757	-0.62253	68:90 **	-1.75023	158	43.04%
SAR 1	0.063648	0.926033	-0.02005	-0.0215	73:86	-1.03097	159	45.91%
SAR 2	-0.00628	-0.08892	-0.05279	-0.40843	73:86	-1.03097	159	45.91%
SAR 3	0.029721	0.332855	-0.02003	0.143595	77:82	-0.39653	159	48.43%
SAR 4	-0.02118	-0.27227	0	0.019777	79:80	-0.07931	159	49.69%
SAR 5	-0.02549	-0.2934	-0.02861	-0.93637	69:90 **	-1.66541	159	43.40%
SAR 6	0.058109	0.697322	-0.02265	-0.35512	74:85	-0.87236	159	46.54%
SAR 7	-0.04368	-0.61654	-0.00685	-0.23732	77:82	-0.39653	159	48.43%
SAR 8	0.064063	0.806637	-0.01126	0.242477	77:82	-0.39653	159	48.43%
SAR 9	-0.0629	-0.85306	-0.04071	-0.93723	68:91 **	-1.82402	159	42.77%
SAR 10	-0.00971	-0.11928	-0.07427 **	-1.76355	62:97 ***	-2.77568	159	38.99%

Table 1.1 SARs Difference between M&As and JVs

Mean MA	Mean JV	Mean Difference	Z for JV-MA Mean Difference	Median MA	Median JV	Median Difference	Mann-Whitney Z value for Median Differences
0.04341	0.002927	0.040483	0.591062	0.015267	-0.02214	0.037405	1.238006
-0.03027	0.128169	-0.15844 **	-2.29151	-0.03567	0.011589	-0.04726 **	-1.88374
-0.03762	-0.02052	-0.0171	-0.2278	-0.01867	-0.03206	0.013395	0.395727
-0.00694	-0.10839	0.101448 *	1.405739	-0.02163	-0.06282	0.041188 **	1.689846
-0.02228	0.01069	-0.03297	-0.46854	-0.00616	-0.02965	0.023485	-0.04377
0.01154	0.036053	-0.02451	-0.35979	-0.03269	-0.02808	-0.00461	-0.18978
-0.03859	0.018886	-0.05748	-0.77232	-0.00573	-0.06481	0.059084	0.529693
-0.00254	-0.02002	0.017483	0.247567	-0.00349	-0.03465	0.031159	0.993578
0.049093	0.002511	0.046582	0.692041	-0.01617	-0.05729	0.041119	0.73446
-0.09906	-0.04179	-0.05727	-0.81412	-0.0299	-0.03736	0.007452	-1.02501
-0.06454	0.03157	-0.09611 *	-1.32086	-0.02708	-0.03448	0.007399	-0.78558
0.013881	0.077884	-0.064	-0.81818	-0.03149	0.003994	-0.03549	-0.99328
-0.05154	-0.07116	0.01962	0.290557	-0.04297	-0.03108	-0.01188	-0.16011
0.031269	0.041746	-0.01048	-0.14554	-0.02538	0.021238	-0.04662	-0.73093
-0.00374	-0.0824	0.078664	1.257381	-0.01315	-0.05257	0.039415 *	1.304108
-0.02587	0.042954	-0.06883	-1.05703	-0.04347	0.00538	-0.04885	-0.95891
0.019723	-0.14084	0.160561 **	2.095043	-0.00498	-0.03973	0.034749 **	2.197505

-0.04795	-0.05472	0.006768	0.090492	-0.04443	-0.04219	-0.00223	0.207705
0.039184	-0.02827	0.067452	0.985311	-0.01913	-0.05087	0.03174	0.96038
-0.02194	-0.07437	0.052428	0.779455	-0.02747	-0.05921	0.03174	0.880471
0.021843	-0.0189	0.040743	0.569068	-0.00921	-0.02816	0.018955	0.54732

Table 1.2 SARs Difference between M&As and SAs

Mean MA	Mean SA	Mean Difference	Z for MA-SA Mean Difference	Median MA	Median SA	Median Difference	Mann-whitney Zvalue for mean diff
0.04341	0.085963	-0.04255	-0.48677	0.015267	-0.05986	0.075126	0.670958
-0.03027	0.108824	-0.13909 *	-1.52088	-0.03567	-0.01248	-0.02318	-1.25192
-0.03762	-0.0403	0.002673	0.029562	-0.01867	-0.01104	-0.00763	-0.39557
-0.00694	0.21573	-0.22267 ***	-2.45245	-0.02163	0.03	-0.05163 **	-2.16162
-0.02228	-0.02268	0.000401	0.004123	-0.00616	-0.08061	0.074448 *	1.372634
0.01154	0.037122	-0.02558	-0.30225	-0.03269	-0.02514	-0.00755	-0.19186
-0.03859	0.056832	-0.09543	-0.92819	-0.00573	-0.03201	0.026285	-0.00269
-0.00254	-0.0257	0.023158	0.257771	-0.00349	-0.04394	0.040451	0.547544
0.049093	-0.0173	0.066389	0.741991	-0.01617	-0.04078	0.024602	0.661257
-0.09906	0.13509	-0.23415 ***	-2.71057	-0.0299	-0.02016	-0.00974	-1.25569
-0.06454	0.013662	-0.07821	-0.85138	-0.02708	-0.04757	0.020495	-0.61006
0.013881	0.063648	-0.04977	-0.46004	-0.03149	-0.02005	-0.01144	-0.55293
-0.05154	-0.00628	-0.04527	-0.47764	-0.04297	-0.05279	0.009821	-0.6203
0.031269	0.029721	0.001548	0.016633	-0.02538	-0.02003	-0.00535	-0.32174
-0.00374	-0.02118	0.017444	0.204108	-0.01315	0	-0.01315	-0.42736
-0.02587	-0.02549	-0.00039	-0.00464	-0.04347	-0.02861	-0.01486	0.186467
0.019723	0.058109	-0.03839	-0.36387	-0.00498	-0.02265	0.017671	0.280239
-0.04795	-0.04368	-0.00426	-0.04086	-0.04443	-0.00685	-0.03757	-0.61814
0.039184	0.064063	-0.02488	-0.27269	-0.01913	-0.01126	-0.00787	-0.39988
-0.02194	-0.0629	0.040959	0.457965	-0.02747	-0.04071	0.013245	0.270539
0.021843	-0.00971	0.031557	0.338488	-0.00921	-0.07427	0.065069 *	1.391496

Table 1.3 SARs Difference between JVs and SAs

Mean SA	Mean Difference	Z for JV-SA Mean Difference	Median JV	Median SA	Median Difference	Mann-Whitney value for median diff
0.085963	-0.08596	-0.85435	-0.02214	-0.05986	0.037722	-0.2902
0.108824	-0.10882	0.204423	0.011589	-0.01248	0.024074	0.057089
-0.0403	0.040295	0.176698	-0.03206	-0.01104	-0.02103	-0.82958

0.21573	-0.21573 ***	-3.12354	-0.06282	0.03	-0.09282	-3.44678
-0.02268	0.02267	0.365627	-0.02965	-0.08061	0.050963	1.254779
0.037122	-0.03712	-0.01079	-0.02808	-0.02514	-0.00294	-0.05233
0.056832	-0.05683	-0.39236	-0.06481	-0.03201	-0.0328	-0.60122
-0.0257	0.025698	0.056456	-0.03465	-0.04394	0.009291	-0.34016
-0.0173	0.017296	0.21617	-0.05729	-0.04078	-0.01652	0.008326
0.13509	-0.13509 **	-1.71277	-0.03736	-0.02016	-0.01719	-0.52867
0.013662	-0.01366	0.171673	-0.03448	-0.04757	0.013096	-0.17722
0.063648	-0.06365	0.140256	0.003994	-0.02005	0.024044	-0.03449
-0.00628	0.006277	-0.75571	-0.03108	-0.05279	0.021704	-0.64939
0.029721	-0.02972	0.119203	0.021238	-0.02003	0.041267	0.080282
-0.02118	0.021182	-0.7424	-0.05257	0	-0.05257 *	-1.41237
-0.02549	0.025486	0.740879	0.00538	-0.02861	0.033985	0.755246
0.058109	-0.05811 **	-1.98852	-0.03973	-0.02265	-0.01708 *	-1.39156
-0.04368	0.043685	-0.11504	-0.04219	-0.00685	-0.03534	-0.89202
0.064063	-0.06406	-0.99367	-0.05087	-0.01126	-0.03961	-1.25002
-0.0629	0.062899	-0.1253	-0.05921	-0.04071	-0.0185	-0.57327
-0.00971	0.009714	-0.09221	-0.02816	-0.07427	0.046114	0.650582

Table 2. Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements (All Announcements)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 982 cross-border expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. The data set includes 436 M&As, 387 JVs and 159 SAs. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –WhitneyTest for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSR Z- Value	Positive: Negative	Doukas Z	Total Number of Transacti ons	Positive Market Reactio n %
SCAR(10,10)	-0.02065	-0.74634	-0.04424	-1.04651	469:513 *	-1.4041	982	47.76%
SCAR (10,+5)	0.002479	0.087275	-0.00329	-0.61109	488:494	-0.19147	982	49.69%
SCAR (-5,+5)	-0.00814	-0.29312	-0.04252	-1.19685	471:511	-1.27645	982	47.96%
SCAR (-5,+1)	0.009801	0.326085	-0.02585	-1.00081	476:506	-0.95734	982	48.47%
SCAR (-2,+1)	0.007249	0.236576	-0.03695	-0.85818	465:517 **	-1.65939	982	47.35%
SCAR (-1,+1)	-0.00327	-0.09991	-0.03045	-0.83651	469:513 *	-1.4041	982	47.76%
SCAR (-1,+0)	-0.03732	-1.1288	-0.02937 **	-1.87345	468:514 *	-1.46792	982	47.66%

Panel A: EMMs' Daily Abnormal Returns (SCARs) M&As

The table presents the Daily Standardized Abnormal Returns (SCARs) of 436 cross-border M&A expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSR Z-Value	Positive: Negative	Doukas Z	Total Number of Transactions	Positive Market Reaction %
(-10, +10)	-0.04865	-1.12983	-0.06222	-1.2537	208:228	-0.95783	436	47.71%
(-10, +5)	-0.05835	-1.35731	-0.05986	-1.7496	207:229	-1.05361	436	47.48%
(-5, +5)	-0.05425	-1.30525	-0.05375	0.716565	209:227	-0.86204	436	47.94%
(-5, +1)	-0.04916	-1.12961	-0.06497 *	-1.59196	200:236 **	-1.72409	436	45.87%
(-2, +1)	-0.05015	-1.13517	-0.05249	-1.5365	201:235 *	-1.6283	436	46.10%
(-1, +1)	-0.08637 *	-1.85501	-0.05847 ***	-2.12831	198:238 **	-1.91565	436	45.41%
(-1, +0)	-0.11574 *	-2.6401	-0.05946 ***	-2.61034	198:238 **	-1.91565	436	45.41%

Panel B: EMMs' Daily Abnormal Returns (SCARs) JVs

The table presents the Daily Standardized Abnormal Returns (SCARs) of 386 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSR Z-Value	Positive: Negative	Doukas Z	Total Number of Transactions	Positive Market Reaction %
(-10,+10)	-0.05028	-1.1571	-0.08471 *	-1.3821	177:210 **	-1.67748	387	45.74%
(-10,+5)	0.012279	0.273406	0.005991	0.006825	196:191	0.254164	387	50.65%
(-5,+5)	0.010926	0.239458	-0.04806	-0.35855	180:207 *	-1.37249	387	46.51%
(-5,+1)	0.039581	0.800561	-0.00404	-0.10579	192:195	-0.1525	387	49.61%
(-2,+1)	0.034992	0.722084	-0.02909	0.171995	185:202	-0.86416	387	47.80%
(-1,+1)	0.038823	0.738628	-0.0081	0.585147	192:195	-0.1525	387	49.61%
(-1,+0)	-0.00723	-0.13808	-0.01907	-0.32329	187:200	-0.66083	387	48.32%

Panel C: EMMs' Daily Abnormal Returns (SCARs) SAs

The table presents the Daily Standardized Abnormal Returns (SCARs) of 159 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSR Z- Value	Positive: Negative	Doukas Z	Total Number of Transacti ons	Positive Market Reaction %
(-10,+10)	0.128218 *	2.033179	0.080097 **	1.632898	84:75	0.713746	159	52.83%
(-10,+5)	0.145428 *	2.099251	0.072351 *	1.349623	85:74	0.872357	159	53.46%
(-5,+5)	0.071921	1.131892	0.013141	0.193415	82:77	0.396526	159	51.57%
(-5,+1)	0.098991	1.312483	0.031298	0.406513	84:75	0.713746	159	52.83%
(-2,+1)	0.097132	1.145736	-0.00212	0.087293	79:80	-0.07931	159	49.69%
(-1,+1)	0.122141	1.363382	-0.00614	0.431332	79:80	-0.07931	159	49.69%
(-1,+0)	0.104508	1.003397	0.033741	0.386829	83:76	0.555136	159	52.20%

Table 2.1 SCARs Difference between M&As and JVs

Mean Difference	Z for MA- JV Mean	Median Difference	Mann- Whitney Z value for Median diff
0.001632	0.026763	0.022494	-0.01785
-0.07063	-1.14183	-0.06585 *	-1.37029
-0.06518	-1.06448	-0.00569	-0.95792
-0.08874 *	-1.36088	-0.06093	-1.08757
-0.08515 *	-1.30878	-0.0234	-1.25996
-0.12519 **	-1.80023	-0.05037 **	-1.91467
-0.10851 *	-1.6098	-0.04038 **	-1.64336

Table 2.2 SCARs Difference between M&As and SAs

Mean Difference	Z FOR MA_SA Mean	Median Difference	Mann- Whitney Z value for Median diff
-0.17687 **	-2.188	-0.14232 **	-2.01395

-0.20378 ***	-2.46793	-0.13221 **	-2.14275
-0.12617 *	-1.60117	-0.06689	-1.12311
-0.14815 **	-1.73783	-0.09627	-1.18347
-0.14729 **	-1.64942	-0.05036	-0.97491
-0.20851 **	-2.2138	-0.05233 *	-1.54671
-0.22025 **	-2.29299	-0.0932 *	-1.36455

Table 2.3 SCARs Difference between JVs and SAs

Mean diff	Z for JVs and SAs	Median Difference	Mann-Whitney Z value for Median diff
-0.1785 ***	-2.261485911	-0.16481 **	-2.12058
-0.13315 *	-1.60515348	-0.06636	-1.20285
-0.06099	-0.743715477	-0.0612	-0.46902
-0.05941	-0.652622162	-0.03533	-0.46066
-0.06214	-0.667413606	-0.02697	-0.13942
-0.08332	-0.832280497	-0.00196	-0.16808
-0.11174	-1.059163824	-0.05281	-0.2457

Table 3. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (EMM Region -Asia)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 342 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) originate from Asia over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total no of event	Positive Market Reactio: %
(-10, +10)	-0.0124	-0.25883	-0.01577	-0.45415	170:172	-0.10815	342	49.71%
(-10, +5)	-0.02443	-0.50945	0.019907	-0.58231	175:167	0.43259	342	51.17%
(-5, +5)	-0.02771	-0.60405	0.01056	-0.58777	173:169	0.216295	342	50.58%
(-5, +1)	-0.0385	-0.78602	-0.03909	-0.84955	165:177	-0.64889	342	48.25%
(-2, +1)	-0.06024	-1.17211	-0.05249 *	-1.46821	159:183*	1.29777	342	46.49%
(-1, +1)	-0.10273 **	-1.8883	-0.07362 ***	-2.46313	149:193***	-2.37925	342	43.57%
(-1, +0)	-0.13449 ***	-2.64059	-0.08403 ***	-2.73284	152:190**	-2.0548	342	44.44%

Table 3. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (EMM Region –Latin America)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 66 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) originate from Latin America over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.15316 *	-1.34307	-0.16887	-1.0732	29 :37	-0.98473	66	43.94%
(-10,+5)	-0.17695 *	-1.59262	-0.3164 **	-1.94836	24 :42**	-2.21565	66	36.36%
(-5, +5)	-0.14748	-1.21587	-0.23063 *	-1.62257	26 :40 **	1.72328	66	39.39%
(-5, +1)	-0.10433	-0.8692	-0.13587 **	-1.69923	24 :42 **	-2.21565	66	36.36%
(-2, +1)	-0.01311	-0.13056	-0.07726	-0.6963	28 :38	-1.23091	66	42.42%
(-1, +1)	-0.05229	-0.51824	-0.03514	-0.37051	31 :35	-0.49237	66	46.97%
(-1, +0)	-0.05137	-0.52941	-0.00744	-0.35454	32 :34	-0.24618	66	48.48%

Table 3. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (EMM Region -Asia)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 360 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) originate from Asia over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.04681	-1.03012	-0.09114 *	-1.34799	163:197 **	-1.79196	360	45.28%
(-10,+5)	0.006974	0.150243	-0.01431	-0.30771	179:181	-0.10541	360	49.72%
(-5, +5)	0.00793	0.167758	-0.06738	-0.52836	166:194 *	-1.47573	360	46.11%
(-5, +1)	0.041484	0.815749	-0.02186	-0.16499	177:183	-0.31623	360	49.17%
(-2, +1)	0.035857	0.720794	-0.02976	0.051622	170:190	-1.05409	360	47.22%
(-1, +1)	0.045985	0.847009	-0.00519	0.740419	179:181	-0.10541	360	49.72%
(-1, +0)	-0.00372	-0.06796	-0.0148	-0.19763	175:185	-0.52705	360	48.61%

Table 3. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (EMM Region –Latin America)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 20 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) originate from Latin America over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.00334	-0.02393	0.099936	0.417092	11: 9	0.447214	20	55.00%
(-10,+5)	0.263065 *	1.466297	0.302428 **	1.77264	14: 6 **	1.788854	20	70.00%
(-5, +5)	0.331771 **	1.861926	0.338254 **	1.668367	13: 7 *	1.341641	20	65.00%
(-5, +1)	0.273875 *	1.222586	0.158313 *	1.251275	14: 6 **	1.788854	20	70.00%
(-2, +1)	0.371548 **	1.802263	0.3909 **	1.598852	13: 7 *	1.341641	20	65.00%
(-1, +1)	0.227136	1.024957	0.152863	0.59088	11: 9	0.447214	20	55.00%
(-1, +0)	0.114247	0.54207	0.135024	0.59088	11: 9	0.447214	20	55.00%

Table 3. Panel C2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (EMM Region –Eastern Europe)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 3 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) originate from Eastern Europe over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Numbe r of Events	Positive Market Reaction %
(-10, +10)	0.004936	0.006845	-0.5217	0	1: 2	-0.57735	3	33.33%
(-10, +5)	0.170191	0.509052	-0.01858	0	1:2	-0.57735	3	33.33%
(-5, +5)	-0.22095	-1.11535	-0.06194	-1.1547	1: 2	-0.57735	3	33.33%
(-5, +1)	-0.106	-0.20546	-0.36004	0	1: 2	-0.57735	3	33.33%
(-2, +1)	-0.82408	-1.21443	-0.875	-1.1547	1: 2	-0.57735	3	33.33%
(-1, +1)	-0.60047	-0.75072	-1.10493	-1.1547	1: 2	-0.57735	3	33.33%
(-1, +0)	-0.70632 *	-1.58585	-0.53643 **	-1.73205	0: 3 **	-1.73205	3	0.00%

Table 3. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (EMM Region -Asia)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 149 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) originate from Asia over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Total Number of Events	Positive: Negative	Doukas Z	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.108167 **	1.695172	0.06855	1.190677	149	77:72	0.409616	149	51.68%
(-10,+5)	0.129134 **	1.858415	0.072351	1.155263	149	79:70	0.737309	149	53.02%
(-5,+5)	0.054838	0.870527	0.002718	0.001914	149	76:73	0.24577	149	51.01%
(-5,+1)	0.061745	0.834648	0.031298	0.189513	149	79:70	0.737309	149	53.02%
(-2,+1)	0.051815	0.613621	-0.01411	-0.30628	149	73:76	-0.24577	149	48.99%
(-1,+1)	0.090315	0.988696	-0.00891	0.0536	149	73:76	-0.24577	149	48.99%
(-1,+0)	0.078274	0.732971	0.029988	-0.10816	149	77:72	0.409616	149	51.68%

Table 3. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (EMM Region –Latin America)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 9 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) originate from Latin America over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.543493 **	1.635833	0.634011 *	1.480872	7: 2 **	1.666667	9	77.78%
(-10,+5)	0.489189	1.171949	0.235876	1.006993	6: 3	1	9	66.67%
(-5,+5)	0.506876 *	1.340145	0.288563	1.006993	6: 3	1	9	66.67%
(-5,+1)	0.794753 **	1.628149	0.237824	1.243933	5: 4	0.333333	9	55.56%

(-2, +1)	0.917221 **	1.912319	0.423228 *	1.480872	6: 3	1	9	66.67%
(-1, +1)	0.732094 **	1.687354	0.412045 *	1.599342	6: 3	1	9	66.67%
(-1, +0)	0.689751 *	1.462561	0.341026	1.243933	6: 3	1	9	66.67%

Table3. Panel A.1.1 M&A
Difference MA between Asia and Latin America

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for median Difference
0.140761 *	1.169888	0.153093 *	-1.48078
0.152514	1.272215	0.336303 ***	-2.84775
0.119764	1.019029	0.24119 **	-1.90144
0.065831	0.532426	0.096774	-1.13193
-0.04714	-0.37607	0.024775	-0.76964
-0.05044	-0.38255	-0.03848	-0.34828
-0.08312	-0.67122	-0.07659	-0.07672

Table3. Panel A.1.2 M&A
Difference MA between Asia and Eastern Europe

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for median Difference
-0.00775	-0.06935	0.106503	-0.32923
0.089586	0.800624	0.122832	0.415086
0.137492 *	1.295272	0.205678	0.230178
0.205228 **	1.819135	0.120096	-0.7981
-0.13098	-1.09642	-0.00668	-1.0212
-0.34488 ***	-2.73214	-0.2153 *	-1.35323
-0.40072 ***	-3.29571	-0.21709 **	-1.64991

Table3. Panel A.1.3 M&A
Difference MA between Latin America and Eastern Europe

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for median Difference
-0.14851	-1.2738	-0.04659 *	-1.48078
-0.06293	-0.55302	-0.21347 ***	-2.84775
0.017728	0.144305	-0.03551 **	-1.90144
0.139397	1.149243	0.023322	-1.13193
-0.08384	-0.81274	-0.03146	-0.76964
-0.29444 ***	-2.83958	-0.17682	-0.34828
-0.3176 ***	-3.06495	-0.14051	-0.07672

Table3. Panel B.1.1 JV
Difference JV between Asia and Latin America

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Diff
-0.04347	-0.22224	-0.19107	-0.68602
-0.25609 *	-1.27133	-0.31674 **	-1.76106
-0.32384 *	-1.58043	-0.40563	-2.06851
-0.23239	-1.04623	-0.18018 *	-1.30302
-0.33569 *	-1.54999	-0.42066 **	-1.79034
-0.18115	-0.767	-0.15806	-0.52497
-0.11797	-0.49621	-0.14983	-0.5438

Table3. Panel B.1.2 JV
Difference JV between Asia and Eastern Europe

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for median Diff
0.096237	0.83331	0.001008	0.276648
0.196619 **	1.686872	0.104793	1.024623
0.184174 *	1.512103	0.022558	0.836092
0.143162	1.026318	0.052471	0.817649
-0.01772	-0.12657	0.039035	-0.1373
0.030952	0.202472	0.131897	0.24591
0.006233	0.0411	0.077365	0.502065

Table3. Panel B.1.3 JV
Difference JV between Latin America and Eastern Europe

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Diff
-0.00828	-0.01815	0.621637	-0.46476
0.092874	0.19309	0.321004	-0.30984
0.552718	1.184997	0.40019	0.387298
0.379876	0.620774	0.518356	-0.07746
1.195631 **	2.014074	1.2659	0.697137
0.827602 *	1.271944	1.257792	0.309839
0.820571 *	1.437414	0.67145	0.464758

Table3. Panel C.1.1 SA
Difference SA between Asia and Latin America

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Diff
-0.43533 *	-1.59949	-0.56546	7.795829
-0.36006	-1.19713	-0.16353	6.586911
-0.45204 **	-1.65796	-0.28585	6.433196
-0.73301 **	-2.26217	-0.20653	6.396864
-0.86541 ***	-2.38248	-0.43734	7.243779
-0.64178 **	-1.65974	-0.42096	6.785656
-0.61148 *	-1.35973	-0.31104	6.75181

Table 4. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Corporate Governance-NOADR)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 116 cross-border MA expansion announcements by Non Listed Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive :negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(10,+10)	0.076922	0.956466909	0.034504	0.814072755	61:55	0.557086015	116	52.59%
(-10,+5)	0.07497	0.881603068	0.009518	0.658420942	58 :58	0	116	50.00%
(-5, +5)	0.08666	1.108035778	0.081269	1.154302823	62 :54	0.742781353	116	53.45%
(-5, +1)	0.021013	0.229601389	-0.05808	-0.002754899	54 :62	-0.742781353	116	46.55%
(-2, +1)	0.015641	0.175416822	-0.03847	0.074382282	54 :62	-0.742781353	116	46.55%
(-1, +1)	-0.00779	-0.078831201	-0.03899	-0.256205639	56 :60	-0.371390676	116	48.28%
(-1, +0)	-0.01243	-0.149481149	0	0.052343087	57 :59	-0.185695338	116	49.14%

Table 4. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Corporate Governance-NOADR)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 91 cross-border JV expansion announcements by Non Listed Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.05346	-0.53303	-0.03974	-0.68274	40:51	-1.15311	91	43.96%
(-10,+5)	0.039263	0.378466	-0.01858	0.174148	44:47	-0.31449	91	48.35%
(-5,+5)	-0.05638	-0.55761	-0.04806	-0.83512	43:48	-0.52414	91	47.25%
(-5,+1)	-0.11528	-1.14143	-0.11108 **	-1.82064	38:53*	-1.57243	91	41.76%
(-2,+1)	-0.08441	-0.8597	-0.04919	-0.99739	41:50	-0.94346	91	45.05%
(-1,+1)	-0.09281	-0.85151	-0.01012	-0.45912	45:46	-0.10483	91	49.45%
(-1,+0)	-0.16615 *	-1.47351	-0.1294 *	-1.39318	39:52*	-1.36277	91	42.86%

Table 4. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Corporate Governance-NOADR)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 31 cross-border SA expansion announcements by Non Listed Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Transactions	Positive Market Reaction %
(-10,+10)	0.3183 **	2.049139	0.270875 *	1.411559	19:12 *	1.257237	31	61.29%
(-10,+5)	0.507415 ***	2.779403	0.26351 **	1.938659	19:12 *	1.257237	31	61.29%
(-5,+5)	0.227272 *	1.459891	0.142793	1.125673	20:11 **	1.616448	31	64.52%
(-5,+1)	0.131395	0.798177	0.013382	-0.09827	16:15	0.179605	31	51.61%

(-2, +1)	0.068873	0.359698	-0.01411	-0.41096	15:16	-0.17961	31	48.39%
(-1, +1)	-0.03455	-0.20314	0.015545	-0.60751	16:15	0.179605	31	51.61%
(-1, +0)	-0.05683	-0.26917	-0.12046	-0.5807	13:18	-0.89803	31	41.94%

Table 4. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Corporate Governance-144 A)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 37 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) listed as 144-A over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive : Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.25003 **	-2.02872	-0.12987 **	-1.65949	16:21	-0.82199	37	43.24%
(-10, +5)	-0.34236 ***	-2.40795	-0.21371 ***	-2.29312	13:24**	-1.80839	37	35.14%
(-5, +5)	-0.27303 ***	-2.48459	-0.18276 ***	-2.36855	14:23 *	-1.47959	37	37.84%
(-5, +1)	-0.20275 **	-2.01902	-0.10017 **	-1.88579	14:23*	-1.47959	37	37.84%
(-2, +1)	0.079416	0.850746	0.006433	0.392243	19:18	0.164399	37	51.35%
(-1, +1)	0.104226	1.0442	0.042507	0.844832	21:16	0.821995	37	56.76%
(-1, +0)	0.139645	1.07508	0.069527 *	1.403025	25:12**	2.137187	37	67.57%

Table 4. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Corporate Governance-144 A)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 66 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) listed as 144-A over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.015988	0.160175	0.855718	0.341762	36:30	0.738549	66	54.55%
(-10,+5)	-0.02384	-0.27504	-0.41633	-0.66755	31:35	-0.49237	66	46.97%

(-5, +5)	0.040035	0.435195	-0.95438	-0.36093	27:39*	-1.4771	66	40.91%
(-5, +1)	0.055517	0.543555	-0.39479	-0.01597	31:35	-0.49237	66	46.97%
(-2, +1)	-0.02313	-0.22752	-0.17973	-0.40564	32:34	-0.24618	66	48.48%
(-1, +1)	-0.04079	-0.40422	0.287932	0.092627	34:32	0.246183	66	51.52%
(-1, +0)	0.049583 *	0.505201	1.153873	1.616185	40:26**	1.723281	66	60.61%

Table 4. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Corporate Governance-144 A)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 33 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) listed as 144-A over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Transactions	Positive Market Reaction %
(-10,+10)	-0.06737	-0.49428	-0.07356	-0.59769	14:19	-0.87039	33	42.42%
(-10,+5)	-0.02534	-0.16811	-0.04786	-0.67608	14:19	-0.87039	33	42.42%
(-5, +5)	0.091096	0.524791	-0.15257	-0.67608	14:19	-0.87039	33	42.42%
(-5, +1)	0.117002	0.524327	0.079373	0.068588	18:15	0.522233	33	54.55%
(-2, +1)	0.077736	0.282207	-0.07074	-0.67608	14:19	-0.87039	33	42.42%
(-1, +1)	0.116138	0.402229	-0.01418	-0.5389	15:18	-0.52223	33	45.45%
(-1, +0)	0.077513	0.220513	-0.07134	-0.51931	15:18	-0.52223	33	45.45%

Table 4. Panel C1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Corporate Governance-Level I)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 223 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) listed as Level-I ADR over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.0567 **	-0.91843	-0.06567	-1.06993	105:118	-0.87054	223	47.09%
(-10, +5)	-0.05762	-1.01628	0.0155	-1.00772	114:109	0.334825	223	51.12%

(-5, +5)	-0.05911	-1.04445	0.001058	-0.99528	112:111	0.066965	223	50.22%
(-5, +1)	-0.04409	-0.74293	-0.01997	-0.72573	110:113	-0.20089	223	49.33%
(-2, +1)	-0.11777 **	-1.82396	-0.10998 **	-2.12223	99:124 **	-1.67412	223	44.39%
(-1, +1)	-0.14554 **	-2.19891	-0.14142 ***	-2.49339	93:130 ***	-2.4777	223	41.70%
(-1, +0)	-0.20307 ***	-3.21516	-0.16444 ***	-3.4161	88:135 ***	-3.14735	223	39.46%

Table 4. Panel C2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Corporate Governance-Level I)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 197 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) listed as level I ADR over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Position Market Reaction %
(-10,+10)	-0.04946	-0.80953	-0.09366	-1.09853	89:108 *	-1.35369	197	45.18%
(-10,+5)	0.008703	0.135728	0.046168	0.055964	104:93	0.783718	197	52.79%
(-5, +5)	0.014633	0.22109	-0.04438	-0.07231	94:103	-0.64122	197	47.72%
(-5, +1)	0.103764 *	1.422468	0.056882	1.042564	108:89 *	1.353694	197	54.82%
(-2, +1)	0.106772 *	1.479854	0.003372	1.090982	100:97	0.213741	197	50.76%
(-1, +1)	0.141674 **	1.793223	0.047365 *	1.537436	103:94	0.641223	197	52.28%
(-1, +0)	0.062288	0.795827	-0.00969	0.225742	98:99	-0.07125	197	49.75%

Table 4. Panel C3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Corporate Governance-Level I)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 86 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) listed as Level I ADR over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann – Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.124339 *	1.518857	0.074324	1.184976	45:41	0.431331	86	52.33%
(-10,+5)	0.081898	0.982754	0.08984	0.742371	47:39	0.862662	86	54.65%

(-5, +5)	-0.00162	-0.02226	-0.00227	-0.29574	43:43	0	86	50.00%
(-5, +1)	0.056132	0.637409	0.031595	0.311836	46:40	0.646997	86	53.49%
(-2, +1)	0.067904	0.807614	0.033889	0.340002	45:41	0.431331	86	52.33%
(-1, +1)	0.133053 *	1.370319	-0.00131	0.746394	43:43	0	86	50.00%
(-1, +0)	0.115057	1.103138	0.047754	0.51302	49:37 *	1.293993	86	56.98%

Table 4. Panel D1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Corporate Governance-Level II)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 44 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) listed as Level-II ADR over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.15258	-1.02572	-0.24518 *	-1.30123	18:26	-1.20605	44	40.91%
(-10, +5)	-0.13284	-0.84586	-0.34371 **	-1.84973	14:30***	-2.41209	44	31.82%
(-5, +5)	-0.17001	-1.04172	-0.30135 ***	-2.38655	13:31***	-2.7136	44	29.55%
(-5, +1)	-0.11977	-0.73223	-0.15798 **	-1.83806	15:29**	-2.11058	44	34.09%
(-2, +1)	-0.06025	-0.42356	-0.12479	-0.84609	19:25	-0.90453	44	43.18%
(-1, +1)	-0.12961	-0.9045	-0.0489	-0.52821	21:23	-0.30151	44	47.73%
(-1, +0)	-0.1129	-0.82492	-0.01238	-0.57949	22:22	0	44	50.00%

Table 4. Panel D2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Corporate Governance-Level II)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 2 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) listed as Level-II ADR over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.67051	-0.61548	-0.67051	-0.44721	1: 1	0	2	50%
(-10,+5)	-0.60498	-0.41472	-0.60498	-0.44721	1: 1	0	2	50%
(-5,+5)	-0.64736	-0.7222	-0.64736	-0.44721	1: 1	0	2	50%
(-5,+1)	-0.84612	-0.88786	-0.84612	-0.44721	1: 1	0	2	50%

(-2,+1)	-0.56138	-0.52781	-0.56138	-0.44721	1: 1	0	2	50%
(-1,+1)	-0.76229	-0.77002	-0.76229	-0.44721	1: 1	0	2	50%
(-1,+0)	-0.10503	-0.11032	-0.10503	-0.44721	1: 1	0	2	50%

Table 4. Panel E1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Corporate Governance-Level III)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 16 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) listed as Level-III ADR over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.09533	-0.45094	-0.00085	0.155126	8:8	0	16	50.00%
(-10, +5)	-0.17346	-0.67594	-0.02767	-0.46538	8:8	0	16	50.00%
(-5, +5)	-0.1839	-0.71056	-0.02238	-0.15513	8:8	0	16	50.00%
(-5, +1)	-0.07914	-0.45273	-0.07841	-0.46538	7:9	-0.5	16	43.75%
(-2, +1)	0.143378	0.980469	0.208927	1.034175	10:6	1	16	62.50%
(-1, +1)	-0.15317	-0.7968	-0.10931	-0.5688	7:9	-0.5	16	43.75%
(-1, +0)	-0.2461	-1.13295	-0.10142	-0.82734	6:10	-1	16	37.50%

Table 4. Panel E2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Corporate Governance-Level III)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 31 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) listed as Level-III ADR over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.14721 *	-1.49155	-0.15904 *	-1.39135	11:20 *	-1.61645	31	35.48%
(-10,+5)	0.072509	0.538234	0.062098	0.529107	16:15	0.179605	31	51.61%
(-5, +5)	0.165438	1.184178	-0.03137	0.960231	15:16	-0.17961	31	48.39%
(-5, +1)	0.109523	0.670017	-0.08912	0.215562	14:17	-0.53882	31	45.16%
(-2, +1)	0.091579	0.611218	-0.14208	0.05879	11:20 *	-1.61645	31	35.48%

(-1, +1)	-0.00718	-0.04538	-0.15601	-1.17579	9:22 ***	-2.33487	31	29.03%
(-1, +0)	-0.09715	-0.63188	-0.11619	-1.07781	9:22 ***	-2.33487	31	29.03%

**Table 4.1.1 Corporate Governance-
Difference between MA NO-ADR and 144A**

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Diff
0.326953 **	2.06279	0.164374	-1.05375
0.41733 ***	2.445605	0.22323 *	-1.50312
0.359689 ***	2.370231	0.26403 **	-1.66315
0.223766 *	1.303339	0.042094	-0.99751
-0.06377	-0.38315	-0.0449	0.068917
-0.11202	-0.60935	-0.08149	0.425858
-0.15207	-0.92473	-0.06953	0.535266

**Table 4.1.2 Corporate Governance-
Difference between JV NO-ADR and 144A**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for median Difference
-0.06945	-0.60658	-0.12516	-0.77167
0.063103	0.562017	0.01751	0.419615
-0.09641	-0.85987	0.039738	-0.39828
-0.1708	-1.47324	-0.07076 *	-1.4971
-0.06128	-0.53916	-0.03092	-0.5263
-0.05201	-0.42803	-0.03918	-0.30582
-0.21573	-1.74786	-0.24265 **	-1.97717

**Table 4.1.3 Corporate Governance-
Difference between SA NO-ADR and 144A**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
0.385665 **	1.872082	0.344432 **	1.743828
0.532758 **	2.261379	0.311367 *	1.443395
0.136176	0.58149	0.295362	0.917238
0.014394	0.051385	-0.06599	0.081292
-0.00886	-0.02611	0.056634	-0.0737
-0.15069	-0.44259	0.029727	0.091406
-0.13434	-0.32261	-0.04913	-0.57053

**Table 4.2.1 Corporate Governance-
Difference between MA NO-ADR and Level I**

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Diff
0.133621 *	1.292298	0.100178	0.429031
0.132591	0.806289	-0.00598	0.111926
0.145766	0.914581	0.080211	1.03911
0.065103	0.374198	-0.03811	-0.63459
0.133411	0.733841	0.071506	-0.43145
0.137746	0.718786	0.102435	-0.39451
0.190641	1.089173	0.164443	0

**Table 4.2.2 Corporate Governance-
Difference between JV NO-ADR and Level I**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Diff
-0.004	-0.03544	0.053919	0.89935
0.03056	0.259464	-0.06474	-0.54784
-0.07101	-0.5958	-0.00368	0.065441
-0.21905 **	-1.71932	-0.16796	-0.41882
-0.19119 *	-1.52471	-0.05257	-0.7666
-0.23448 **	-1.70112	-0.05749	-0.79651
-0.22844 **	-1.6514	-0.11971	0.936745

**Table 4.2.3 Corporate Governance-
Difference between SA NO-ADR and level I**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
0.193961	1.17414	0.196551 **	1.743828
0.425517 ***	2.405936	0.17367 *	1.443395
0.228895 *	1.493504	0.145062	0.917238
0.075263	0.425533	-0.01821	0.081292
0.00097	0.005352	-0.048	-0.0737
-0.1676	-0.8763	0.016852	0.091406
-0.17189	-0.79928	-0.16821	-0.57053

**Table 4.3.1 Corporate Governance-
Difference between MA NO-ADR and Level II**

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Difference
0.229497*	1.438737	0.279686	-0.00401
0.207813	1.232698	0.353226	-0.10781
0.25667 *	1.584832	0.382621	-0.08647
0.140782	0.784181	0.099897	-0.44855
0.075887	0.448465	0.086317 *	1.428711
0.121822	0.665252	0.009911	-0.56865
0.100472	0.631409	0.01238	-0.46688

**Table 4.3.2 Corporate Governance-
Difference between JV NO-AD R and Level II**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
0.617051 *	1.34211	0.63077	-0.50549
0.644241 *	1.301029	0.586403	-0.63456
0.590982 *	1.302542	0.599303	-0.54851
0.730839 **	1.603311	0.735043	-0.37643
0.476969	1.06007	0.512189	-0.7206
0.669483 *	1.365875	0.752169	-0.46247
-0.06111	-0.12127	-0.02436	-1.08627

**Table 4.4.1 Corporate Governance-
Difference between MA 144 A-Level I**

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Difference
-0.19333	-1.21091	-0.0642	-1.05375
-0.28474 **	-1.88871	-0.22921 *	-1.50312
-0.21392 *	-1.46559	-0.18382 **	-1.66315
-0.15866	-1.04848	-0.0802	-0.99751
0.197186	1.209639	0.11641	0.068917
0.249761 *	1.491158	0.183927	0.425858
0.342711 **	2.091822	0.233971	0.535266

**Table 4.4.2 Corporate Governance-
Difference between JV 144 A-Level I**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
0.065452	0.543891	0.179077	0.89935
-0.03254	-0.26759	-0.08225	-0.54784
0.025402	0.20138	-0.04341	0.065441
-0.04825	-0.34659	-0.09721	-0.41882
-0.1299	-0.94239	-0.02165	-0.7666
-0.18247	-1.229	-0.01831	-0.79651
-0.01271	-0.08663	0.122932	0.936745

**Table 4.4.3 Corporate Governance-
Difference between SA 144 A-Level I**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
-0.1917	-1.22245	-0.14788	-0.53971
-0.10724	-0.65484	-0.1377	-0.31745
0.092719	0.581534	-0.1503	-0.87892
0.06087	0.30698	0.047778	0.355698
0.009833	0.045098	-0.10463	-0.25683
-0.01692	-0.07113	-0.01287	-0.04912
-0.03754	-0.1364	-0.11909	-0.20294

**Table 4.5.1 Corporate Governance-
Difference between MA 144 A-Level II**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
-0.09746	-0.49295	0.115311	-1.05375
-0.20952	-0.97339	0.129996 *	-1.50312
-0.10302	-0.50371	0.118591 **	-1.66315
-0.08298	-0.41339	0.057804	-0.99751
0.139662	0.788325	0.13122	0.068917
0.233838 *	1.291223	0.091403	0.425858
0.252542 *	1.32256	0.081907	0.535266

**Table 4.5.2 Corporate Governance-
Difference between JV 144 A-Level II**

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney for Z value for median
0.686501 **	1.677502	0.755927	-0.18433
0.581138	1.436542	0.568892	-0.24298
0.687396 **	1.863585	0.559565	-0.14244
0.90164 **	2.218185	0.8058	-0.06703
0.538252 *	1.302646	0.54311	-0.21784
0.721498 **	1.780886	0.791349	-0.12568
0.154617	0.393217	0.218281	-0.28487

Investment Size

Table 5. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Investment size-highest value share)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 200 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that engage in highly Valued investments over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.12273 **	-1.96106	-0.13651 **	-1.74423	91:109 *	* -1.27279	200	45.50%
(-10,+5)	-0.11078 **	-1.77501	-0.13137 **	-2.04379	88:112 **	** -1.69706	200	44.00%
(-5,+5)	-0.13424 ***	-2.27947	-0.16142 ***	-2.40862	82:118 ***	*** -2.54558	200	41.00%
(-5,+1)	-0.08407 *	-1.46222	-0.07995 *	-1.46664	88:112 **	** -1.69706	200	44.00%
(-2,+1)	-0.06796	-1.13246	-0.05451	-1.20553	91:109 *	* -1.27279	200	45.50%
(-1,+1)	-0.08434 *	-1.30007	-0.04402 *	-1.3367	92:108	-1.13137	200	46.00%
(-1,+0)	-0.12806 **	-2.21639	-0.06246 **	-1.91994	91:109 *	* -1.27279	200	45.50%

Table 5. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Investment size-highest value share)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 80 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that engage in highly Valued investments over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are

computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number Of Events	Positive Market Reaction %
(-10,+10)	0.041346	0.404793	0.090665	0.371712	43:37:00	0.67082	80	53.75%
(-10,+5)	0.121317	1.106227	0.109381	1.206266	48:32:00 **	1.788854	80	60.00%
(-5, +5)	0.09643	0.840628	0.003883	0.625915	40:40:00	0	80	50.00%
(-5, +1)	0.067938	0.536489	-0.02608	0.083935	39:41:00	-0.22361	80	48.75%
(-2, +1)	0.110811	0.993998	0.036236	0.625915	41:39:00	0.223607	80	51.25%
(-1, +1)	0.096154	0.846312	0.076208	0.769804	43:37:00	0.67082	80	53.75%
(-1, +0)	0.071459	0.662492	0.064087	0.678675	43:37:00	0.67082	80	53.75%

Table 5. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Investment size-highest value share)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 5 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that engage in highly Valued investments over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.15842	0.473467	-0.06084	0.13484	2:03	-0.44721	5	40.00%
(-10,+5)	0.092621	0.277491	-0.22548	0.40452	2:03	-0.44721	5	40.00%
(-5, +5)	-0.08043	-0.18562	-0.17189	-0.6742	1:04 *	-1.34164	5	20.00%
(-5, +1)	0.248685	0.531297	0.039397	0.13484	3:02	0.447214	5	60.00%
(-2, +1)	0.415291	0.800489	-0.03746	0.40452	2:03	-0.44721	5	40.00%
(-1, +1)	0.407675	0.825565	0.178659	0.6742	3:02	0.447214	5	60.00%
(-1, +0)	0.240505	0.39052	-0.123	0.13484	2:03	-0.44721	5	40.00%

Table 5. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Investment size-Least Value Share)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 200 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that engage in Low Valued investments over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.07106	-1.15473	-0.08293 *	-1.42882	93:107	-0.98995	200	46.50%
(-10,+5)	-0.08271 *	-1.37241	-0.10149 *	-1.60391	93:107	-0.98995	200	46.50%
(-5,+5)	-0.09785 **	-1.74592	-0.15603 **	-2.6313	82:118	*** -2.54558	200	41.00%
(-5,+1)	-0.10459 **	-1.78748	-0.09136 ***	-2.43485	82:118	*** -2.54558	200	41.00%
(-2,+1)	-0.06859	-1.25753	-0.05451 *	-1.42455	89:111	* -1.55563	200	44.50%
(-1,+1)	-0.08084 *	-1.36089	-0.09126 **	-1.84551	83:117	*** -2.40416	200	41.50%
(-1,+0)	-0.11717 **	-1.92476	-0.09143 **	-2.04989	90:110	* -1.41421	200	45.00%

Table 5. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Investment size-Least Value Share)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 78 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that engage in Low Valued investments over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.111255	1.099638	-0.08756	0.102105	35:43:00	-0.90582	78	44.87%
(-10,+5)	0.150859 *	1.454145	0.067529	1.108217	46:32:00 *	1.585188	78	58.97%
(-5,+5)	0.11476	1.041401	-0.01825	0.281413	39:39:00	0	78	50.00%
(-5,+1)	0.099658	0.8512	0.064123	0.849218	45:33:00 *	1.358732	78	57.69%
(-2,+1)	0.035554	0.294184	0.099915	0.913968	44:34:00	1.132277	78	56.41%
(-1,+1)	0.018204	0.142299	0.073929	0.515508	42:36:00	0.679366	78	53.85%
(-1,+0)	-0.01381	-0.11386	0.064087	0.221643	41:37:00	0.452911	78	52.56%

Table 5. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Investment size-Least Value Share)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 5 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that engage in Low Valued investments over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann-Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.51156 ***	-2.5148	-0.27321 **	-2.0226	0:05 **	-2.23607	5	0.00%
(-10,+5)	-0.4743 ***	-2.78673	-0.38644 **	-2.0226	0:05 **	-2.23607	5	0.00%
(-5, +5)	-0.47516 **	-1.94002	-0.34666 **	-1.75292	1:04 *	-1.34164	5	20.00%
(-5, +1)	-0.26478 **	-1.64452	-0.26591 *	-1.48324	1:04 *	-1.34164	5	20.00%
(-2, +1)	-0.60886 ***	-2.41214	-0.63158 **	-1.75292	1:04 *	-1.34164	5	20.00%
(-1, +1)	-0.42837 **	-1.71664	-0.36852 *	-1.48324	1:04 *	-1.34164	5	20.00%
(-1, +0)	-0.5871 **	-1.75974	-0.53875 *	-1.48324	1:04 *	-1.34164	5	20.00%

Table 5.1 Investment Difference between MA High Valued and Low Valued transaction

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Diff
-0.05167	-0.5887	-0.05358	26.22691
-0.02807	-0.32354	-0.02988	26.33982
-0.03638	-0.44753	-0.00539	26.76036
0.020516	0.25009	0.011416	26.96839
0.000627	0.007735	0	26.52531
-0.0035	-0.03981	0.047232	26.48472
-0.01089	-0.12971	0.028965	25.80044

Table 5.2 Investment Size Difference between JV High Valued and Low Valued transaction

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Difference
-0.06991	-0.48612	0.178222	0.276648

-0.02954	-0.19552	0.041852	1.024623
-0.01833	-0.11516	0.022132	0.836092
-0.03172	-0.18372	-0.0902	0.817649
0.075257	0.458105	-0.06368	-0.1373
0.07795	0.456194	0.002279	0.24591
0.085269	0.526013	0	0.502065

Table 5.3 Investment Size
Difference between SA High Valued and Low Valued transaction

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
0.669982 **	1.710973	0.212364 ***	6.81967
0.566925 *	1.513131	0.160965 ***	5.848095
0.394735	0.793071	0.17477 ***	5.225642
0.513464	1.037324	0.305305 ***	4.210575
1.024153 **	1.775136	0.59412 ***	5.444325
0.83605 *	1.511069	0.54718 ***	5.977116
0.827609	1.181587	0.415746 ***	5.842374

Table 6. Panel A: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Level of Control-High Level of Control)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 200 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with High level of control over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.00376	-0.05836	-0.03198	0.054298	99:101	** -0.14142	200	49.50%
(-10,+5)	0.006049	0.092789	-0.01609	-0.20194	96:104	-0.56569	200	48.00%
(-5, +5)	0.012699	0.207722	0.024347	-0.05552	101:99	0.141421	200	50.50%
(-5, +1)	0.047167	0.732909	-0.02987	0.315414	96:104	-0.56569	200	48.00%
(-2, +1)	0.008805	0.14013	-0.04299	-0.1873	92:108	-1.13137	200	46.00%
(-1, +1)	-0.01843	-0.27438	-0.03525	-0.38862	97:103	-0.42426	200	48.50%
(-1, +0)	-0.06572	-1.05193	-0.04509 *	-1.41845	91:109	* -1.27279	200	45.50%

Table 6. Panel B: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Level of Control-Least Level of Control)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 203 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with least level of control over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.00338	-0.0545	0.027654	-0.15632	103:100	0.210559	203	50.74%
(-10,+5)	-0.02299	-0.38277	0.042564	-0.24999	107:96	0.772049	203	52.71%
(-5,+5)	-0.03481	-0.63426	0.011483	-0.50655	103:100	0.210559	203	50.74%
(-5,+1)	-0.08115 *	-1.34952	-0.06196	-1.30605	92:111	-1.33354	203	45.32%
(-2,+1)	-0.07001	-1.24012	-0.03817	-1.11513	94:109	-1.05279	203	46.31%
(-1,+1)	-0.12797 **	-2.09714	-0.08502 ***	-2.40925	90:113	** -1.61428	203	44.33%
(-1,+0)	-0.17285 ***	-2.62358	-0.08916 ***	-2.6837	89:114	*** -1.75466	203	43.84%

Table 6.1 M&A Difference between High Level of Control and Low Level of Control

Mean Difference	Z for mean	Median Difference	Mann-Whitney Z Value for median Difference
-0.00037	-0.00414	-0.05963 *	-1.34762
0.029043	0.327436	-0.05866 **	-1.68408
0.04751	0.578071	0.012864 ***	-2.7838
0.128315 *	1.455821	0.032093 *	-1.56145
0.078811	0.932678	-0.00482	-0.99953
0.109535	1.206376	0.049762 *	-1.53625
0.107124	1.177738	0.044077 *	-1.50181

Table 7. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Private)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 412 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with private companies over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the

statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Total Number of Events	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction
(-10,+10)	-0.04998	-1.11286	-0.04424	-1.16291	199:213	412	-0.68973	412	48.30%
(-10,+5)	-0.06051 *	-1.35215	-0.06514 **	-1.7147	196:216	412	-0.98533	412	47.57%
(-5, +5)	-0.05453	-1.25582	-0.05375 *	-1.57412	197:215	412	-0.8868	412	47.82%
(-5, +1)	-0.04734	-1.04962	-0.05061 *	-1.4691	191:221	412	* -1.47799	412	46.36%
(-2, +1)	-0.04224	-0.91364	-0.04581	-1.24664	193:219	412	* -1.28093	412	46.84%
(-1, +1)	-0.07805 *	-1.60198	-0.05526 **	-1.8251	189:223	412	** -1.67506	412	45.87%
(-1, +0)	-0.11432 ***	-2.4899	-0.05454 ***	-2.39157	188:224	412	** -1.77359	412	45.63%

Table 7. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Private)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 321 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with private companies over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.02645	-0.56992	-0.06459	-0.80163	152:169	-0.94885	321	47.35%
(-10,+5)	0.045797	0.947717	0.046168	0.717203	170:151	1.060477	321	52.96%
(-5, +5)	0.050016	1.019694	-0.03098	0.476833	156:165	-0.50233	321	48.60%
(-5, +1)	0.076904 *	1.407418	0.043904	0.880354	171:150	1.172106	321	53.27%
(-2, +1)	0.072168 *	1.355784	0.013596	1.137249	164:157	0.390702	321	51.09%
(-1, +1)	0.063708	1.11773	0.036084	1.152873	168:153	0.837218	321	52.34%
(-1, +0)	-0.01027	-0.18108	0.003104	-0.0631	161:160	0.055815	321	50.16%

Table 7. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Private)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 147 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with private companies over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-

Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.16008 ***	2.405055	0.142911 **	2.094274	82:65 *	1.402136	147	55.78%
(-10,+5)	0.16543 ***	2.263744	0.10733 **	1.666911	81:66	1.237179	147	55.10%
(-5, +5)	0.088104 *	1.303768	0.038858	0.469906	78:69	0.742307	147	53.06%
(-5, +1)	0.136842 *	1.721711	0.046174	0.92531	80:67	1.072222	147	54.42%
(-2, +1)	0.115053	1.267799	0.031686	0.394489	75:72	0.247436	147	51.02%
(-1, +1)	0.14089 *	1.470065	0.003526	0.688423	75:72	0.247436	147	51.02%
(-1, +0)	0.102071	0.912075	0.033741	-0.00387	77:70	0.57735	147	52.38%

Table 7. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Public)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 23 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with public companies over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.0299	-0.21198	-0.29151	-0.59309	8:15	* -1.4596	23	34.78%
(-10,+5)	-0.03364	-0.22514	-0.05184	-0.59309	10:23	-0.62554	23	43.48%
(-5, +5)	-0.06052	-0.47198	-0.1343	-0.68434	11:12	-0.20851	23	47.83%
(-5, +1)	-0.09015	-0.53147	-0.12154	-0.74517	8:15	* -1.4596	23	34.78%
(-2, +1)	-0.18734 *	-1.51194	-0.20519 *	-1.4143	8:15	* -1.4596	23	34.78%
(-1, +1)	-0.20083 *	-1.5779	-0.0729 *	-1.35347	9:14	-1.04257	23	39.13%
(-1, +0)	-0.12517	-1.03505	-0.18044	-0.89724	10:13	-0.62554	23	43.48%

Table 7. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Public)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 66 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with public companies over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.16618 *	-1.40818	-0.27788 *	-1.38302	25:41 **	-1.96946	66	37.88%
(-10,+5)	-0.15074 *	-1.28204	-0.29065 *	-1.35747	26:40 **	-1.72328	66	39.39%
(-5, +5)	-0.17919 *	-1.50273	-0.18187 **	-1.85574	24:42 **	-2.21565	66	36.36%
(-5, +1)	-0.14194	-1.24409	-0.21376 **	-2.01544	21:45 ***	-2.9542	66	31.82%
(-2, +1)	-0.14582	-1.2634	-0.21384 **	-2.09848	21:45 ***	-2.9542	66	31.82%
(-1, +1)	-0.08221	-0.61039	-0.18727	-0.94224	24:42 **	-2.21565	66	36.36%
(-1, +0)	0.007569	0.055813	-0.11321	-0.76976	26:40 **	-1.72328	66	39.39%

Table 7. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Public)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 12 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that engage in investment with public companies over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.2621 **	-1.78395	-0.22864 **	-2.03961	2:10 ***	-2.3094	12	16.67%
(-10,+5)	-0.09959	-0.50315	-0.18881	-1.21592	4:08	-1.1547	12	33.33%
(-5, +5)	-0.12632	-0.85093	-0.20042 *	-1.49048	4:08	-1.1547	12	33.33%
(-5, +1)	-0.36468 **	-1.96635	-0.43607 **	-1.64738	4:08	-1.1547	12	33.33%
(-2, +1)	-0.1224	-0.78907	-0.17126	-1.25514	4:08	-1.1547	12	33.33%
(-1, +1)	-0.10753	-0.63314	-0.12649	-0.94136	4:08	-1.1547	12	33.33%
(-1, +0)	0.134366	0.799759	0.021587	0.509902	6:06	0	12	50.00%

Table -7.1MA Difference between Private and Public

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Difference
-0.02008	-0.10404	0.247277	0.201102
-0.02687	-0.06903	-0.0133	-0.0784
0.005994	0.432489	0.080552	0.074987
0.042802	0.363624	0.070932	0.405613
0.145099	0.805557	0.159389	0.957792
0.122776	0.084632	0.017636	0.739647
0.01085	0.641	0.125903	0.201102

Table -7.2 JV Difference between Private and Public

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Difference
0.139732	1.209816	0.213286	3.683758
0.19654 ***	1.649327	0.33682	4.214133
0.229208 **	1.89532	0.150896	4.556527
0.218847 **	1.668792	0.257662	4.979484
0.217989 **	1.696023	0.227441	5.023794
0.145916	1.044119	0.223352	4.117457
-0.01784	-0.12798	0.116316	3.041937

Table -7. 3 SA Difference between Private and Public

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Difference
0.422175 **	1.783504	0.371546**	1.956152
0.265017	1.011711	0.296143 *	1.454073
0.214427	0.892364	0.239277	0.932432
0.501525 **	1.771032	0.482244 **	2.008316
0.237457	0.740425	0.202945	0.978076
0.248422	0.732962	0.130017	0.984597
-0.0323	-0.08184	0.012153	-0.53468

Table 8. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Single Bidder)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 309 cross-border JV expansion announcements by Single Bidder Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas for Positive: Negative	ZTotal Number of Transactio ns	Positive Reaction %
(-10,+10)	-0.06965 *	-1.48763	-0.09971 ***	-1.67514	137:172 **	-1.99108	309	44.34%
(-10,+5)	-0.01139	-0.23495	0.004584	-0.48606	155:154	0.056888	309	50.16%
(-5, +5)	-0.00785	-0.16021	-0.07707	-0.93968	136:173 **	-2.10486	309	44.01%
(-5, +1)	0.026491	0.499127	0	-0.18736	154:155	-0.05689	309	49.84%
(-2, +1)	0.024162	0.474775	-0.00942	0.407174	153:156	-0.17066	309	49.51%
(-1, +1)	0.018368	0.338282	0.004274	0.47843	155:154	0.056888	309	50.16%
(-1, +0)	-0.03104	-0.5581	-0.01907	-0.66261	147:162	-0.85332	309	47.57%

Table 8. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Single Bidder)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 145 cross-border SA expansion announcements by Single Bidder Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRTZfo r Median	Positive: Negative	Doukas Z for Positive Negative	Total Numbe rof transac tions	Positive Market Reaction %
(-10,+10)	0.129964 **	1.932897	0.090003 *	1.615539	78:67	0.9135	145	53.79%
(-10,+5)	0.151769 **	2.058615	0.097538 *	1.4152	70:66	1.079591	145	54.48%
(-5, +5)	0.079409	1.160942	0.013141	0.194417	75:70	0.415227	145	51.72%
(- 5,+1)	0.114675 *	1.418436	0.046174	0.724377	79:66	1.079591	145	54.48%
(-2, +1)	0.128281 *	1.408262	0.033425	0.612859	76:69	0.581318	145	52.41%
(-1, +1)	0.145723 *	1.503503	0.013119	0.76484	74:71	0.249136	145	51.03%
(-1, +0)	0.136118	1.201108	0.048766	0.480615	79:66	1.079591	145	54.48%

Table 8. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Multiple Bidders)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 78 cross-border JV expansion announcements by Multiple Bidders Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive:Neg ative	Doukas Z for Positive:Negati ve	Number of total transacti ons	Positive Market Reaction
(-10,+10)	0.026432	0.239912	0.035956	0.127064	40:38	0.226455	78	51.28%
(-10,+5)	0.106048	0.938265	0.106465	0.813697	41:37	0.452911	78	52.56%
(-5, +5)	0.085305	0.729874	0.097181	0.857681	44:34	1.132277	78	56.41%
(-5, +1)	0.091436	0.720238	-0.03753	0.212588	38:40	-0.22646	78	48.72%
(-2, +1)	0.077897	0.591574	-0.13789	-0.14417	32:46*	-1.58519	78	41.03%
(-1, +1)	0.119856	0.810149	-0.06372	0.52536	37:41	-0.45291	78	47.44%
(-1, +0)	0.087115	0.631858	0.01446	0.544908	40:38	0.226455	78	51.28%

Table 8. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Multiple Bidders)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 14 cross-border SA expansion announcements by Multiple Bidders Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z For Median	Positive: Negative	Doukas Z for Positive: Negative	Number of total transactio ns	Positive Market Reaction %
(-10,+10)	0.110136	0.633198	-0.09027	0.345271	6:8	-0.53452	14	42.86%
(-10,+5)	0.079755	0.406322	-0.19259	-0.03139	6:8	-0.53452	14	42.86%
(-5, +5)	-0.00563	-0.03979	0.002411	0.345271	7:7	0	14	50.00%
(-5, +1)	-0.06345	-0.34859	-0.25552	-0.84748	5:9	-1.06904	14	35.71%
(-2, +1)	-0.22549 *	-1.27407	-0.3198 *	-1.47525	3:11 **	-2.13809	14	21.43%
(-1, +1)	-0.1221	-0.77123	-0.12649	-1.09859	5:9	-1.06904	14	35.71%
(-1, +0)	-0.22288 **	-1.82362	-0.07861 *	-1.50664	4:10 *	-1.60357	14	28.57%

Table 8.1. JV Differences between Single Bidder and Multiple Bidders

Mean Difference	Z for Mean	Median Difference	Mann –Whitney Z value for Median Difference
-0.09608	-0.88647	-0.13566	0.786154
-0.11744	-1.04887	-0.10188	1.020641
-0.09315	-0.81839	-0.17425	1.205285
-0.06495	-0.52629	0.037532	0.092889
-0.05374	-0.44416	0.12847	-0.60038
-0.10149	-0.77373	0.067998	0.071366
-0.11816	-0.90475	-0.03353	0.730648

Table 8.2 SA Differences between Single Bidder and Multiple Bidders

Mean Difference	Z for Mean Difference	Median Difference	Mann –Whitney Z value for Median Difference
0.019827	0.088898	0.180268	-0.23098
0.072015	0.293966	0.290126	-0.51058
0.085041	0.378836	0.01073	0.079018
0.178126	0.668993	0.301695	-0.97253
0.353766	1.186062	0.353222 **	-1.78702
0.267826	0.848151	0.13961	-1.17919
0.358999	0.979035	0.12738	-1.23997

Table 9. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (Previous International Experience)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 397 cross-border M&A expansion announcements by Emerging Market Multinationals (EMMs) that had previous international experience over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive:Negative	Doukas Z for Positive:Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.07229 **	-1.61409	-0.07787 **	-1.84152	183:214*	-1.55585	397	46.10%

(-10,+5)	-0.07858 **	-1.78482	-0.08162 **	-2.26573	183:214*	-1.55585	397	46.10%
(-5,+5)	-0.07616 **	-1.75505	-0.09079 **	-2.20323	185:212*	-1.35509	397	46.60%
(-5,+1)	-0.07932 **	-1.7584	-0.07641 **	-2.27141	177:220**	-2.15811	397	44.58%
(-2,+1)	-0.06941 *	-1.48455	-0.05961 **	-1.96631	179:218**	-1.95735	397	45.09%
(-1,+1)	-0.10083 **	-2.06399	-0.05981 **	-2.25087	179:218**	-1.95735	397	45.09%
(-1,+0)	-0.1194 ***	-2.6808	-0.06228 ***	-2.7059	179:218**	-1.95735	397	45.09%

Table 9. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Previous International Experience)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 354 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that had previous international experience over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.04477	-1.02986	-0.08373 *	-1.30892	163:191 *	-1.48818	354	46.05%
(-10,+5)	0.018071	0.393794	0.006501	0.175162	181:173	0.425195	354	51.13%
(-5,+5)	0.049955	1.062462	-0.04066	0.34228	169:185	-0.85039	354	47.74%
(-5,+1)	0.063369	1.232407	0.006875	0.347729	179:175	0.212598	354	50.56%
(-2,+1)	0.046132	0.917141	-0.02394	0.490714	171:183	-0.63779	354	48.31%
(-1,+1)	0.035849	0.64411	-0.00911	0.505246	175:179	-0.2126	354	49.44%
(-1,+0)	0.006145	0.110601	-0.0148	-0.05034	172:182	-0.53149	354	48.59%

Table 9. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Previous International Experience)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 149 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that had previous international experience over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total number of transacti ons	Positive Market Reaction %
(-10,+10)	0.148314 ***	2.264589	0.090003 **	1.896044	80:69	0.901155	149	53.69%
(-10,+5)	0.156595 **	2.159831	0.097538 *	1.521762	81:68	1.065001	149	54.36%
(-5,+5)	0.092767 *	1.39811	0.023016	0.484197	79:70	0.737309	149	53.02%
(-5,+1)	0.120257 *	1.505733	0.031298	0.706871	79:70	0.737309	149	53.02%
(-2,+1)	0.116771 *	1.303073	0.031686	0.383757	76:73	0.24577	149	51.01%
(-1,+1)	0.138988 *	1.475408	0.002059	0.575162	75:74	0.081923	149	50.34%
(-1,+0)	0.122956	1.124192	0.038044	0.232149	79:70	0.737309	149	53.02%

Table 9. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (No Previous International Experience)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 39 cross-border M&A expansion announcements by Emerging Market Multinationals (EMMs) that have not had previous international experience over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive:Nega tive	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.191991 *	1.270839	0.282553 *	1.632735	25 : 14	** 1.76141	39	64.10%
(-10,+5)	0.147632	0.857592	0.259217 *	1.549005	24 : 15	* 1.441153	39	61.54%
(-5,+5)	0.168805	1.197762	0.203651 *	1.61878	24 : 15	* 1.441153	39	61.54%
(-5,+1)	0.2579 **	1.673152	0.138351 **	1.84206	23 : 16	1.120897	39	58.97%
(-2,+1)	0.145839	1.124472	0.190212	1.074535	22 : 17	0.800641	39	56.41%
(-1,+1)	0.060842	0.395784	-0.03462	0.097685	19 : 20	-0.16013	39	48.72%
(-1,+0)	-0.07852	-0.41677	0	-0.14653	19 : 20	-0.16013	39	48.72%

Table 9. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (No Previous International Experience)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 33 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that have not had previous international experience over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.10945	-0.53714	-0.11662	-0.4735	14:19	-0.87039	33	42.42%
(-10,+5)	-0.04986	-0.26949	-0.21399	-0.38416	15:18	-0.52223	33	45.45%
(-5, +5)	-0.40774	-2.55734	-0.28431 **	-2.24241	11:22 **	-1.91485	33	33.33%
(-5, +1)	-0.2156 *	-1.26725	-0.13614 *	-1.50983	13:20	-1.21854	33	39.39%
(-2, +1)	-0.08451	-0.48363	-0.24133	-1.09887	14:19	-0.87039	33	42.42%
(-1, +1)	0.070722	0.471639	0.036084	0.419894	17:16	0.174078	33	51.52%
(-1, +0)	-0.15071	-1.06215	-0.07598	-0.95593	15:18	-0.52223	33	45.45%

Table 9. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (No Previous International Experience)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 10 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that have not had previous international experience over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Number of total transactions	Positive Market Reaction %
(-10,+10)	-0.17122	-0.77761	-0.58411	-0.66254	4: 6	-0.63246	10	40.00%
(-10,+5)	-0.02095	-0.09531	-0.23574	-0.56061	4: 6	-0.63246	10	40.00%
(-5, +5)	-0.23868	-1.24408	-0.25695	-1.07026	3: 7 *	-1.26491	10	30.00%
(-5, +1)	-0.21788	-1.907	-0.17667	-1.27412	5: 5	0	10	50.00%
(-2, +1)	-0.19549	-1.1598	-0.25627	-1.17219	3: 7 *	-1.26491	10	30.00%

Table 9.1. M&A Differences between Previous International Experience and No Previous International Experience

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median
-0.26428 **	-1.75564	-0.36042	-2.11415
-0.22622 *	-1.50327	-0.34084	-2.1541
-0.24497 **	-1.68556	-0.29444	-2.15277
-0.33722 ***	-2.22124	-0.21476 ***	-2.47506
-0.21525 *	-1.39222	-0.24982 *	-1.59876
-0.16167	-0.991	-0.02518	-0.58264
-0.04088	-0.26568	-0.06228	-0.73446

Table 9.2. JV Differences between Previous International Experience and No Previous International Experience

Mean Difference	Z for Mean	Median Difference	Mann –Whitney Z for Median Difference
0.064679	0.414801	0.032885	0.206643
0.067933	0.421766	0.220488	0.59064
0.457696 ***	2.826418	0.243644 **	2.308865
0.278967 **	1.578786	0.143011 *	1.511583
0.130646	0.752397	0.217389	1.137348
-0.03487	-0.18513	-0.04519	-0.21152
0.156854	0.836696	0.061174	0.859113

Table 9.3 SA Differences between Previous International Experience and No Previous International Experience

Mean Difference	Z for Mean Difference	Median Difference	Mann –Whitney Z value for Median Difference
0.319533	1.23295	0.674116 *	1.374244
0.177547	0.62166	0.333276 *	1.345296
0.331452 *	1.270421	0.279964	0.346881
0.338139	1.091807	0.207968	0.391874
0.312259	0.89562	0.287951	0.353588
0.267866	0.725966	0.297265	0.021857
0.293328	0.683547	0.098274	0.347835

Table 10. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (Prior Presence in Target Country)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 254 cross-border M&A expansion announcements by Emerging Market Multinationals (EMMs) that had prior presence in the target country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive:Negative	Doukas Z for Positive:Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.06367	-1.10664	-0.12526 *	-1.62837	113:141**	-1.75688	254	44.49%
(-10,+5)	-0.05228	-0.9601	-0.05986 *	-1.37965	120:134	-0.87844	254	47.24%
(-5,+5)	-0.05079	-0.94442	-0.0926 *	-1.46497	118:136	-1.12942	254	46.46%
(-5,+1)	-0.08384 *	-1.47618	-0.06593 **	-1.84636	116:138*	-1.3804	254	45.67%
(-2,+1)	-0.07823 *	-1.27937	-0.05623 *	-1.6049	118:136	-1.12942	254	46.46%
(-1,+1)	-0.1209 **	-1.87173	-0.07735 **	-2.24396	112:142**	-1.88237	254	44.09%
(-1,+0)	-0.10689 **	-1.90709	-0.06331 **	-1.87324	117:137	-1.25491	254	46.06%

Table 10. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Prior Presence in Target Country)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 229 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that had prior presence in the target country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.04021	-0.70297	-0.06459	-0.686	109:120	-0.7269	229	47.60%
(-10,+5)	0.043562	0.737193	0.046168	0.71489	118:111	0.462573	229	51.53%
(-5,+5)	0.097495 *	1.553841	-0.03137	0.943058	111:118	-0.46257	229	48.47%
(-5,+1)	0.146902 **	2.18957	0.065435 *	1.487072	125:104 *	1.387719	229	54.59%
(-2,+1)	0.107383 **	1.634855	0.028938	1.234992	116:113	0.198246	229	50.66%
(-1,+1)	0.104739 *	1.456922	0.033642 *	1.341603	119:110	0.594737	229	51.97%
(-1,+0)	0.074455	1.057922	0.042743	0.826483	119:110	0.594737	229	51.97%

Table 10. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Prior Presence in Target Country)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 105 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that had prior presence in the target country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total number of Events	Positive Market Reaction %
(-10,+10)	0.177842 **	2.133538	0.118589 **	1.81419	58:47	1.07349	105	55.24%
(-10,+5)	0.201474 **	2.177868	0.162885 **	1.739065	61:44 **	1.65903	105	58.10%
(-5,+5)	0.122632 *	1.480089	0.060215	0.832769	58:47	1.07349	105	55.24%
(-5,+1)	0.18745 **	1.806746	0.080145 *	1.361841	60:45 *	1.46385	105	57.14%
(-2,+1)	0.128766	1.119106	0.065927	0.545056	58:47	1.07349	105	55.24%
(-1,+1)	0.139197	1.159957	0.017642	0.608992	56:49	0.68313	105	53.33%
(-1,+0)	0.127373	0.903143	0.029988	0.289311	54:51	0.29277	105	51.43%

Table 10. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (No Prior Presence in Target Country)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 182 cross-border M&A expansion announcements by Emerging Market Multinationals (EMMs) that have not had prior presence in the target country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive:Negative	Doukas Z for Positive:Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.02768	-0.42654	0.051298	-0.0541	95:87 **	0.592999	182	52.20%
(-10,+5)	-0.06681	-0.95898	-0.05976	-1.06294	87:95	-0.593	182	47.80%
(-5,+5)	-0.05908	-0.90057	-0.00447	-0.84374	91:91	0	182	50.00%
(-5,+1)	-0.00075	-0.01103	-0.06404	-0.27469	84:98	-1.03775	182	46.15%
(-2,+1)	-0.01097	-0.17501	-0.05161	-0.50231	83:99	-1.186	182	45.60%
(-1,+1)	-0.03816	-0.58076	-0.03421	-0.66671	86:96	-0.74125	182	47.25%
(-1,+0)	-0.1281 **	-1.8233	-0.05946 **	-1.81886	81:101 *	-1.4825	182	44.51%

Table 10. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (No Prior Presence in Target Country)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 158 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that have not had prior presence in the target country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.06488	-0.96906	-0.1055 *	-1.34106	68:90 **	-1.75023	158	43.04%
(-10,+5)	-0.03306	-0.4785	-0.01499	-0.8489	78:80	-0.15911	158	49.37%
(-5,+5)	-0.11454 **	-1.79281	-0.05623 **	-1.73079	69:89 *	-1.59111	158	43.67%
(-5,+1)	-0.11597 **	-1.64236	-0.08615 **	-2.06844	67:91 **	-1.90934	158	42.41%
(-2,+1)	-0.06993	-0.99468	-0.07839 *	-1.32109	69:89 *	-1.59111	158	43.67%
(-1,+1)	-0.05671	-0.75382	-0.0567	-0.79509	73:85	-0.95467	158	46.20%
(-1,+0)	-0.12562 *	-1.63099	-0.06001 **	-1.52681	68:90 **	-1.75023	158	43.04%

Table 10. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (No Prior Presence in Target Country)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 158 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that have not had prior presence in the target country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	Z-Value Median	Positive: Negative	Doukas Z	Total number of Events	Positive Market Reaction %
(-10,+10)	0.031727	0.351833	-0.06704	-0.74338	26:28	-0.27217	54	48.15%
(-10,+5)	0.03645	0.381399	-0.0583	-0.60998	24:30	-0.8165	54	44.44%
(-5,+5)	-0.02668	-0.28177	-0.17814	-1.88102	24:30	-0.8165	54	44.44%
(-5,+1)	-0.07301	-0.81542	-0.1007	-1.12466	24:30	-0.8165	54	44.44%
(-2,+1)	0.035622	0.319059	-0.07331	-0.65661	21:33 **	-1.63299	54	38.89%
(-1,+1)	0.088975	0.715323	-0.01652	-0.1328	23:31	-1.08866	54	42.59%
(-1,+0)	0.060048	0.432529	0.035892	0.258535	29:25	0.544331	54	53.70%

Table 10.1. M&A Differences between Prior Presence in Target Country and No Prior Presence in Target Country

Mean Difference	Z for Mean	Median Difference	Mann – Whitney Z value for Median
-0.03599	-0.41174	-0.17656	0.790354
0.01453	0.166483	-0.0001	-0.85771
0.008286	0.098196	-0.08813	-0.06819
-0.0831	-0.94154	-0.00189	-0.9455
-0.06726	-0.75036	-0.00462	-0.82318
-0.08274	-0.87617	-0.04314	-0.5206
0.021207	0.23828	-0.00386	-0.84628

Table 10.2. JV Differences between Prior Presence in Target Country and No Prior Presence in Target Country

Mean Difference	Z for Mean	Median Difference	Mann – Whitney Z for Median Difference
0.024665	0.278655	0.040911	0.541784
0.076624	0.838292	0.061158	1.104832
0.212038 **	2.296863	0.024856 **	1.795468
0.262869 ***	2.633435	0.151582 ***	2.443575
0.177312 **	1.803762	0.107333 **	1.757562
0.161452 *	1.512401	0.090341 *	1.595766
0.200077 **	1.884499	0.102753 **	1.683598

Table 10.3. SA Differences between Prior Presence in Target Country and No Prior Presence in Target Country

Mean Difference	Z for Mean Difference	Median Difference	Mann – Whitney Z for Median Difference
0.146114	1.098503	0.185625 *	1.422696
0.165024	1.129719	0.221181 **	1.760737
0.149316	1.114153	0.238352	0.726758
0.260462 **	1.645555	0.180846	0.772484
0.093144	0.519448	0.139235	0.572971
0.050222	0.264849	0.034161	0.147018
0.067326	0.305433	-0.0059	0.212627

Table 11. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (Non-Diversified)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 200 cross-border M&A expansion announcements by Non-diversified Emerging Market Multinationals (EMMs) country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive:Negative	Doukas Z for Positive:Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.15677 ***	-2.26661	-0.20382 ***	-2.54772	79:121***	-2.96985	200	39.50%
(-10, +5)	-0.13649 **	-2.00201	-0.18191 ***	-2.3592	84:116**	-2.26274	200	42.00%
(-5, +5)	-0.14984 ***	-2.35849	-0.15409 ***	-2.63252	87:113**	-1.83848	200	43.50%
(-5, +1)	-0.10081 *	-1.59319	-0.0887 **	-1.94678	87:113**	-1.83848	200	43.50%
(-2, +1)	-0.05677	-0.95104	-0.05249	-1.2525	89:111*	-1.55563	200	44.50%
(-1, +1)	-0.11244 **	-1.77707	-0.05869 **	-1.70946	93:107	-0.98995	200	46.50%
(-1, +0)	-0.08314 *	-1.26298	-0.02278 *	-1.29399	93:107	-0.98995	200	46.50%

Table 11. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Non-Diversified)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 257 cross-border JV expansion announcements by Non-diversified Emerging Market Multinationals (EMMs) country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive:Negative	Doukas Z for Positive:Negative	Total Number of Events	Positive Market Reaction %
(10,+10)	-0.02297	-0.44853	-0.08471	-0.98925	117:140 *	-1.4347	257	45.53%
(-10,+5)	0.026375	0.500502	-0.01721	0.037307	127:130	-0.18713	257	49.42%
(-5, +5)	-0.01242	-0.23545	-0.05052	-0.55792	119:138	-1.18519	257	46.30%
(-5, +1)	0.033232	0.56251	-0.02202	-0.14587	124:133	-0.5614	257	48.25%
(-2, +1)	0.065841	1.13155	-0.02932	0.50846	121:136	-0.93567	257	47.08%
(-1, +1)	0.046746	0.770181	0.002098	0.42714	129:128	0.062378	257	50.19%
(-1, +0)	-0.02262	-0.38016	-0.034	-0.42798	124:133	-0.5614	257	48.25%

Table 11. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Non-Diversified)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 124 cross-border SA expansion announcements by Non-diversified Emerging Market Multinationals (EMMs) country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Total Number of Events	Positive: Negative	Doukas Z	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.205012 ***	2.833362	0.134549 ***	2.336575	124	70:54 *	1.436842	124	56.45%
(-10,+5)	0.265377 ***	3.360567	0.161951 ***	2.836557	124	74:50 **	2.155264	124	59.68%
(-5, +5)	0.145779 **	1.94646	0.048393	1.069787	124	68:56	1.077632	124	54.84%
(-5, +1)	0.15884 **	1.798748	0.018252	0.522425	124	63:61	0.179605	124	50.81%
(-2, +1)	0.206827 **	2.11609	0.032216	0.980015	124	64:60	0.359211	124	51.61%
(-1, +1)	0.218077 **	2.137966	0.002792	1.002458	124	63:61	0.179605	124	50.81%
(-1, +0)	0.260595 **	2.24209	0.042392	0.991236	124	67:57	0.898027	124	54.03%

Table 11. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (Diversified)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 235 cross-border M&A expansion announcements by Diversified Emerging Market Multinationals (EMMs) country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive:Nega tive	Doukas Z for Positive:Nega tive	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.047583	0.895971	0.100184	0.941275	129:106*	1.500355	235	54.89%
(-10,+5)	0.012502	0.230769	0.037159	-0.04505	123:112	0.717561	235	52.34%
(-5, +5)	0.034317	0.636676	0.033093	0.338361	122:113	0.587095	235	51.91%
(-5, +1)	0.000793	0.013286	-0.02627	-0.28564	113:122	-0.5871	235	48.09%
(-2, +1)	-0.04012	-0.62543	-0.04854	-0.84255	112:123	-0.71756	235	47.66%
(-1, +1)	-0.05819	-0.8658	-0.05338	-1.20104	105:130**	-1.63082	235	44.68%
(-1, +0)	-0.13579 ***	-2.32445	-0.09955 **	-2.27219	105:130**	-1.63082	235	44.68%

Table 11. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Diversified)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 129 cross-border JV expansion announcements by Diversified Emerging Market Multinationals (EMMs) country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.10444 *	-1.28561	-0.09187	-1.01313	60:69	-0.79241	129	46.51%
(-10,+5)	-0.01227	-0.14495	0.067138	0.021156	69:60	0.792406	129	53.49%
(-5, +5)	0.06163	0.702065	-0.04066	0.289131	61:68	-0.61632	129	47.29%
(-5, +1)	0.051464	0.568113	0.030854	-0.02116	67:62	0.440225	129	51.94%
(-2, +1)	-0.01807	-0.20664	-0.00572	-0.30323	64:65	-0.08805	129	49.61%
(-1, +1)	0.033579	0.332457	-0.01012	0.510093	63:66	-0.26414	129	48.84%
(-1, +0)	0.032464	0.315414	-0.00969	0.165721	63:66	-0.26414	129	48.84%

Table 11. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Diversified)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 129 cross-border SA expansion announcements by Diversified Emerging Market Multinationals (EMMs) country over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Total Number of Events	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.15716 *	-1.28594	-0.10303	-1.03862	31	12:19	-1.25724	31	38.71%
(-10,+5)	-0.29553 ***	-2.47476	-0.37858 ***	-2.50836	31	10:21 **	-1.97566	31	32.26%
(-5, +5)	-0.17281 **	-1.67385	-0.15257 *	-1.60692	31	13:18	-0.89803	31	41.94%
(-5, +1)	-0.11643	-0.79199	0.105439	-0.13718	31	19:12	1.257237	31	61.29%
(-2, +1)	-0.28824 **	-1.71099	-0.0685 *	-1.46974	31	14:17	-0.53882	31	45.16%
(-1, +1)	-0.27305 *	-1.38924	-0.05721	-1.23458	31	13:18	-0.89803	31	41.94%
(-1, +0)	-0.52201 **	-2.24133	-0.123 *	-1.74409	31	13:18	-0.89803	31	41.94%

Table 11.1. M&A Differences between Non-Diversified and Diversified

Mean Difference	Z for Mean	Median Difference	Z for Median
-0.20435 ***	-2.37563	-0.30401 ***	-2.94702
-0.14899 **	-1.7298	-0.21907 ***	-2.66815
-0.18416 ***	-2.2229	-0.18718 ***	-2.42533
-0.1016 *	-1.16464	-0.06243 *	-1.40187
-0.01665	-0.1874	-0.00394	-0.87927
-0.05424	-0.5803	-0.0053	-0.92752
0.052654	0.599457	0.076778	-0.34599

Table 11.2. JV Differences between Non-Diversified and Diversified

Mean Difference	Z for Mean	Median Difference	Mann – Whitney Z for Median Difference
0.081474	1.03754096	0.00716	-1.1309
0.038642	0.47662145	-0.08435	0.793348
-0.07405	-0.9009703	-0.00986	-0.46321
-0.01823	-0.2098885	-0.05288	0.340603
0.083911	0.92122637	-0.0236	-0.06539
0.013167	0.13996331	0.01222	-0.10021
-0.05509	-0.7843262	-0.02431	-0.09411

Table 11.3. SA Differences between Non-Diversified and Diversified

Mean Difference	Z for Mean Difference	Median Difference	Mann –Whitney Z for Median Difference
0.362174 ***	2.30558	0.237581	-0.84304
0.560908 ***	3.322015	0.540531 ***	-3.17021
0.318585 **	2.010841	0.200961 *	-1.47782
0.275271 *	1.438969	-0.08719	0.717224
0.495065 ***	2.325827	0.100718	-0.40663
0.491129 **	2.168904	0.060003	-0.29108
0.782603 ***	3.010075	0.165395	-0.52813

Table 12. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (Hi-Tech)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 128 cross-border M&A expansion announcements by Hi-tech Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	Z-Value Median	Positive negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction
(-10, +10)	-0.21747 ***	-2.63427	-0.21373 ***	-2.58899	51:77**	-2.2981	128	39.84%
(-10, +5)	-0.21335 ***	-2.64722	-0.22941 ***	-2.84642	52:76**	-2.12132	128	40.63%
(-5, +5)	-0.18185 ***	-2.3256	-0.16926 **	-2.16459	57:71	-1.23744	128	44.53%
(-5, +1)	-0.10084	-1.26156	-0.0737	-0.922	57:71	-1.23744	128	44.53%
(-2, +1)	-0.12822	-1.523	-0.05161	-0.61297	56:72*	-1.41421	128	43.75%
(-1, +1)	-0.20633 ***	-2.38911	-0.14547 **	-1.68447	53:75**	-1.94454	128	41.41%
(-1, +0)	-0.18795 ***	-2.42576	-0.10438 *	-1.34716	57:71	-1.23744	128	44.53%

Table 12. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Hi-Tech)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 78 cross-border JV expansion announcements by Hi-tech Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	0.181371 **	2.058267	0.214618 **	1.840388	45:33*	1.358732	78	57.69%
(-10, +5)	0.153209 **	1.830326	0.070461 *	1.461851	45:33*	1.358732	78	57.69%
(-5, +5)	0.04148	0.468521	-0.03622	0.037356	37:41	-0.45291	78	47.44%
(-5, +1)	0.16527 *	1.516909	0.066492	1.028525	42:36	0.679366	78	53.85%
(-2, +1)	0.1819 **	1.791334	0.081483 *	1.352274	42:36	0.679366	78	53.85%
(-1, +1)	0.168113 *	1.497625	0.033485	0.988679	41:37	0.452911	78	52.56%
(-1, +0)	0.115165	1.110358	0.083324	0.649988	43:35	0.905822	78	55.13%

Table 12. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Hi-Tech)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 66 cross-border SA expansion announcements by Hi-tech Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Number of total transactions	Positive Market Reaction %
(-10,+10)	0.113893	1.031677	-0.02632	0.258717	30:36	-0.73855	66	45.45%
(-10,+5)	0.131108	1.126358	0.050449	0.099015	34:32	0.246183	66	51.52%
(-5,+5)	0.100998	0.963207	0.040472	0.226777	35:31	0.492366	66	53.03%
(-5,+1)	0.154044	1.249123	0.052132	0.629226	36:30	0.738549	66	54.55%
(-2,+1)	0.209386 *	1.443247	0.041285	0.354539	35:31	0.492366	66	53.03%
(-1,+1)	0.264962 ***	1.646492	0.000302	0.590898	33:33	0	66	50.00%
(-1,+0)	0.339578 **	1.752322	0.047754	0.820868	38:28 *	1.230915	66	57.58%

Table 12. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements M&A (Non Hi-Tech)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 308 cross-border M&A expansion announcements by Non Hi-tech Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	Z-Value Median	Positive negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.02151	0.430844	0.017131	0.343123	157:151	0.341882	308	50.97%
(-10,+5)	0.006066	0.12027	0.00188	0.037263	155:153	0.113961	308	50.32%
(-5,+5)	-0.00122	-0.02504	-0.01318	-0.27011	152:156	-0.22792	308	49.35%
(-5,+1)	-0.02768	-0.53318	-0.05808	-1.11878	143:165	-1.25357	308	46.43%
(-2,+1)	-0.01771	-0.34176	-0.0579	-1.11731	145:163	-1.02565	308	47.08%
(-1,+1)	-0.03651	-0.66241	-0.04097	-0.74338	145:163	-1.02565	308	47.08%
(-1,+0)	-0.08573 *	-1.61648	-0.05454	-1.02832	141:167*	-1.48149	308	45.78%

Table 12. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements JV (Non Hi-Tech)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 309 cross-border JV expansion announcements by Non Hi-tech Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.10876 **	-2.21136	-0.11662 ***	-2.45386	132:177 ***	-2.55996	309	42.72%
(-10,+5)	-0.0233	-0.44806	-0.02621	-0.68424	151:158	-0.39822	309	48.87%
(-5, +5)	0.003213	0.061032	-0.05052	-0.41449	143:166 *	-1.30842	309	46.28%
(-5, +1)	0.007854	0.141709	-0.03013	-0.6203	150:159	-0.51199	309	48.54%
(-2, +1)	-0.00209	-0.03811	-0.04914	-0.43485	143:166 *	-1.30842	309	46.28%
(-1, +1)	0.006187	0.104218	-0.02659	0.154281	151:158	-0.39822	309	48.87%
(-1, +0)	-0.03813	-0.63466	-0.03518	-0.72592	144:165	-1.19465	309	46.60%

Table 12. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion Announcements SA (Non Hi-Tech)

The table presents the Daily Standardized Cumulative Abnormal Returns (SCARs) of 93 cross-border SAexpansion announcements by Non Hi-tech Emerging Market Multinationals (EMMs) over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Number of total transactions	Positive Market Reaction %
(-10,+10)	0.138384 **	1.855288	0.188416 **	2.047987	54:39 *	1.555428	93	58.06%
(-10,+5)	0.155591 **	1.821658	0.105574 *	1.605438	51:42	0.933257	93	54.84%
(-5, +5)	0.051286	0.644577	0.001454	0.009579	47:46	0.103695	93	50.54%
(-5, +1)	0.059921	0.630317	0.013382	-0.02682	48:45	0.311086	93	51.61%
(-2, +1)	0.017468	0.171425	-0.03545	-0.21265	44:49	-0.51848	93	47.31%
(-1, +1)	0.020784	0.204674	-0.00614	-0.00192	46:47	-0.1037	93	49.46%
(-1, +0)	-0.06232	-0.56203	-0.00118	-0.52493	45:48	-0.31109	93	48.39%

Table12.1 MA Differences between Hi-tech and Non Hi-tech

Mean Difference	Z for Mean	Median Difference	Mann_whitney Z value for Median Diff
-0.23898 ***	-2.5432	-0.23086 ***	-2.76247
-0.21942 ***	-2.33618	-0.23129 ***	-2.69821
-0.18063 **	-1.98573	-0.15607 **	-2.02804
-0.07316	-0.76528	-0.01562	-0.62343
-0.11051	-1.13946	0.006289	-1.02403
-0.16982 **	-1.66441	-0.1045 *	-1.56234
-0.10221	-1.06201	-0.04984	-0.72108

Table12.2 JV Differences between Hi-tech and Non Hi-tech

Mean Difference	Z for Mean	Median Difference	Z value for median
0.290127 ***	2.700515	0.331235 ***	2.435567
0.176506 **	1.580129	0.096674	0.841771
0.038267	0.336127	0.014298	-0.4091
0.157416 *	1.278314	0.096619	0.610292
0.183992 *	1.525903	0.130626	0.802432
0.161926	1.236807	0.06007	0.298296
0.153291	1.175293	0.118504	0.803368

Table12.3 SA Differences between Hi-tech and Non Hi-tech

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney for Median Diff
-0.02449	-0.190726	-0.21474	-0.23842
-0.02448	-0.173579	-0.05513	0.433409
0.049712	0.3844167	0.039018	0.385979
0.094124	0.6136402	0.03875	0.422734
0.191918	1.116109	0.076734	0.284569
0.244179 *	1.3460363	0.00644	0.001875
0.401894 **	1.9165213	0.048934	0.246423

Table 13. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Geographic and Cultural Proximity)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 121 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that invest in target countries with geographic and cultural proximity over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.06549	-0.75461	-0.12987	-0.95704	59:62	-0.27273	121	48.76%
(-10, +5)	-0.05396	-0.65351	-0.01944	-0.59492	59:62	-0.27273	121	48.76%
(-5, +5)	-0.09065	-1.19301	-0.00055	-1.22346	60:61	-0.09091	121	49.59%
(-5, +1)	-0.17369 **	-2.04856	-0.12154 ***	-2.44434	47:74***	-2.45455	121	38.84%
(-2, +1)	-0.0948	-1.23581	-0.05285	-1.03205	55:66	-1	121	45.45%
(-1, +1)	-0.13822 **	-1.7536	-0.06347 **	-1.75889	59:62	-0.27273	121	48.76%
(-1, +0)	-0.19203 ***	-2.45364	-0.10257 ***	-2.67455	54:67	-1.18182	121	44.63%

Table 13. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Geographic and Cultural Proximity)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 239 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that invest in target countries with geographic and cultural proximity over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.06421	-1.12192	-0.09667	-1.16033	109:130 *	-1.35838	239	45.61%
(-10,+5)	-0.0273	-0.45242	-0.04128	-0.65376	115:124	-0.58216	239	48.12%
(-5, +5)	-0.01815	-0.29461	-0.08074	-0.90704	104:135 **	-2.00522	239	43.51%
(-5, +1)	0.014985	0.226028	-0.08847	-0.97714	110:129	-1.22901	239	46.03%
(-2, +1)	0.012853	0.201591	-0.03083	-0.3874	112:127	-0.97027	239	46.86%
(-1, +1)	0.044204	0.620408	-0.02659	0.312629	116:123	-0.45279	239	48.54%
(-1, +0)	-0.01156	-0.16607	-0.05603	-0.79115	108:131 *	-1.48775	239	45.19%

Table 13. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Geographic and Cultural Proximity)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 52 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that invest in target countries with geographic and cultural proximity over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Transactions	Positive Market Reaction %
(-10,+10)	0.111363	1.056132	0.007275	0.764981	26:26	0	52	50.00%
(-10,+5)	0.150556 *	1.32468	0.053481	0.815069	28:24	0.5547	52	53.85%
(-5, +5)	0.077025	0.771614	0.007929	0.036428	29:24	0.5547	52	53.85%
(-5, +1)	-0.0182	-0.17085	-0.02654	-0.57374	26:26	0	52	50.00%
(-2, +1)	-0.05632	-0.53072	-0.06936	-1.26586	19:13 **	-1.94145	52	36.54%
(-1, +1)	-0.03076	-0.2699	-0.06591	-0.78319	21:31 *	-1.38675	52	40.38%
(-1, +0)	-0.03093	-0.22505	-0.06275	-0.82418	23:29	-0.83205	52	44.23%

Table 13. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (No Geographic and Cultural Proximity)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 82 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that invest in target countries with no geographic and cultural proximity over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	0.088254	1.033651	0.090037	0.940767	44:38	0.662589	82	53.66%
(-10, +5)	0.022698	0.263099	0.09005	0.397572	48:34*	1.546041	82	58.54%
(-5, +5)	0.047586	0.618118	0.04518	0.77203	43:39	0.441726	82	52.44%
(-5, +1)	0.05541	0.696399	0.05952	0.859866	45:37	0.883452	82	54.88%
(-2, +1)	-0.03342	-0.40297	-0.02096	-0.45767	39:43	-0.44173	82	47.56%
(-1, +1)	-0.11284	-1.15682	-0.12167 *	-1.62727	31:51**	-2.20863	82	37.80%
(-1, +0)	-0.14455	-1.243	-0.07703	-1.01473	35:47*	-1.32518	82	42.68%

Table 13. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (No Geographic and Cultural Proximity)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 148 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that invest in target countries with no geographic and cultural proximity over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.02779	-0.41911	-0.06657	-0.73604	68:80	-0.98639	148	45.95%
(-10,+5)	0.076198	1.164503	0.111441	0.934164	81:67	1.150793	148	54.73%
(-5,+5)	0.057875	0.877338	0.04188	0.675738	76:72	0.328798	148	51.35%
(-5,+1)	0.0793	1.091874	0.073429	1.224176	82:66 *	1.315192	148	55.41%
(-2,+1)	0.070744	0.955438	-0.01069	0.805908	73:75	-0.1644	148	49.32%
(-1,+1)	0.030134	0.39929	0.013413	0.587681	76:72	0.328798	148	51.35%
(-1,+0)	-0.00024	-0.00308	0.064087	0.506325	79:69	0.821995	148	53.38%

Table 13. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (No Geographic and Cultural Proximity)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 107 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that invest in target countries with no geographic and cultural proximity over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z	Total Number of Transactions	Positive Market Reaction %
(-10,+10)	0.136409 **	1.731419	0.118589 *	1.476305	58:49	0.870063	107	54.21%
(-10,+5)	0.142936	1.63857	0.110334	1.087804	57:50	0.676716	107	53.27%
(-5,+5)	0.069441	0.853946	0.023016	0.155401	54:53	0.096674	107	50.47%
(-5,+1)	0.155943 *	1.571009	0.039397	0.881121	58:49	0.870063	107	54.21%
(-2,+1)	0.171705 *	1.498715	0.076336	0.851595	60:47 *	1.256757	107	56.07%
(-1,+1)	0.196447 **	1.626887	0.021915	1.01632	58:49	0.870063	107	54.21%
(-1,+0)	0.170329	1.220199	0.050596	0.755247	60:47 *	1.256757	107	56.07%

Table-13.1 MA-Difference between Geographical and cultural proximity and No Geographical and cultural proximity

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for median Diff
-0.15374	-1.21341	-0.21991	-1.23408
-0.07666	-0.62375	-0.10949	-0.38435
-0.13824	-1.23464	-0.04573	-1.18251
-0.2291 **	-1.87698	-0.18106 *	-2.29257
-0.06137	-0.53126	-0.03189	-0.17068
-0.02538	-0.2031	0.058203	0.499772
-0.04748	-0.35194	-0.02554	-0.50223

Table-13.2 JV-Difference between Geographical and cultural proximity and No Geographical and cultural proximity

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Difference
-0.03642	-0.40693	-0.0301 **	-1.68898
-0.1035	-1.12047	-0.15272	-0.68394
-0.07602	-0.80941	-0.12262 *	-1.31084
-0.06431	-0.63173	-0.1619 *	-1.33442
-0.05789	-0.5801	-0.02013	-0.48354
0.01407	0.129936	-0.04	-0.37314
-0.01132	-0.10491	-0.12012	-0.80508

Table-13.3 SA-Difference between Geographical and cultural proximity and No Geographical and cultural proximity

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z for Median diff
-0.02505	-0.18578	-0.11131	15.18367
0.00762	0.051453	-0.05685	15.34876
0.007584	0.055836	-0.01509	15.59329
-0.17414	-1.08439	-0.06594	14.62437
-0.22802 *	-1.2652	-0.1457	14.01283
-0.22721	-1.19229	-0.08782	14.13476
-0.20126	-0.90665	-0.11335	14.14241

Table 14. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Developed countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 171 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that invest in developed countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.03197	-0.44097	-0.04351	-0.49742	81:90	-0.68825	171	47.37%
(-10,+5)	-0.03871	-0.51979	0.037194	-0.73033	90:81	0.688247	171	52.63%
(-5, +5)	-0.01318	-0.18406	0.037267	-0.18432	87:84	0.229416	171	50.88%
(-5, +1)	0.090286 *	1.267069	0.097884 *	1.271707	96:75*	1.60591	171	56.14%
(-2, +1)	0.091791 *	1.284875	0.031813	1.22852	90:81	0.688247	171	52.63%
(-1, +1)	0.057093	0.736109	0.008643	0.478914	86:85	0.076472	171	50.29%
(-1, +0)	0.020467	0.291582	0	0.084832	85:86	-0.07647	171	49.71%

Table 14. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Developed countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 133 cross-border JV expansion announcements by originate Emerging Market Multinationals (EMMs) that invest in developed countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.07448	-1.01428	-0.03974	-0.98142	62:71	-0.7804	133	46.62%
(-10,+5)	0.039221	0.517561	0.043503	0.605244	70:63	0.606977	133	52.63%
(-5, +5)	-0.0119	-0.16164	-0.04066	-0.35821	62:71	-0.7804	133	46.62%
(-5, +1)	-0.00309	-0.03819	0.032631	-0.03818	70:63	0.606977	133	52.63%
(-2, +1)	-0.00878	-0.10802	-0.01567	-0.24142	65:68	-0.26013	133	48.87%
(-1, +1)	-0.05729	-0.7298	-0.04641	-0.44579	63:70	-0.60698	133	47.37%
(-1, +0)	-0.10769 *	-1.29712	-0.026	-1.24305	64:69	-0.43355	133	48.12%

Table 14. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Developed countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 113 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that invest in developed countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Number of total Events	Positive Market Reaction %
(-10,+10)	0.165238 **	2.112903	0.118589 **	1.720339	61:52	0.846649	113	53.98%
(-10,+5)	0.170839 **	2.046612	0.105574	1.23618	60:53	0.658505	113	53.10%
(-5, +5)	0.067887	0.868135	0.022501	-0.00143	58:55	0.282216	113	51.33%
(-5, +1)	0.134255 *	1.438802	0.058091	0.716211	62:51	1.034793	113	54.87%
(-2, +1)	0.09089	0.854632	0.036092	-0.01003	60:53	0.658505	113	53.10%
(-1, +1)	0.127656	1.153892	-0.01098	0.299376	56:57	-0.09407	113	49.56%
(-1, +0)	0.104451	0.799683	0.038044	0.200539	61:52	0.846649	113	53.98%

Table 14. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Developing countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 265 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that invest in developing countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.05941	-1.11465	-0.07186	-1.23715	127:138	-0.67572	265	47.92%
(-10,+5)	-0.07102 *	-1.36579	-0.13073 **	-1.70359	117:148**	-1.90431	265	44.15%
(-5, +5)	-0.08075 *	-1.60037	-0.06408 **	-2.01428	122:143*	-1.29002	265	46.04%
(-5, +1)	-0.13914 ***	-2.56355	-0.12154 ***	-3.24022	104:161***	-3.50148	265	39.25%
(-2, +1)	-0.14175 ***	-2.54992	-0.14831 ***	-3.01681	111:154***	-2.64147	265	41.89%
(-1, +1)	-0.17894 ***	-3.11771	-0.09399 ***	-3.2238	112:153***	-2.51861	265	42.26%
(-1, +0)	-0.20363 ***	-3.66428	-0.12224 ***	-3.49365	113:152***	-2.39575	265	42.64%

Table 14. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Developing countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 254 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that invest in developing countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.03761	-0.69668	-0.09819	-0.42789	115:139 *	-1.50589	254	45.28%
(-10, +5)	-0.00183	-0.03276	-0.01431	-0.093	126:128	-0.12549	254	49.61%
(-5, +5)	0.022878	0.394821	-0.06337	0.385654	118:136	-1.12942	254	46.46%
(-5, +1)	0.061924	0.993153	-0.0396	0.352379	122:132	-0.62746	254	48.03%
(-2, +1)	0.057909	0.958519	-0.03051	0.601092	120:134	-0.87844	254	47.24%
(-1, +1)	0.089149 *	1.299065	0.008163 *	1.463268	129:125	0.250982	254	50.79%
(-1, +0)	0.045371	0.679535	-0.01352	1.033246	123:131	-0.50196	254	48.43%

Table 14. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Developing countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 46 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that invest in developing countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Number Of total transacti ons	Positive Market Reaction %
(-10,+10)	0.037278	36.18%	0.007275	0.431552	23:23	0	46	50.00%
(-10,+5)	0.083006	66.63%	0.061443	0.568119	25:21	0.589768	46	54.35%
(-5, +5)	0.081831	75.95%	0.007298	0.366	24:22	0.294884	46	52.17%
(-5, +1)	0.012363	9.91%	-0.05559	-0.19119	22:24	-0.29488	46	47.83%
(-2, +1)	0.112466	83.67%	-0.06191	0.071015	19:27	-1.17954	46	41.30%
(-1, +1)	0.108592	72.29%	0.004703	0.333224	23:23	0	46	50.00%
(-1, +0)	0.104647	63.28%	-0.00184	0.016388	22:24	-0.29488	46	47.83%

Table-14.1 MA Difference between Developed and Developing countries

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z Value for Median diff
0.027439	0.31079	0.028352	0.373265
0.032317	0.366639	0.167926	0.227696
0.067575	0.79341	0.101347	1.069975
0.229424 ***	2.590824	0.219425 ***	3.035553
0.233538 ***	2.597745	0.180127 ***	2.812139
0.23603 ***	2.489832	0.102633 **	2.316268
0.224101 ***	2.510962	0.122239 **	2.153573

Table-14.2 JV Difference between Developed and Developing countries

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for Median Difference
-0.03686	-0.40248	0.058443	0.534094
0.04105	0.43366	0.057814 *	1.388645
-0.03478	-0.3616	0.022706	0.561788
-0.06501	-0.62406	0.072233	0.641902
-0.06668	-0.65307	0.014843	0.288806
-0.14644 *	-1.32466	-0.05457	-0.35804
-0.15306 *	-1.39013	-0.01247	-0.53409

Table-14.3 SA Difference between Developed and Developing countries

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney for Median Diff
0.12796	0.920017	0.111315	34.83271
0.087833	0.573756	0.044131	34.84741
-0.01394	-0.09923	0.015203	34.13282
0.121893	0.732033	0.113684	35.1167
-0.02158	-0.1151	0.098002	34.32629
0.019064	0.096222	-0.01568	34.43941
-0.0002	-0.00085	0.039887	34.28529

Table 15. Panel A1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Economically and Politically Most Free Countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 212 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that invest in economically and politically most Free countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Total Positive: Negative	Number of Events	Positive Market Reaction %
(-10,+10)	-0.08583 *	-1.34463	-0.07186 *	-1.31343	97:115	-1.23625	212	45.75%
(-10,+5)	-0.07155	-1.08155	0.023104	-1.11102	110:102	0.549442	212	51.89%
(-5,+5)	-0.0612	-0.96323	-0.08925	-1.11326	102:110	-0.54944	212	48.11%
(-5,+1)	-0.00935	-0.1392	0.051772	0.100087	110:102	0.549442	212	51.89%
(-2,+1)	-0.00171	-0.02332	-0.02255	-0.29355	103:109	-0.41208	212	48.58%
(-1,+1)	-0.05499	-0.71301	-0.07065	-1.0853	96:116*	-1.37361	212	45.28%
(-1,+0)	-0.05661	-0.85881	-0.0367	-1.14624	102:110	-0.54944	212	48.11%

Table 15. Panel A2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Economically and Politically Most Free Countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 116 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that invest in economically and politically most Free countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Total Positive: Negative	Number of Events	Positive Market Reaction %
(-10,+10)	-0.00272	-0.0303	-0.09897	-0.85126	54:62	-0.74278	116	46.55%
(-10,+5)	0.135922 *	1.488819	0.070049	0.878813	62:54	0.742781	116	53.45%
(-5,+5)	0.133445 *	1.396123	-0.0255	0.647401	56:60	-0.37139	116	48.28%
(-5,+1)	0.143971 *	1.381583	0.083325	1.089563	64:52	1.114172	116	55.17%
(-2,+1)	0.065867	0.63469	0.042406	0.782391	60:56	0.371391	116	51.72%
(-1,+1)	0.099885	0.8916	0.091252	1.135019	63:53	0.928477	116	54.31%
(-1,+0)	0.013364	0.114952	0.042186	0.442161	62:64	0.742781	116	53.45%

Table 15. Panel A3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Economically and Politically Most Free Countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 116 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that invest in Economically and Politically Most Free countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.115254	0.974237	-0.01622	0.637484	25:27	-0.27735	52	48.08%
(-10,+5)	0.139399	1.018202	0.068763	0.546415	27:25	0.27735	52	51.92%
(-5,+5)	-0.00415	-0.03803	-0.01534	-0.23678	26:26	0	52	50.00%
(-5,+1)	0.040632	0.370115	-0.00991	-0.11384	25:27	-0.27735	52	48.08%
(-2,+1)	0.069496	0.516316	0.086536	-0.17303	29:23	0.83205	52	55.77%
(-1,+1)	0.158954	1.170862	0.019779	0.455346	27:25	0.27735	52	51.92%
(-1,+0)	0.225996 *	1.435983	0.087818	0.865157	28:24	0.5547	52	53.85%

Table 15. Panel B1: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion MA Announcements (Economically and Politically Least Free Countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 203 cross-border MA expansion announcements by Emerging Market Multinationals (EMMs) that invest in Economically and Politically least Free countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	-0.00105	-0.01706	0.006607	-0.3198	102:101	0.070186	203	50.25%
(-10,+5)	-0.0213	-0.36005	-0.11496	-0.93255	91:112*	-1.47391	203	44.83%
(-5,+5)	-0.0267	-0.46529	-0.0369	-0.90869	97:106	-0.63168	203	47.78%
(-5,+1)	-0.08411 *	-1.39592	-0.1228 **	-2.31319	81:122***	-2.87764	203	39.90%
(-2,+1)	-0.09048 **	-1.71728	-0.06256 **	-1.81081	89:114**	-1.75466	203	43.84%
(-1,+1)	-0.11503 **	-2.08452	-0.04732 **	-1.83528	94:109	-1.05279	203	46.31%
(-1,+0)	-0.14504 ***	-2.57775	-0.0735 ***	-2.27262	88:115**	-1.89503	203	43.35%

Table 15. Panel B2: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion JV Announcements (Economically and Politically Least Free Countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 109 cross-border JV expansion announcements by Emerging Market Multinationals (EMMs) that invest in Economically and Politically least Free countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10, +10)	-0.09896 *	-1.39387	-0.09998	-1.20023	45:64 ***	-1.81987	109	41.28%
(-10, +5)	-0.0607	-0.85679	-0.03474	-0.53814	52:57	-0.47891	109	47.71%
(-5, +5)	-0.05073	-0.68774	-0.04806	-0.58651	49:60	-1.05361	109	44.95%
(-5, +1)	0.000809	0.008817	0.030854	-0.08767	55:54	0.095783	109	50.46%
(-2, +1)	0.083583	0.898606	0.003372	0.85558	55:54	0.095783	109	50.46%
(-1, +1)	0.068933	0.667778	-0.04065	0.71651	53:56	-0.28735	109	48.62%
(-1, +0)	0.007131	0.074463	-0.03518	-0.22977	50:59	-0.86204	109	45.87%

Table 15. Panel B3: Daily and Standardized Cumulative Abnormal Returns of Cross-Border Expansion SA Announcements (Economically and Politically Least Free Countries)

The table presents the Daily and Standardized Cumulative Abnormal Returns (SCARs) of 50 cross-border SA expansion announcements by Emerging Market Multinationals (EMMs) that invest in Economically and Politically least Free countries over the 1991-2003 period. Daily Standardized Cumulative Abnormal Returns (SCARs) are computed from the market model as prediction errors. Day 0 refers to the announcement day of acquisitions as reported SDC Database. Z-statistics [Wilcoxon Sign-Rank Test] is used to test for the statistical significance of mean [SCARs]. The statistical significance of mean [median] difference between groups is computed by One-Way ANOVA [Mann –Whitney Test for unmatched pairs]. Z statistics (Doukas' test) is used to test for the statistical significance of positives/negatives. ***, **, and * denote statistical significance at the 1%, 5%, 10% levels, respectively.

Interval	Mean	Z-Value Mean	Median	WSRT Z for Median	Positive: Negative	Doukas Z for Positive: Negative	Total Number of Events	Positive Market Reaction %
(-10,+10)	0.220786 **	2.046378	0.227599 **	1.954789	29:21	1.131371	50	58.00%
(-10,+5)	0.291177 ***	2.445509	0.122592 **	2.070628	31:19 **	1.697056	50	62.00%
(-5, +5)	0.203779 **	1.839532	0.035535	1.172873	28:22	0.848528	50	56.00%
(-5, +1)	0.120302	0.867268	-0.00526	0.120666	25:25	0	50	50.00%
(-2, +1)	0.143449	1.038923	-0.06658	-0.24616	19:31 **	-1.69706	50	38.00%
(-1, +1)	0.140472	1.029988	-0.01338	0.255812	22:28	-0.84853	50	44.00%
(-1, +0)	0.13259	0.881078	-0.00059	0.038613	24:26	-0.28284	50	48.00%

Table-15.1 MA Difference Between Most Economically and Politically Free Countries and Least Economically and Politically Free Countries

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Diff
-0.08478	-0.95615	-0.07847	52.6021
-0.05025	-0.56458	0.138066	52.51739
-0.0345	-0.40183	-0.05234	53.10689
0.074756	0.825958	0.174576	53.56512
0.088774	0.976943	0.040017	51.96051
0.060043	0.628496	-0.02333	50.55311
0.088426	1.016405	0.036798	49.62021

Table-15.2 JV Difference Between Most Economically and Politically Free Countries and Least Economically and Politically Free Countries

Mean Difference	Z for Mean	Median Difference	Mann-Whitney Z value for median Diff
0.096237	0.83331	0.001008	0.276648
0.196619 **	1.686872	0.104793	1.024623
0.184174 *	1.512103	0.022558	0.836092
0.143162	1.026318	0.052471	0.817649
-0.01772	-0.12657	0.039035	-0.1373
0.030952	0.202472	0.131897	0.24591
0.006233	0.0411	0.077365	0.502065

Table-15.3 SA Difference Between Most Economically and Politically Free Countries and Least Economically and Politically Free Countries

Mean Difference	Z for Mean Difference	Median Difference	Mann-Whitney Z value for Median Diff
-0.10553	-0.65768	-2.0626	17.0303
-0.15178	-0.83394	-2.37675	17.15689
-0.20792 *	-1.33783	-1.85487	16.87797
-0.07967	-0.45223	-0.87717	17.76459
-0.07395	-0.38357	-0.95239	17.85317
0.018482	0.096018	-1.01021	18.17114
0.093407	0.428423	-0.79326	18.47542

Appendix B.a
Event Study Descriptive Results Tables

**Table A: SCARs Market Reaction and Value Creation
Expansion Patterns**

Expansion Pattern	Market Reaction (positive)	Market Reaction (immediate)	Value Creation (positive)	Value Creation (immediate)
M&A	Mostly Negative	Yes	Mostly Negative	Long-term
JV	Positive Means Outweigh Negative Ones	Less Immediate/ Dispersed	Yes -Some	Yes
SA	Yes	Less Immediate than M&As/ More Immediate than JVS	Yes	Mostly Long-term

**Table B: SCARs Market Reaction and Value Creation
Regions**

Regions	Reaction Positive			Market Reaction Immediate			Value Creation			Value Creation Immediate		
Asia	MA	JVs	SAs	MA	JV s	SAs	MA	JVs	SAs	MA	JVs	SAs
	No	Some	Yes	Yes	Long-run	No	No	Some	Yes	Long-run	Dispersed	Long
Latin America	No	Yes	Yes	Yes	Long-run	Yes	No	Yes	Yes	No	Dispersed	Yes
Eastern Europe	Yes	No	-	Yes	Yes	-	Yes	No	-	Yes	No	-

**Table C: SCARs Value Creation and Market Reaction
Firm Factors**

Firm Factors	Market Positive Reaction			Market Reaction Immediate			Value Creation			Value Creation Immediate		
	MA	JVs	SAs	MA	JVs	SAs	MA	JVs	SAs	MA	JVs	SAs
Corp Gov/NoADR	Some	Yes	Yes	No	Yes	No	Some	No	Yes	No	No	Long-run
Corp Gov/144 A	Yes NS	Yes	Yes NS	Yes NS	Yes	Yes	Yes NS	Yes	Yes NS	Yes NS	Yes	Yes Ns
Corp Gov/Level I	No	Yes	Yes	Yes	Yes Long	Yes	No	Yes	Yes	No	Yes Long	Yes
Corp Gov/Level II	Some	-	-	Yes NS	-	-	No	-	-	No	-	-
Corp Gov/Level III	Yes NS	No	-	Yes	Yes	-	Yes	-	Some	Yes NS	Some	-
Investment Size High	Some	Yes	No	Yes Ns	Long-run	No	No	Yes	Long-run	No	Yes- Long	Yes- Long
Investment Size Low	Some	Yes	Yes	Yes	Long-run	No	No	Yes	No	No	Long-run	Long-run
High level of control	Yes	-	-	Yes	-	-	Some	-	-	Long-run	-	-
Low level of control	No	-	-	-	-	-	No	-	-	Long-run	-	-
Private	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	Long-run	Yes
Public	No	No	No	Yes	Yes	No	No	Some	No	No	Imme- diate	No
Single Bidder	-	No	Yes	-	No	Yes	-	Yes NS	Yes	-	Long-run	Yes
Multiple Bidder	-	Yes	-	-	Yes	-	-	Yes	-	-	Long-run	No
Previous Int' Experience	Some	Yes	Yes Ns	Immediate	Yes	Yes	No	Yes	Yes	Long- Run	Yes	Yes
No Previous Int' Experience	Yes	No	No	Yes	No	No	Yes	No	No	BothLong	No	No
Prior Presence in Target Country	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes	No
No Prior Presence in Target Country	Yes	No	Yes	Yes	Long-run	No	No	No	Yes	Long-run	No	No

**Table D: SCARs Value Creation and Market Reaction
Industry and Country Factors**

Industry Factors	Market Reacts Positive			Market Immediate			Value Creation			Value Creation Immediately		
	MA	JVs	SAs	MA	JVs	SAs	MA	JVs	SAs	MA	JVs	SAs
Related/Non Diversified	Yes	Some	Yes	Yes	No	Yes	No	Some	Yes	No	No	yes
Diversified	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No
Hi-Tech	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Non-Hitech	Yes	No	Yes	Some	No	No	Some	Yes	Yes	Some	No	No
Geo Prox	Some	Yes NS	Yes	No	Some NS	No	No	Some	Yes	No	No	No
No Prox	Yes	Yes	Yes	Long Run	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Developed	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	No
Developing	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
Most political and Economical Free countries	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	No	Yes
Least Political and Economical free countries	No	Yes	Yes	Yes	No	No	No	Yes	Yes	No	Some	No

Appendix C

Cross-Sectional Regression and Logistic Regression Tables

**Table 16.1. ANOVA SCAR versus Expansion Type - Differences between Expansion Types
i.e. M&As, JVs, and SAs**

Exp Type	<u>SCAR</u> <u>(-10, +10)</u>	<u>SCAR</u> <u>(-10, +5)</u>	<u>SCAR</u> <u>(-5, +5)</u>	<u>SCAR</u> <u>(-5, +1)</u>	<u>SCAR</u> <u>(-2, +1)</u>	<u>SCAR</u> <u>(-1, +1)</u>	<u>SCAR</u> <u>(-1, 0)</u>
M&A (Mean)	-0.0486	-0.0582	-0.0542	-0.0492	-0.0501	-0.086	-0.116
JV (Mean)	-0.0502	0.0123	0.0113	0.0393	0.035	0.039	-0.007
SA (Mean)	0.1281	0.1452	0.0723	0.0989	0.0971	0.122	0.104
F Value	2.8	3.09	1.39	1.76	1.64	2.95	2.91
P Value	0.061	0.046	0.25	0.173	0.195	0.053	0.055
R2	0.57%	0.63%	0.28%	0.36%	0.33%	0.60%	0.59%
Adj R2	0.37%	0.42%	0.08%	0.15%	0.13%	0.40%	0.39%

**Table 16.2. ANOVA SCAR versus Expansion Type - Differences between Expansion Types
i.e. Asia, Eastern Europe (EE), and Latin America (LA)**

Regions	<u>SCAR</u> <u>(-10, +10)</u>	<u>SCAR</u> <u>(-10, +5)</u>	<u>SCAR</u> <u>(-5, +5)</u>	<u>SCAR</u> <u>(-5, +1)</u>	<u>SCAR</u> <u>(-2, +1)</u>	<u>SCAR</u> <u>(-1, +1)</u>	<u>SCAR</u> <u>(-1, 0)</u>
Asia (Mean)	-0.0053	0.0162	0.0025	0.0125	0	-0.006	-0.041
EE (Mean)	-0.2781	-0.2481	-0.3056	-0.1969	-0.2142	-0.159	-0.168
LA (Mean)	-0.0599	-0.0249	0.0113	0.0623	0.1545	0.076	0.044
F Value	1.82	1.57	2.2	1.02	2.11	0.71	0.59
P Value	0.162	0.208	0.112	0.361	0.121	0.493	0.555
R2	0.37%	0.32%	0.45%	0.21%	0.43%	0.14%	0.12%
Adj R2	0.17%	0.12%	0.24%	0.00%	0.23%	0.00%	0.00%

Table 17.1 Cross-Sectional Regressions: Standardized Cumulative Abnormal Returns of Emerging Market Multinationals (EMMs)

The dependent variable in the regressions is the standardized cumulative abnormal return (SCAR) of EMMs engaged in cross-border expansion over the 1991-2003 period. SCARs are defined over various event windows around the acquisition announcement. Foreign to Total Sales (FSTS) ratio is the percentage of foreign sales of the EMM divided by net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

Independent Variables	SCAR (-10, +10)	SCAR (-10, +5)	SCAR (-5, +5)	SCAR (-5, +1)	SCAR (-2, +1)	SCAR (-1, +1)	SCAR (-1, 0)
Intercept	-0.5523 (-0.55) [0.581]	-0.7502 (-0.84) [0.401]	-0.7613 (-0.89) [0.374]	-0.8521 (-0.88) [0.383]	-0.685 (-0.65) [0.514]	-0.352 (-0.32) [0.753]	0.811 (0.79) [0.481]
Eco & Pol Freedom 1/ No Eco & Pol Freedom 0					0.10 (2.17)** [0.031]	0.14 (2.92)*** [0.004]	
FS/TS	0.2676 (1.39)* [0.164]		0.2984 (1.64)** [0.101]				
Related 1 /Diversified 0							
Geographical/Cultural Proximity 1 / No Proximity 0							
Target Country Developed 1 / Emerging 0							
Target Private 1 / Target Public 0						0.4787 (1.36)* [0.175]	
EMM Hi-Tech 1 / Non Hi-Tech 0			-0.2306 (-1.37)* [0.173]			-0.3055 (-1.39)* [0.167]	
No ADR							

144A

Lev 1

Lev 2

-0.6193
(-1.72)**
[0.088]

Single Bidder 1 /
Multiple Bidders 0

Prior Presence in
Target Country 1 / No
Presence 0

Investment Size Large
1 / Small 0

-	-	-	-	-	-	-
0.00021659	0.0002699	0.00024822	0.0002268	0.0003491	0.0004113	0.0002262
(-2.22)**	(-3.15)***	(-2.87)***	(-2.29)**	(-3.26)***	(-3.72)***	(-2.21)**
[0.028]	[0.002]	[0.005]	[0.024]	[0.001]	[0.000]	[0.029]

Level of Control High
1 / Less 0

-0.005829	-0.003657	-0.002691
(-2.52)***	(-1.77)**	(-1.36)*
[0.013]	[0.078]	[0.176]

EXP1

1.2699	-0.3659	-0.3954	-1.5
(1.45)*	(-2.42)***	(-2.44)***	(-1.48)*
[0.150]	0.016	[0.015]	[0.140]

EXP2

1.5053
(1.73)**
[0.087]

R²
Adj-R²

7.60%	8.80%	8.00%	8.70%	6.00%	8.40%	10.80%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

Table 17.2 Cross-Sectional Regressions: Standardized Cumulative Abnormal Returns of Emerging Market Multinationals (EMMs) by Expansion Type

The dependent variable in the regressions is the standardized cumulative abnormal return (SCAR) of EMMs engaged in cross-border expansion over the 1991-2003 period. SCARs are defined over various event windows around the acquisition announcement. t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

Independent Variables	SCAR (-10, +10)	SCAR (-10, +5)	SCAR (-5, +5)	SCAR (-5, +1)	SCAR (-2, +1)	SCAR (-1, +1)	SCAR (-1, 0)
Intercept	0.12019 (1.77)** [0.078]	0.1279 (1.83)** [0.067]	0.06914 (1.01) [0.312]	0.09475 (1.28)* [0.200]	0.08784 (1.16) [0.244]	0.11006 (1.37)* [0.172]	0.09975 (1.23) [0.220]
Exp1	-0.16704 (-2.09)** [0.036]	-0.18109 (-2.21)** [0.027]	-0.12308 (-1.54)* [0.125]	-0.14339 (-1.65)** [0.098]	-0.13553 (-1.53)* [0.126]	-0.19339 (-2.05)** [0.041]	-0.21537 (-2.26)** [0.024]
Exp2	-0.17039 (-2.10)** [0.036]	-0.11563 (-1.39)* [0.165]	-0.05787 (-0.71) [0.477]	-0.05545 (-0.63) [0.529]	-0.0528 (-0.59) [0.557]	-0.0712 (-0.74) [0.458]	-0.10712 (-1.11) [0.269]
R ²	0.50%	0.50%	0.30%	0.30%	0.30%	0.50%	0.60%
Adj-R ²	0.30%	0.30%	0.10%	0.10%	0.10%	0.30%	0.40%

Table 17.3 Cross-Sectional Regressions: Standardized Cumulative Abnormal Returns of Emerging Market Multinationals (EMMs) by Regions

The dependent variable in the regressions is the standardized cumulative abnormal return (SCAR) of EMMs engaged in cross-border expansion over the 1991-2003 period. SCARs are defined over various event windows around the acquisition announcement. t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

Independent Variables	SCAR (-10, +10)	SCAR (-10, +5)	SCAR (-5, +5)	SCAR (-5, +1)	SCAR (-2, +1)	SCAR (-1, +1)	SCAR (-1, 0)
Intercept	-0.0599 (-0.68) [0.498]	-0.0249 (-0.27) [0.784]	0.01125 (0.13) [0.899]	0.06229 (0.65) [0.517]	0.15448 (1.58)* [0.115]	0.0764 (0.73) [0.466]	0.044 (0.42) [0.678]
Region 1	0.05461 (-0.59) [0.558]	0.04108 (0.43) [0.668]	-0.00876 (-0.09) [0.925]	-0.0498 (-0.49) [0.623]	-0.1545 (-1.50)* [0.135]	-0.082 (-0.74) [0.458]	-0.085 (-0.76) [0.446]
Region 2	-0.2182 (-1.29)* [0.198]	-0.2232 (-1.28)* [0.200]	-0.3168 (-1.87)** [0.062]	-0.2592 (-1.42)* [0.159]	-0.3686 (-1.97)** [0.050]	-0.2358 (-1.18) [0.240]	-0.2123 (-1.05) [0.295]
R ²	0.40%	0.30%	0.40%	0.20%	0.40%	0.10%	0.10%
Adj-R ²	0.20%	0.10%	0.20%	0.00%	0.20%	0.00%	0.00%

Table 18. 1 Cross-Sectional Regressions: Change in EMMs' Operating Return on Assets (Δ ROA)

The dependent variable in the regressions is the change in the Return on Assets of EMMs engaged in cross-border expansion over the 1991-2003 period. Return on Assets (ROA) is calculated by dividing a firm's annual earnings before interest and taxes by its total assets in a calendar year. Foreign to Total Sales (FSTS) is the percentage of foreign sales of the bidder firm divided by net sales. All bidder related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

Independent Variables	Δ ROA (-1 to +1)	Δ ROA (-1 to +2)	Δ ROA (-1 to +3)
Intercept	0.533 (0.48) [0.629]	0.097 (0.07) [0.941]	5.267 (2.82)*** [0.005]
FS/TS	-2.417 (-1.20) [0.229]	-4.276 (-1.80)** [0.072]	-14.304 (-4.73)*** [0.000]
TA	-0.0000002 (-4.98)*** [0.000]	-0.00000023 (-4.86)*** [0.000]	-0.0000005 (-5.78)*** [0.000]
TS	0.00000017 (2.47)*** [0.014]	0.00000033 (3.81)*** [0.000]	0.00000038 (2.89)*** [0.004]
R ²	7.10%	9.10%	15.40%
Adj-R ²	6.30%	8.20%	14.40%

Table 18.2 Cross-Sectional Regressions: Change in EMMs' Return on Equity (Δ ROE)

The dependent variable in the regressions is the change in the Return on Equity of EMMs engaged in cross-border expansion over the 1991-2003 period. Return on Equity (ROE) is defined as the return on EMMs' investment. It is the ratio of earnings after tax (EAT) to EMMs' equity. Foreign to Total Sales (FSTS) is the percentage of foreign sales of the EMM divided by its net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

<u>Independent Variables</u>	Δ ROE (-1 to +1)	Δ ROE (-1 to +2)	Δ ROE (-1 to +3)
Intercept	5.853 (0.65) [0.516]	12 (0.86) [0.393]	0.96 (4.67)*** [0.000]
FS/TS	-21.97 (-1.28)* [0.201]	-39.41 (-1.47)* [0.143]	-132.17 (-6.67)*** [0.000]
TA	-0.0000081 (-2.47)*** [0.014]	-0.00000106 (-2.05)** [0.041]	-0.0000238 (-4.72)*** [0.000]
TS	0.00000042 (0.74) [0.462]	0.00000101 (1.09) [0.278]	0.00000043 (0.56) [0.574]
R ²	2.30%	2.10%	18.90%
Adj-R ²	1.40%	1.10%	18.00%

Table 18.3 Cross-Sectional Regressions: Change in EMMs' Earnings Before Interest Taxes (Δ EBIT)

The dependent variable in the regressions is the change in the Earnings Before Interest Taxes of EMMs engaged in cross-border expansion over the 1991-2003 period. Earnings Before Interest Taxes (EBIT) is measured by earnings before interest and taxes divided by total sales of EMMs. Foreign to Total Sales (FSTS) is the percentage of foreign sales of the EMM divided by net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

<u>Independent Variables</u>	Δ EBIT (-1 to +1)	Δ EBIT (-1 to +2)	Δ EBIT (-1 to +3)
Intercept	517177 (1.93) [0.054]	1266103 (3.8)*** [0.000]	1904744 (6.28)*** [0.000]
FS/TS	-208770 (-0.43) [0.669]	-1566063 (-2.59)*** [0.010]	-2306780 (-4.48)*** [0.000]
TA	-0.115293 (-11.75)*** [0.000]	-0.15568 (-12.55)*** [0.000]	-0.26929 (-18.87)*** [0.000]
TS	0.10738 (6.25)*** [0.000]	0.17747 (7.93)*** [0.000]	0.29124 (13.46)*** [0.000]
R ²	28.90%	35.20%	58.90%
Adj-R ²	28.30%	34.60%	58.40%

Table 18. 4 Cross-Sectional Regressions: Change in EMMs' Operating Return on Assets (Δ EBITDA)

The dependent variable in the regressions is the change in the Earnings Before Interest Taxes Depreciation and Amortization of EMMs engaged in cross-border expansion over the 1991-2003 period. Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) reports how much the EMM would have earned during a given period, if it did not have to pay interest on its debt, taxes, and had depreciated the full value of all assets at their acquisition or didn't have to take amortization changes. Foreign to Total Sales (FSTS) is the percentage of foreign sales of the EMM divided by net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

<u>Independent Variables</u>	Δ EBITDA (-1 to +1)	Δ EBITDA (-1 to +2)	Δ EBITDA (-1 to +3)
Intercept	4823240 (1.76)** [0.079]	1316202 (3.85)*** [0.000]	2158469 (7.53)*** [0.000]
FS/TS	-116978 (-0.23) [0.815]	-1520052 (-2.45)*** [0.015]	-2623400 (-5.39)*** [0.000]
TA	-0.1092 (-10.86)*** [0.000]	-0.14378 (-11.34)** [0.000]	-0.2563 (-19.05)*** [0.000]
TS	0.010635 (6.03)*** [0.000]	0.17328 (7.57)*** [0.000]	0.28355 (13.39)*** [0.000]
R ²	25.80%	31.50%	60.40%
Adj-R ²	25.20%	30.80%	59.90%

Table 18. 5 Cross-Sectional Regressions: Change in EMMs' Return on Shareholders' Equity (Δ RSHE)

The dependent variable in the regressions is the change in the Return on Shareholders' Equity of EMMs engaged in cross-border expansion over the 1991-2003 period. Return on Shareholders' Equity (RSHE) is the difference (at a specific date) between what the shareholders of the EMM own (assets such as cash, inventories, equipment and buildings) and what their liabilities (such as debts owe to banks and suppliers). Foreign to Total Sales (FSTS) is the percentage of foreign sales of the EMM divided by net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

Independent Variables	Δ RSHE (-1 to +1)	Δ RSHE (-1 to +2)	Δ RSHE (-1 to +3)
Intercept	-3.965 (-0.42) [0.671]	5.242 (0.53) [0.597]	3.18 (0.27) [0.789]
FS/TS	49.9 (2.82)*** [0.005]	6.65 (0.35) [0.724]	15.51 (0.69) [0.488]
TA	-0.0000126 (-3.70)*** [0.000]	-0.0000012 (-3.32)** [0.001]	-0.0000134 (-3.13)*** [0.002]
TS	0.00000003 (0.04) [0.965]	0.00000034 (-0.52) [0.605]	0.00000022 (-0.27) [0.785]
R ²	7.80%	5.00%	4.80%
Adj-R ²	7.00%	4.10%	3.80%

Table 18. 6 Cross-Sectional Regressions: Change in EMMs' Return on Capital Employed (Δ ROCE)

The dependent variable in the regressions is the change in the Return on Capital Employed of EMMs engaged in cross-border expansion over the 1991-2003 period. Return on Capital Employed (ROCE) is measured by the ratio of EBIT to its invested capital. Foreign to Total Sales (FSTS) is the percentage of foreign sales of the EMM divided by net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

Independent Variables	Δ ROCE (-1 to +1)	Δ ROCE (-1 to +2)	Δ ROCE (-1 to +3)
Intercept	4.483 (2.43)*** [0.016]	4.363 (2.17)** [0.031]	3.529 (1.26) [0.209]
FS/TS	-1.507 (-0.43) [0.668]	-3.476 (-0.91) [0.363]	-3.524 (-0.62) [0.535]
TA	-0.0000052 (-7.74)*** [0.000]	-0.0000052 (-7.17)*** [0.000]	-0.000006 (-5.96)*** [0.000]
TS	0.00000005 (-0.44) [0.664]	0.00000034 (-2.63)*** [0.009]	0.00000011 (-0.63) [0.529]
R ²	20.00%	23.00%	14.30%
Adj-R ²	19.20%	22.30%	13.40%

Table 18. 7 Cross-Sectional Regressions: Change in EMMs' Operating Profit Margin (Δ OPM)

The dependent variable in the regressions is the change in the Operating Profit Margin of EMMs engaged in cross-border expansion over the 1991-2003 period. Operating Profit Margin (OPM) is calculated as dividing operating income by the total revenue. Foreign to Total Sales (FSTS) is the percentage of foreign sales of the EMM divided by net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively.

Independent Variables	Δ OPM (-1 to +1)	Δ OPM (-1 to +2)	Δ OPM (-1 to +3)
Intercept	0.392 (0.39) [0.694]	-0.03 (-0.02) [0.982]	-6.537 (-4.45)*** [0.000]
FS/TS	-1.041 (0.56) [0.574]	1.734 (0.70) [0.485]	9.395 (3.50)*** [0.001]
TA	-0.0000002 (-0.62) [0.534]	-0.00000011 (-2.35)*** [0.020]	-0.000002 (-3.71)*** [0.000]
TS	0.00000008 (-1.22) [0.225]	0.00000001 (0.17) [0.864]	0.00000038 (3.99)*** [0.000]
R ²	1.20%	2.50%	9.60%
Adj-R ²	0.30%	1.70%	8.70%

Table 19. Binary Logistic Regression: Standardized Cumulative Abnormal Returns of EMMs that Practice Cross-Border Expansion Activities

The dependent variable in the regressions is the standardized cumulative abnormal return (SCAR) of EMMs engaged in cross-border expansion over the 1991-2003 period. SCARs are defined over various event windows around the acquisition announcement. Foreign to Total Sales (FSTS) ratio is the percentage of foreign sales of the EMM firm divided by net sales. All EMM related independent variables refer to the year prior to the acquisition ($t=-1$). t-values are reported in parenthesis. ***, **, and * denote statistical significance at 1%, 5%, 10% levels, respectively

Independent Variables	SCAR (-10, +10)	SCAR (-10, +5)	SCAR (-5, +5)	SCAR (-2, +1)	SCAR (-1, +1)	SCAR (-1, 0)
Intercept	-0.374909 (-0.18) [0.858]	-0.315318 (-0.15) [0.877]	-1.1084 (-0.51) [0.607]	0.405108 (0.18) [0.858]	20.3692 0.00 [0.998]	-0.140981 (-0.06) [0.953]
Eco & Pol Freedom	-0.0648143 (-0.28) [0.778]	-0.154979 (-0.68) [0.500]	-0.0593948 (-0.25) [0.801]	0.0366066 (0.16) [0.876]	0.128845 (0.53) [0.597]	0.0622037 (0.24) [0.807]
FS/TS	-0.321728 (-0.35) [0.727]	0.960714 (1.03) [0.301]	0.68469 (0.72) [0.472]	0.229252 (0.24) [0.811]	0.0460047 (-0.05) [0.962]	-1.73102 (-1.62)* [0.105]
Related 1 /Diversified 0	-0.474767 (-1.01) [0.312]	0.0750509 (0.16) [0.875]	0.102599 (0.21) [0.831]	0.182277 (0.36) [0.717]	1.20443 (2.24)** [0.025]	1.31715 (2.48)*** [0.013]
Geographical/Cultural Proximity 1	0.604714 (1.02) [0.309]	0.933156 (1.52)* [0.129]	0.815999 (1.30)* [0.194]	-0.176734 (-0.28) [0.778]	-0.645706 -1.01 [0.311]	-0.340887 (-0.52) [0.603]
Target Country Developed 1 / Emerging 0	1.17789 (1.45)* [0.146]	0.947661 (1.16) [0.245]	0.849063 (1.03) [0.305]	-0.479445 (-0.56) [0.579]	-1.36797 (-1.53)* [0.126]	-0.534485 (-0.60) [0.550]
EMM Hi-Tech 1	0.441536 (0.74) [0.459]	0.682345 (1.16) [0.247]	0.736449 (1.21) [0.225]	-0.195451 (-0.33) [0.744]	-1.09586 (-1.66)** [0.096]	-0.907003 (-1.40)* [0.162]
No ADR	-0.405977 (-0.29) [0.775]	-1.22093 (-0.90) [0.368]	1.22499 (0.74) [0.458]	-24.654 (-0.00) [0.998]	-44.4938 (-0.00) [0.997]	-5.33336 (-2.11)** [0.035]
144A	-0.696774 (-0.40) [0.689]	-1.69962 (-0.99) [0.322]	0.520768 (0.26) [0.793]	-23.255 (-0.00) [0.998]	-42.4466 (-0.00) [0.997]	-3.24987 (-1.20) [0.231]
Lev 1	-0.764595 (-0.58) [0.562]	-0.849177 (-0.68) [0.497]	1.1684 (0.75) [0.454]	-23.6124 (-0.00) [0.998]	-43.7122 (-0.00) [0.997]	-5.54593 (-2.25)** [0.024]

Lev 2	1.31653 (0.90) [0.367]	-0.0365478 (-0.03) [0.978]	0.0383789 (0.03) [0.979]	-1.02531 (-0.61) [0.542]	-21.6028 (-0.00) [0.998]	-1.15387 (-0.66) [0.508]
Investment Size	-0.001955 (-1.78)** [0.075]	-0.0009146 (-1.09) [0.274]	-0.0012116 (-1.23) [0.219]	-0.0011762 (-0.98) [0.327]	0.0005805 (-0.62) [0.536]	-0.0002533 (-0.64) [0.521]
Level of Control	-0.0028274 (-0.44) [0.660]	0.0043749 (0.67) [0.502]	0.0078463 (1.19) [0.235]	-0.0037137 (-0.55) [0.584]	0.0078939 (-1.11) [0.266]	-0.0043674 (-0.61) [0.541]
Region 1	1.13429 (0.90) [0.368]	0.372636 (0.32) [0.752]	-1.78086 (-1.32)* [0.188]	23.1557 0.00 [0.998]	23.1101 0.00 [0.998]	5.57475 (2.71)*** [0.007]
Region 2	0.398001 (0.29) [0.770]	0.575007 (0.45) [0.653]	-1.81835 (-1.27) [0.205]	22.4805 0.00 [0.998]	23.3478 0.00 [0.998]	4.01715 (2.32)*** [0.020]