

Takeover bids: evidence from the Portuguese market*

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Abstract. Throughout the nineties, a number of tender offers occurred in the Portuguese market. This article employs event study methodology to investigate their effects on the involved firms' shareholders. On average, these operations increased the market value of the involved firms by 2% to 3%. However, target shareholders appropriated most of this gain, earning 18% over their firms' previous value, whereas bidder shareholders seem to have gained nothing. These averages bent in bidders shareholders favour, however, when bidders held significant positions in the targets' capital before the bid.

Keywords: Tender offers – Event studies – Portuguese market

JEL Classification: G14, G34

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