

**SYMPOSIUM ON THE INTERNATIONAL DIMENSION IN CORPORATE
MERGERS AND ACQUISITIONS: THE IMPLICATIONS FOR IRELAND**

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1. INTRODUCTION

As is now common practice this paper uses "mergers" and "takeovers" interchangeably.

Takeover activity is a normal part of business activity, though you would hardly think so to read the lurid reports in the popular press. A mythology has grown up in relation to merger activity. This is heightened by the emergence of a vocabulary of emotive terms which mean mundane things in practice but sound great – "Golden Parachutes" instead of "Redundancy Payments"; "White", "Black" or "Grey Knights" meaning friendly, hostile or unknown intentioned suitor; "Dawn Raids" and "Saturday Night Specials" meaning a quick purchase of a large block of shares, while the "Pacman Defence" means simply turning the tables on the bidder. "Asset Strippers", "Raiders", and "Predators" are investors wishing to make assets earn their keep to make them "Sweat" to use the modern terminology.

Takeover specialists have achieved international stardom or notoriety depending on your viewpoint. Is all of this deserved? I think not. Merger activity is usually conducted in the public eye. Opportunities arise for quick profits which sometimes tempt individuals into unethical and/or illegal behaviour. But this should not disguise the true nature of takeovers which are an essential and necessary part of the restructuring and industrial renewal process by which the economy initiates and responds to change.

Takeover is only one form of investment activity. If a company expands by building a new factory which is so cost effective that it wipes out competition, then the investor is applauded. An innovator who introduces a new technology which leads to closures, bankruptcies and job losses among competitors is looked up to as a captain of industry and a wealth creator. Yet the investor who uses takeovers as a means of restructuring an industry is often pictured as a "Predator" or "Vulture".

2. CAUSES OF TAKEOVERS¹

The principal cause of takeovers is the need to reduce uncertainty in one form or another. Research into business decisions has shown that the primary objective of business is survival. This usually translates into reducing uncertainty. Takeovers are seen as ways of reducing the uncertainty which exists in business.² They occur for any of the following reasons:

1. The desire of a company to obtain the scarce technology controlled by another;
2. The desire of a company to acquire the management or special skills of another company;
3. To safeguard a source of supply. Examples of this include the acquisition of small private oil companies with North Sea interests by large multinational oil firms;
4. To reduce or eliminate competition. Alternatively the acquisition may be simply to stop a competitor from increasing his strength;
5. To obtain economies of scale. This can be by horizontal integration where one firm buys up competitors;
6. To obtain growth by diversification due to maturity in the existing product range of the company. Diversification out of tobacco by Carrolls Industries is an example;
7. To improve the spread of investment risk. It may be possible to purchase a contracyclical or contraseasonal business. An illustration would be a snow ski manufacturing company purchasing a tennis equipment manufacturer;
8. A need for rapid increase in capacity. Increasingly roundabout methods of production mean that adding new capacity can take years. It is often quicker to buy existing capacity;
9. The discovery that it is cheaper to buy rather than to build. Share prices were low for many years particularly in relation to net asset value;
10. To obtain synergy. An example is adding a sportswear company to a sports equipment company.

3. MERGER ACTIVITY³

Mergers and takeovers occur in waves. Beginning in the United States bursts of merger activity tend to be repeated after a short time lag in Europe. The Western World is now experiencing the fourth great wave of takeover activity. The various waves are shown below:

Years	Type	Industries Affected
1880 – 1910 but particularly 1898 – 1902	Horizontal Integration	Oil, Steel, Sugar, Whiskey, Shipping, Railroads, Tobacco.
1924 – 1929	Vertical Integration	Chemicals, Textiles, Mining, Heavy industry.
1950s/1960s	Conglomerate	Non-related industrial acquisitions.
1978 – Present	Demerging	Widespread.

3A 1880 – 1910: The Era of the Trust

Probably the greatest merger wave of all was the first. Powerful men attempted to create monopolies by means of Trusts. Some of the most famous companies in the world were created, e.g. Standard Oil, US Steel, American Tobacco. The first billion dollar merger took place in 1901 with the creation of US Steel. The movement carried over to the UK where giant firms such as ICI and Unilever were formed.

The merger boom faded in the early 1900s with the passing of anti trust laws and a collapse in stock exchange values.

It is thought that up to 14 per cent of the total assets of US business were subject to takeover in this period.

3B 1926 – 1930: Creation of Vertically Integrated Producers

The 20s in the US was a period of great economic expansion. New forms of production epitomised by Henry Ford laid a premium on low cost integrated production and on economies of scale. Integrated producers such as Bethlehem Steel, Anarconda Copper, Du Pont and Allied Chemicals grew in this era. The Crash of 1929 stopped this movement. The main trust was towards vertical integration.

3C 1950s – 1960s: Conglomerates

Antimerger legislation in the United States made vertical or horizontal mergers difficult.

Many US companies by the early 1960s faced mature markets for their products. To continue growing they needed to diversify into new areas. This need was a major factor in the development of conglomerates, i.e. a collection of unrelated businesses. The logic behind this movement was that management skills and financial expertise were universally applicable. Litton Industries, ITT and LTV were the creations which epitomised this era.

The movement spread rapidly to the United Kingdom. BTR, Hanson Trust and Slater Walker are only some of the companies which evolved in this period. The oil shocks of the early 1970s caused this wave to stop but serious doubts concerning conglomerates had emerged earlier. In this period 20 per cent of UK quoted firms disappeared.⁴

3D 1978 – Present: Demerging – Leveraged Buy Outs

History will clarify the exact nature of the present wave but already it has a number of notable characteristics

- it is more powerful than the previous waves with the exception of the first,
- the techniques involved do not require an active stock market,
- the wave has had a major impact on Continental Europe.

The wave began in the late 1970s and so far has not peaked. It would appear that inflation played an important part. Inflation increased asset values while eroding stock market prices. It was cheaper to buy than to build. Two other factors came into play. Debt finance became more available and the conglomerates of the 1960s were demerging.

The availability of debt finance and the desire to be rid of unwanted divisions offered unprecedented opportunities to managers. The Management Buy Out or MBO was born. This in turn has been succeeded by the Leveraged Buy Out. I will return to this topic below.

The Crash of '87 was expected to stop the wave. It did not. In 1988 the total value of takeovers in the US exceeded \$200 billion, up from \$103 billion in 1986 and \$180 billion in 1987.⁵ The latest wave was slow to take off in Europe but as Exhibit 1 shows the number of mergers among large companies tripled in the five years 1983 – 1987. The activity continued unabated in 1988 with 12 deals each in excess of \$1 billion and 250 deals of over \$100 million each.⁶ The level of activity was expected to accelerate in the run up to 1992.

Exhibit 1.

**Mergers and Takeovers Among the Top 1000
European Companies 1983 - 1987**

Year	No. of Takeovers
1983	117
1984	155
1985	208
1986	227
1987	303

Source: Reported in *Irish Quoted Companies*, 1988, p.22, Dublin,
Unpublished circular Goodbody James Capel, September.

and

Jacquemin A et al, 1988, *Horizontal Mergers and Competition Policy in the
European Community*, pps. 44-47, Brussels, Commission of the European
Communities.

3E Merger Activity in Ireland

Merger waves have also affected Ireland. The first wave about 1900 saw the disappearance of many distillers as International Distillers rationalised the industry. Thereafter there was little takeover activity in Ireland until the 1960s.

Ireland experienced a significant increase in mergers in the period 1960-'73. In that period fifty-three quoted companies had major ownership changes. This particular merger wave had two distinct patterns. In the 1960s there were a substantial number of horizontal mergers. Certain industrial sectors were prone to takeovers. Shoes, leather, textile, paper packaging and the builders' providers sector were reduced to virtually one company each. Sadly many of the entities created by the horizontal mergers did not survive free trade.

Beginning in 1971 the Irish Stock Exchange experienced a wave of acquisitions which ultimately produced a number of industrial holding companies or conglomerates. The acquisition of Crowe Wilson, which is now part of the Fitzwilliam Group, began the movement. This was followed in rapid succession by Braids, Brooks Watson Holdings, Barrow Milling, James Crean and Ferrier Pollock.⁷ The conglomerate wave died in the mid 1970s with the collapse of virtually every conglomerate.

Acquisition activity picked up again in the early 1980s. In the five year period 1983–1987 takeovers by publicly quoted Irish companies grew from 5 in 1983 with a total value of £141.5 million, to 27 costing £462 million, in 1987.⁸ Data for 1988 is not yet available but when the US investments made by two banking groups are included the total sum involved is likely to be in excess of £1 billion.

This latest Irish merger wave has three characteristics:⁹

- (i) most of the acquisitions were small, 60 per cent were for sums less than £5 million;
- (ii) most mergers were horizontal;
- (iii) fully 75 per cent of acquisitions were outside Ireland.

The smallness of the acquisitions suggests that Irish firms are cautious going abroad. The strategy of horizontal movement abroad reflects the fact that the main investors, CRH, Smurfit, AIB and Bank of Ireland, totally dominate their home market. Indeed the above four companies were major players in the earlier merger wave of the 1960s which swallowed up competitors in Ireland. Lack of domestic investment opportunities, the poor state of the home market and strong technology explain the move abroad.

Over eighty per cent of the overseas acquisitions were in the US or UK where language and culture similarities exist.

The traffic was not all one way, though the depressed state of the economy reduced the attractiveness of the Irish market to foreign investors. Specialist acquisitions did take place. Overseas firms bought up a number of technologically advanced software companies and the Northern Bank was acquired by National Australia Bank while the Pernod acquisition of IDG was the major business event of 1988.

A number of Irish publicly quoted companies were partially acquired by UK based investors to be used as vehicles or shells in the United Kingdom.

The causes of this development lay in exchange control regulations between Ireland and the United Kingdom. Irish institutional investors were restricted to investing 15 per cent of their funds outside Ireland but they could buy shares in Irish companies which were investing abroad. Private Irish investors were largely forbidden to invest outside of Ireland. Certain publicly quoted Irish firms, generally those in low technology mature industries, had strong asset bases and low share prices. The final variable in the equation was the fact that companies quoted in Ireland are part of the International Stock Exchange so acquiring an Irish company was a means to a quotation on London.

Between 1986 and 1988 a number of Irish companies were sold to UK investors, who introduced into the shells a number of UK acquisitions mainly property. The companies involved were: Dwyers, Glen Abbey, Irish Wire Products, Edenderry Shoes, Rohan Group, Woodingtons, Seafield.

The collapse of share prices in 1987 and the abolition of most exchange control regulations put an end to this form of acquisition.

4. LEVERAGED BUY OUTS (LBO)

The most spectacular development in the latest takeover wave has been the growth in "leveraged buy outs". A leveraged buy out (LBO) is any acquisition of a company which leaves the acquired operating entity with a greater than traditional debt-to-equity ration, i.e. figures of 40:1 debt: equity are not unknown.

LBOs began in the United States. During the heavy conglomerate area of the 1960s, a number of entrepreneurs formed mini-conglomerates through the use of leveraged buy outs. The leader was normally a commercial finance company. In many cases the investor had no equity risk; in some he was not even asked to personally guarantee the loan. For that reason this type of financing was often called "bootstrap" financing.

In the 1970s a second type of leveraged buy out began to emerge. This type involved situations where a lender would take an option on equity and subordinate its debt, rather than taking collateral. This combination of equity and subordinated debt would entice another group of unsecured lenders to lay on a level of senior debt, since the target company's cash flow could clearly service such senior debt. The subordinated debt holders, initially limited to a small group of aggressive insurance companies, were willing to take a significant downside risk for an even more significant upside gain. Because no one was secured in the transaction, however, the analytical emphasis by all financing sources was on cash flow rather than collateral.

Both secured and unsecured lenders had certain common criteria. Since in both cases an additional layer of debt was being imposed on the target company, with additional debt-servicing requirements, a company that was incurring heavy losses would not normally be a target for a leveraged buy out unless the loss was clearly a short-term phenomenon that could be quickly reversed. Second, the leaders in both cases normally wanted to have continuity of management, and most leveraged buy outs involved the management group's continued involvement. To assure this, the management group would often be given some part of the equity. In many cases, in fact the driver behind the leveraged buy outs was the management group itself, although in a number of cases a third-party entrepreneur would promote the acquisition.

In early 1980s a small number of US investment houses entered the LBO market. They were able to marshal huge financial resources. The result has been one of the greatest takeover booms ever seen.

The availability of vast sources of debt finance has made it technically possible to bid for any company in the world by using the assets and cash flow of the target company as the security for the debt. The RJR Nabisco LBO cost \$26 billion of which only \$75 million was equity.¹⁰

In the US known LBOs rose from 99 valued at \$3 billion in 1981 to over 300 valued at \$200 billion in 1988. The phenomenon appeared in Europe. In the UK there were 13 deals worth a few million in 1977 rising to over 300 deals worth £3 billion in 1987.¹¹

In France there were 200 LBOs between 1983 and 1987 and 150 in Holland in the same period. Italy was beginning to see LBOs in 1987 and 1988. Only in Germany was there a lag with no more than 30 LBOs undertaken in 1987. Ireland had a total of 60 LBOs in the period 1981 – 1987.¹²

It is expected that the wave of LBOs will grow rapidly in the coming years as most European countries have a large number of privately held businesses. The LBO technique is well suited to unlocking control of these companies.

The characteristics of a good LBO candidate are shown in Exhibit 2.

Exhibit 2.

Characteristics of a Classic LBO

- A. Saleable or non industry specific assets,
 - B. Stable Cash Flow,
 - C. Good "Free" Cash Flow, i.e. after essential capital investment,
 - D. Debt Capacity,
 - E. Modern Plant and Equipment,
 - F. Modest Future Capital Requirements,
 - G. Reasonable Market Position in a Mature Industry,
 - H. Low Seasonality,
 - I. Low risk of technological obsolescence,
 - J. Few Union Problems.
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4A LBOs in Ireland

It is possible that LBOs may not play a major role in Ireland. There are three reasons for this:

- (i) Section 60 of the 1963 Companies Act forbids the use of a company's assets to purchase shares in the company. It is possible to get around this by means of special resolutions and directors' declarations of solvency. The proposed Companies Act will remove these restrictions but until it is passed it will be difficult for lenders to provide high leverage;
- (ii) The low rate of Corporation Tax on manufacturing company profits reduces the tax shield effect. In most countries Corporation Tax is 50 per cent or so. The state appears to be paying half of the cost of the debt as against 10% in Ireland. This will bias LBOs towards service industries;
- (iii) The Business Expansion Scheme reduces the cost of equity in relation to debt. This suggests that take-overs will have a higher equity content in Ireland.

5. THE EFFECT OF MERGERS: GOOD OR BAD?

The question needs to be addressed from four viewpoints:

- a. The Shareholders in the Target Company;
- b. The Shareholders in the Acquiring Company;
- c. Leveraged Buy Out Promoters;
- d. The Economy at Large.

5A Shareholders in the Target Company

All studies of the effects of mergers demonstrate that the shareholders in the target company do very well.¹³ Many studies, including one of Irish companies, show that there is a rise in share prices prior to the announcement of a bid.¹⁴ This fact is often used as evidence of "insider trading". In some case it undoubtedly is, but in most it represents the acquisition of a bidding platform or a strategic stake or the identification by speculators of a likely acquisition candidate.

There is a simple method to further increase the return to shareholders in the target company. Research in the US and UK has shown that where a bid is resisted actively by the board of directors that the final payoff to shareholders is better.

5B The Effect on the Acquiring Company

Anthony Vice, in a mid seventies review of many takeovers, concluded that "mergers produce no benefit to shareholders of the acquiring company". It is certainly true that most acquiring companies have experienced at best average performance in the years following major acquisitions. The experience is that the share price of the acquiring company under-performs the market in the longer run. Evidence in Ireland is patchy.

Companies such as CRH, AIB and Smurfits, with significant external acquisitions, have out-performed the markets while those making domestic acquisitions have under-performed. The difficulty in Ireland is the timescale. If one was to take acquisitions in the 1970s then the performance of acquirers was very poor. Some conglomerates went bankrupt, while others lost up to 90 per cent of their value. I suspect that when the definite study is done on Irish acquiring companies that their performance will follow the pattern observed elsewhere.

Why is performance so poor? The reasons are straight-forward:

- (i) The acquirer pays too much and dilutes future earnings per share;
- (ii) Integrating acquisitions is a greater task than realised;

5C The Effect on LBO Promoters

LBOs have been very profitable for investors. It appears that managers find it easier to make profits for themselves than they do for shareholders.

The ethics and morality of this needs study.

The pressure of high interest and debt repayments forces LBO investors to cut costs and make assets sweat. If they do this successfully, and to date over 95 per cent have, the return to the equity investors is substantial.

To date most of the benefits have been seen in the US where LBOs have returned to the stock market with spectacular returns being earned by many investors.

Weak European stock exchanges will restrict the ability of LBO investors to realise gains, though changes in many exchanges are making it easier to obtain a quotation.

5D The Effect of Mergers on the Economy at Large¹⁵

There is usually schizophrenia about mergers at national economy level. Wild statements are made about the likely impacts.

The good effects are stated to be:

- greater efficiency;
- speeding up technological change;
- giving resources to those best able to use them.

The "bad" effects are reputed to be:

- cause job losses;
- result in dislocations;
- rising prices and loss of competition because of greater concentration;
- loss of State revenue because of tax deductibility of interest.

Many economists have studied the effects of mergers. Most of their conclusions are consistent. Dennis Mueller has studied mergers in the 20 year period 1955 to 1975 and has attempted to examine both good and bad effects.¹⁶

He finds no significant evidence that mergers increase efficiency. In fact most mergers are horizontal leading to greater concentration and what might be seen as a reduction in competitiveness. Greater efficiency should have led to an improvement in profits but there was no evidence of such an increase. There is little evidence that mergers affect the rate of technological change and no evidence of systematic improvements in productivity.

Giving resources to those who can best use them suggests that "good" managers will drive out bad. The poor performance of post acquisition companies and the lack of positive profit effect do not support this contention.

So the anti-merger forces have a case? Not really.

Despite all the popular calls to the contrary there is no evidence that takeovers lead to greater job losses than would otherwise have occurred. A recent study of LBOs shows that 3 years after the acquisition employment was 97 per cent of the pre-takeover levels. What does seem to happen is that job losses are matched by gains in other areas or divisions.

What of dislocations? The main impact on takeover companies has been on the support or head office staff.

Do mergers lead to rising prices?

The US evidence shows little correlation between the effect of mergers and subsequent price rises.¹⁷ There are some indications in the UK in the 1970s that greater market concentration resulting from mergers, led to marginal price rises.

What of the argument that tax breaks on interest produce profits for speculators at the expense of the State?

It is not clear that this is the case. Bidding for a company creates capital gains for shareholders. These are taxed. So too is the interest paid to lenders. In Ireland the low rate of corporate tax and the high rate of capital gains tax suggests that the State will benefit financially from takeovers.

5E Effects of Mergers: Conclusion

In 1904 Arthur Stone Dewing, reviewing the economic impact of the merger boom between 1898 and 1902, concluded that "the trusts turned out ill". That conclusion still holds today. Mergers do not appear to create lasting benefits. But then there is little evidence at national level that they cause harm. Fears of "Bigness" and the negative results arising from greater concentration are unwarranted.

One must point out that the job losses and dislocation caused by mergers are probably less than those arising from new product development and/or new investment in plant and equipment.

6. MERGERS IN THE FUTURE

The current merger wave is old but shows little sign of slowing down. Research shows that the peak in merger activity occurs relatively late in the business cycle. Should that be the case then megadeals in the United States and United Kingdom may decline in 1989 as each economy slows down.

There is no sign that merger activity will slow up in the rest of Europe including Ireland. Quite the contrary. There are a number of reasons to expect takeovers to grow and probably expand. These include:

- a growing European economy;
- relatively low interest rates;
- a further freeing of regulations and market controls intra Europe in the 1990s;
- the suitability of LBO takeovers to the mainly privately owned legion of small and medium sized companies in Europe;
- a scramble for market share in the wider European market. Companies will not have time to build market share. They will have to buy it.

7. THE FUTURE OF MERGER ACTIVITY IN THE IRISH ECONOMY

Merger activity is likely to increase in Ireland in the coming years. An improving economy will encourage mergers but there is also likely to be:

- an increase in LBO activity as institutions and managers become familiar with the financing techniques. The passing into law of the new Companies Act will facilitate this process;

- an increase in foreign takeovers of Irish businesses. This will apply particularly to firms selling repeat purchase products and commanding a reasonable market share;
- Irish firms to protect themselves will have to consider acquisitions in Europe. This means a redirection away from the US and UK towards Europe. The constraints on Irish firms going abroad will not be money. It will be management. Few Irish companies have the depth of management required to manage and control mainland European operations.

None of the above outcomes bode well for job creation in Irish manufacturing industry. LBOs will at best maintain job levels. Foreign takeovers to gain market share could lead to the closure of Irish facilities as production operations are centralised in the lowest cost locations. Irish companies investing abroad to protect themselves will probably use at least part of the cash generated from their domestic operations to fund their overseas ventures.

As Irish based firms expand their overseas operations the difficulties and cost of managing from an Irish base will grow. This may lead to the moving of operational head-quarters to a more central location.

Likewise control and decision making in Irish firms acquired by overseas companies may very well move abroad.

I believe that there is very little which the State can or should do apart from controlling criminal aspects of insider trading or fraud. Increasingly takeovers will have an international context. Control, if there is to be any, will come from EC directives. The role of the EC in the recent Pernod/Irish Distillers case is a sign of things to come.

"Bigness" or greater market concentration is the main fear of governments. Most regulations are designed to protect against loss of competition arising from a growth in monopolistic powers. Yet the available research on mergers shows little evidence of rising prices or price fixing. Furthermore evidence beginning to emerge in the United States shows a decline in industry concentration ratios. New technology, available venture capital and junk bonds are demolishing barriers to entry. This at a time of unprecedented merger activity.

The 1978 Mergers and Monopolies Act has served a useful purpose and should remain, if only as a cooling off period in which the State can examine the implications of any proposed deal.

There has been comment that Irish firms should invest at home. As overseas acquisitions grow in importance for Irish firms so too will the clamour for controls.

It is fanciful to think that Irish based companies can be required to invest in Ireland. If companies are forced to make non-economic investments then they will be weakened in the long run and become a takeover target themselves.

One can also envisage a growth in economic nationalism if control of domestic firms fall into "foreign" hands. Presumably the State will have enough sense to ignore calls for controls.

8. CONCLUSION

There are exciting times ahead for Irish business. The first large scale LBO by a publicly quoted company must be imminent. Shareholders in companies with good market access can expect approaches over the coming years for overseas companies looking to secure outlets and from their own managers seeking to make their fortune. The expected collapse of LBOs and megamergers has not yet occurred probably because there has been no serious recession.

There will be failure in both LBOs and among the more traditional mergers. The losers will be investors and the banks. While losses could be severe in the US where LBO prices are very high, such losses should be seen as a normal consequence of risk capital investments.

Merger activity is only one facet of the corporate restructuring necessary in a dynamic economy.

Let me finish with the Chairman's Prayer.¹⁸

1970s Verse

O Lord watch over our costings
And help us keep them down.
Give us sales beyond compare
And a name of great renown.
Oh! save us from the revenue.
From strikes do keep us rid.
But most of all Almighty God
Please, no takeover bid.

1980s Verse

But if despite my poison pills
The raider at dawn appears
With tons of junk to shoot
Please, I beg Thee let me have
A Golden Parachute.

FOOTNOTES

1. Four recent books on takeovers cover the subject well:
 - a. **Roberts, J., 1987.** *Megalomania*, London, Pitman.
 - b. **Fallon, I. and Srodes, J., 1987.** *Takeovers*, London, Hamish Hamilton.

Each of the above deals with UK takeovers.
 - c. **Johnston, M., 1986.** *Takeover*, New York, Arbor House.
 - d. **Davidson, K., 1985.** *Megamergers*, Cambridge, Ballinger.

The above two cover many US deals.
2. **Newbould, G., 1971.** *Management and Merger Activity*, London, Guthstead.
3. Most books on mergers address the wave concept. Fallon and Srodes *Op. cit.* give a concise account.
4. **Mueller, D.C., 1975.** *The Determinant and Effects of Mergers*, Ch. 2, Cambridge, Gunn and Hain.
5. Financial Times Survey, "Management Buy Outs", p. 1, 13 October 1988.
6. Sunday Times Business Section, p. 18, Ch. C, 29 January, 1989.
7. **Fleury, D., 1973.** "Births and Deaths on the Irish Stock Exchange", Unpublished MBA report, Dublin, University College.
8. **Pollock, J., 1987.** "Acquisitions and Their Effect on the Share Prices of Irish Companies" unpublished memorandum, p. 3, Dublin, Goodbody James Capel.
9. **Pollock, J., 1987.** "Acquisitions and Their Effect on the Share Prices of Irish Companies" unpublished memorandum, p. 3, Dublin, Goodbody James Capel.
10. For a review of this deal see *Business Week*, pp. 22-28, 19 December, 1988.
11. Financial Times Survey, "Management Buy Outs", pp. 1-20, 13 October, 1988.
12. **O'Brien, M.C. and Thompson, R.S., 1987.** "Management Buy Outs in Ireland", *The Irish Banking Review*, pp. 39-50, Spring issue.

13. **Vice, A., 1976.** *The Strategy of Mergers*, London, McGraw Hill.
14. **Pollock, J., 1987.** "Acquisitions and Their Effect on the Share Prices of Irish Companies" unpublished memorandum, p. 7, Dublin, Goodbody James Capel.
15. a. **Brown, L. and Rosengren, E., 1988.** "The Merger Boom : An Overview", *New England Economic Review*, pp. 22-32, Federal Reserve Bank of Boston, March/April.
b. **Vice, A., 1976.** *The Strategy of Mergers*, London, McGraw Hill.
16. **Mueller, D.C., 1975.** *The Determinant and Effects of Mergers*, Ch. 2, Cambridge, Gunn and Hain.
17. **Brown, L. and Rosengren, E., 1988.** "The Merger Boom : An Overview", *New England Economic Review*, pp. 29-30, Federal Reserve Bank of Boston, March/April.
18. Sunday Times, "1970s Verse by Myer Robinson", January 1970.