

REFEREE'S REVIEW

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| Program: | MCF |
| Student: | Nataliya Isakova |
| Title of thesis: | POST-MERGER STOCK PERFORMANCE OF ACQUIRING COMPANIES: THE EVIDENCE FROM THE RUSSIAN MARKET |

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| Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives. | 4 | | |
| Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts. | 4 | | |
| Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives. | 4 | | |
| Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references. | 4 | | |
| Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives. | 4 | | |
| Practical/applied nature of research. Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results. | 4 | | |
| Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references. | 4 | | |

Each item above is evaluated on the following scale, as applicable: 5 = excellent, 4 = good, 3 = satisfactory, 2 = poor

Additional comments:

The paper analyses the connection between acquisitions, performed by Russia companies and abnormal returns on stocks of those companies. The methodology chosen is "event study", which is widely used in the analysis of similar questions. The paper concentrates on the analysis of long-term performance of Russian companies.

The chosen topic is very relevant. The thesis is well organized. First, the author describes relevant literature, then describes methodology, and, finally, provides empirical testing. The author makes two conclusions: first M&A deals are normally resulted in negative abnormal return for the company, and, second, cash deals provide higher return. Both results are not in contradiction with the basic theory.

My belief is that most serious drawback of the paper is the bias introduced by data collection. The author selects 500 highest value deals in Russia for the required period. It can be argued that the value of the deal is significantly correlated with the abnormal return, and, therefore, the selected sample is not representative. In addition, I do not find any good reason to restrict the selected sample to 500 deals.

I would also like to comment on the aim of the paper. While analysis of acquirer is interesting, it is well known that the acquirer usually overpays for the target. Much more interesting, in my opinion, is to study whether any value is created by acquisition. For that, the author needs to analyse the returns of both acquirer and target and look for the changes in the combined market value.

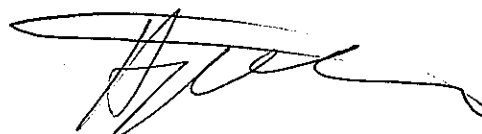
Finally, I did not find particularly useful the inclusion of forty pages with numbers at the end of the thesis.

Master thesis of Nataliya Isakova meets the requirements of MCF program, and deserves a **good** grade, thus the author can be given the desired degree.

Date

June 17, 2013

Referee: (academic title, name)



Victor Archavski, PhD