

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master of International Business
Student:	Yulia Bugaeva
Title of thesis:	THE IMPACT OF FOREIGN SHAREHOLDERS ON A COMPANY'S PERFORMANCE: THE ANALYSIS OF RUSSIAN LISTED COMPANIES

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis.

Identifying determinants of the corporate performance is essential for managing company value and attracting capital for financing its assets. The ownership structure is considered as one of such factors. A number of research papers examine the impact of shareholders structure and concentration of property rights on different indicators of company performance. Submitted thesis is one of them. The aim of this paper is to examine the impact of foreign shareholders presence in capital structure of publicly listed Russian companies on their economic performance. The most researchers focused on the impact of property rights concentration or/and ownership mix on companies effectiveness. Peculiarity of statement of a question about the foreign shareholders impact is distinction between two categories of foreign investors: real and nominal foreign investors.

Structure and logic of the text flow.

The title, research questions and hypothesis are clearly stated. The structure of the work is following: introduction (3 pages), three chapters (50 pages), conclusion (1 page), references (4 pages) and four appendices. Logics and structure of the paper are relevant. The first chapter presents result of review of literature on the problem of relationship between ownership structure and corporate performance. Distinction between approaches used and findings obtained by different researchers are revealed and fixed. The methodology and design of empirical study are described in the second chapter. This section provides the methods which are implemented in this research study, assumptions of the regression model and limitation which are necessary to undertake for the data sample used. The third chapter is devoted to the empirical analysis and the discussion of the empirical results. First, the descriptive statistics of the variables is provided in this section. Second, the hypotheses of this research study are stated and regression models to test the stated hypotheses are designed. The empirical results obtained for each dependent variable are discussed further in the paper. Then the model with inclusion of industrial dummy variables is estimated and the results are reported in subsequent subsection. The remainder of the paper contains the conclusion of the research study.

Quality of analytical approach and quality of offered solution to the research objectives.

Objectives coverage is adequate. The author demonstrates ability to formulate and convey the research problem, select appropriate research tools and apply them to obtain research goals.

Quality of data gathering and description.

Data sample which is used for empirical analysis includes 41 publicly listed companies on the Russian Trade System (RTS) and Moscow Interbank Currency Exchange (MICEX). These companies belong to different industrial sectors: oil and gas, transport, metal and mining, utility, telecommunication, consumer and retail, and services. The data set contains detailed information about each firm for 2008-2009, which was received from different sources: official companies' web-sites, ownership data was downloaded from Ruslana database. Data sample is adequate for testing hypotheses stated. The quantity

and quality of literature review are both satisfactory.

Scientific aspect of the thesis.

Submitted thesis is an original self-dependent research, which contributes to development of theoretical models for investigation links between ownership structure and companies performance. The regression analysis showed that foreign real investors have a higher impact on corporate performance than foreign nominal investors when company's performance is measured using stock market-based performance indicator.

Practical/applied nature of research.

Result obtained is important in context of recent global initiative of international community to improve the standards on information transparency.

Quality of thesis layout.

Layout in general fulfils the requirements of the Regulations for master thesis preparation and defence.

The Master thesis of **Yulia Bugaeva** meets the requirements for master thesis of MIB program thus the author of the thesis can be awarded the required degree.

Scientific Advisor:



Associate Professor,
Olga Patokina