

**Date of the event:**

On Thursday 03<sup>rd</sup> March 2011  
From 01:00 PM to 2:00 PM

**Location:**

Luxembourg School of Finance  
University of Luxembourg  
4 Rue Albert Borschette  
2<sup>nd</sup> Floor  
Modigliani Miller Auditorium (E02-003)  
L-1246 Luxembourg

**Registrations:**

- Free seminar (with lunch included)
- Registrations by email before February 28th, 2011
- At the following address : [lsf-events@uni.lu](mailto:lsf-events@uni.lu)

**Information:**

Ms Caroline Herfroy  
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Workshops>



The LSF is pleased to invite you to the following  
lunch seminar:

***Acquisitions as Lotteries:  
Do Managerial Gambling Attitudes  
Influence Takeover Decisions?***

*By Professor Olivier Spalt  
University of Tilburg – The Netherlands*

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# ***Acquisitions as Lotteries: Do Managerial Gambling Attitudes Influence Takeover Decisions?***

***By Olivier Spalt***

The **Luxembourg School of Finance**

Is pleased to invite you to the

**LSF Seminar**

This paper analyzes takeover announcements for public US targets from 1986 to 2008. Consistent with the hypothesis that gambling attitudes matter for takeover decisions, both acquiror announcement returns and expected synergies are lower in acquisitions where the target's stock has characteristics similar to those of attractive gambles. The offer price premium and target announcement returns are higher in these deals. Our effects are stronger in companies where managers are more entrenched, where the disciplining force of product market competition is lower, where recent acquiror performance has been poor, during economic downturns, for younger CEOs in the acquiring firm, and for acquirors headquartered in areas in which local gambling propensity is higher. Overall, our results suggest that corporate acquisitions are influenced by managerial gambling attitudes and that value destruction for acquirors in gambling-related transactions is substantial.