ABSTRACT

The Post financial crises 2008 has recover with taking hold demand on the bidders and target, optimised global Merger and Acquisition transactions. This report focuses on examine the financial health and value addition required to evaluate the corporate integration phases of Mergers and Acquisitions. It covers on the pre acquisition to post acquisition phases. The previous research found that most of the corporate advisors believed the major Mergers and Acquisitions had been a success. However the objective of achieving a success was subjective estimation. When the study examined each one against prior performance integration based on economic value added for three years after post acquisition. The study reveals that almost opposite to anticipated. It found among selected ten merger and acquisition activities had no value addition to the acquirers. Instead of value addition eventually the value destroyed. In other words selected mergers and acquisitions were unsuccessful in gaining any profitability in terms of financial health as regards value to the shareholders.

In the long run sustainability of the firm depends on multiple market mix and product mix strategies which requires Mergers and Acquisitions. The firm value of selected firms increase in post acquisition period but there is no commissive increase in value addition. Immediately after the acquisition for 3 – 5 years there may be some decline in the earning per share and price earning ratio but after the gestation period it will benefit the companies. Diversification in both product and market is able the companies to overcome the economic upheavals and business cycle problems.

Firm value in terms of assets drastically increased in all the selected companies. Firm value eventually increased based the proportions of the investment increase in year over year. The selected companies are failed to generate commissive increase in return on capital employed. This study support evidence to the previous research and also it is proven that, by considering the financial and economic parameters results found there is huge decline in the value addition compared to the pre and post acquisition period.