

# Mergers and Acquisitions

Good But for Who?

# What is a Merger?

- In a **MERGER**, two (or more) corporations come together to combine and share their resources to achieve common objectives.
- The shareholders of the combining firms often remain as joint owners of the combined entity.
- A new entity may be formed subsuming the merged firms

# What is an Acquisition?

- In an **ACQUISITION**, one firm purchases the assets or shares of another.
- The acquired firm's shareholders cease to be owners of that firm.
- The acquired firm becomes the subsidiary of the acquirer.
- Acquisitions usually take the form of a public tender offer.