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CORPORATE RESTRUCTURING AND CONTROLLING INTEREST

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ABSTRACT

Value enhancement can be achieved by a forced change of incompetent management in corporate reshuffling and in acquisitions of poorly run companies. Performance improvements can be greater and more of an embedded value can be unlocked in poorly managed companies than in good ones. Free cash flow value drivers have to be determined through comprehensive business analysis and the value of control estimated by applying the discounted cash flow method. In acquisitions, buying a minority interest differs substantially from buying a controlling interest. Normally, controlling interest replaces incumbent management and implements new management policies in order to restructure a company and create additional value.

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