

**MANAGEMENT BUY-OUTS PHENOMENON  
IN MALAYSIA - ITS PERFORMANCE**

**BY**

**MOHAMAD ASMADY BIN SHAHADAN**

**ADVANCED DIPLOMA IN BUSINESS STUDIES (FINANCE)  
MARA INSTITUTE OF TECHNOLOGY**

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## EXECUTIVE SUMMARY

This project paper is mainly focusing on the performance of the management buy-outs companies. It is believed that the buy-out exercise would not only be a great opportunity to create wealth but eventually manage to turn an ailing company to a brighter company.

Thus in order to examine the performance of buy-outs companies, few series of analysis such as gap analysis, growth analysis, price movement analysis, returns analysis and multiple regression analysis for the selected variables have been conducted. It was noted that the turnover, total costs and gross domestic product are significant to the profitability of the buy-out companies. Factors such as total assets and base lending rate seem to be insignificant at 95% confidence level. Anyway all companies under this study were found to have 90% (and above) of the sample variation in profit before tax that can be explained by the selected independent variables.

Although in some cases the non buy-outs companies seem to out performed the buy-outs companies, the genuity of the buy-out team to improve the company should be respected.

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Mohamad Asmady Shahadan

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