
Appendix A: List of Companies

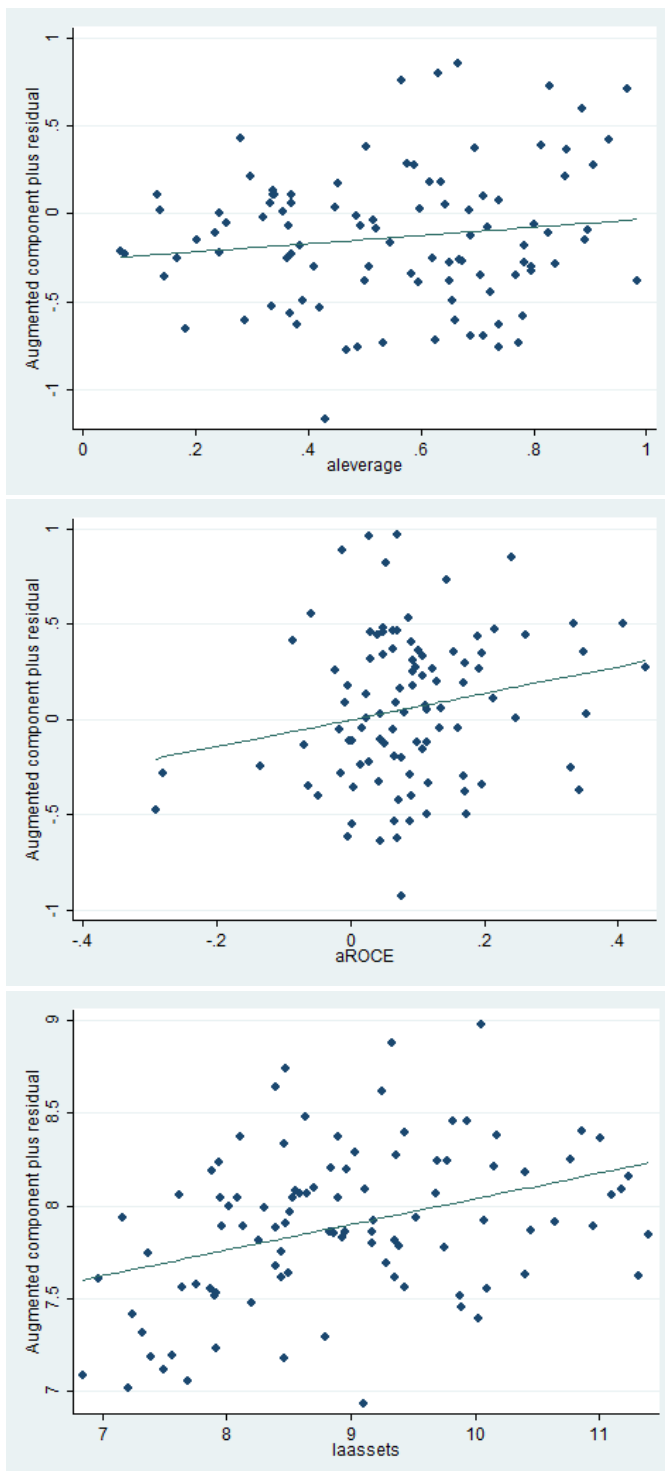
AAA AUTO a.s.
ABB s.r.o.
Advanced World Transport a.s.
AGC Flat Glass Czech a.s., člen AGC Group
AGEL a.s.
Agrofert a.s.
Ahold Czech Republic, a.s.
ArcelorMittal Ostrava a.s.
Automotive Lighting s.r.o.
BOSCH DIESEL s.r.o.
Budějovický Budvar, národní podnik
CEPRO a.s.
Continental Automotive Czech Republic s.r.o.
CTP Invest, spol. s r.o.
ČEPS, a.s.
Česká pošta, s.p.
České aerolinie a.s.
Daikin Industries Czech Republic s.r.o.
DEK a.s.
DENSO MANUFACTURING CZECH s.r.o.
DEZA, a.s.
DIAMO, státní podnik
Dopravní podnik hl.m. Prahy, a.s.
E.ON Distribuce, a.s.
E.ON Energie, a.s.
Eni Česká republika, s.r.o.
EUROVIA CS, a.s.
EVRAZ VÍTKOVICE STEEL, a.s.
Fehrer Bohemia s.r.o.
Feron, a.s.
Foxconn CZ s.r.o.
GECO, a.s.
Globus ČR, k.s.
HELLA AUTOTECHNIK NOVA, s.r.o.
HP TRONIC Zlín, spol. s r.o.
Inventec (Czech), s.r.o.
Iveco Czech Republic, a. s.
Iveco Czech Republic, a. s.
JUTA a.s.
Kaufland Česká republika v.o.s.
KIEKERT-CS, s.r.o.
Mobis Automotive Czech s.r.o.
Mondi Štětí a.s.
MORAVIA STEEL a.s.
NET4GAS, s.r.o.
nkt cables s.r.o.
OHL ŽS, a.s.
OKD, a.s.
OMV Česká republika, s.r.o.
ON SEMICONDUCTOR CZECH REPUBLIC, s.r.o.
OTE, a.s.
PEGAS NONWOVENS s.r.o.
Penny Market s.r.o.
PHOENIX lékárenský velkoobchod, a.s.
Pražská energetika, a.s.
Pražská plynárenská, a.s.
PSG-International a.s.
PSJ, a.s.
Richter + Frenzel s.r.o.
Robert Bosch, spol. s r.o.
SAFINA, a.s.
SAINT-GOBAIN ADFORS CZ s.r.o.
sanofi-aventis, s.r.o.
Severočeské doly a.s.
Shell Czech Republic a.s.
Siemens, s.r.o.
Skanska a.s.
Slovnaft Česká republika, spol. s r.o.
Sochorová válcovna TŽ, a.s.
SPOLANA a.s.
Správa železniční dopravní cesty, státní organizace
STÁTNÍ TISKÁRNA CENIN, státní podnik
STOCK Plzeň-Božkov s.r.o.
Stora Enso Wood Products Ždírec s.r.o.
STRABAG a.s.
SWS a.s.
ŠKODA PRAHA Invest s.r.o.
ŠKODA TRANSPORTATION a.s.
Tereos TTD, a.s.
Tesco Stores ČR a.s.
T-Mobile Czech Republic a.s.
TONDACH Česká republika s.r.o.

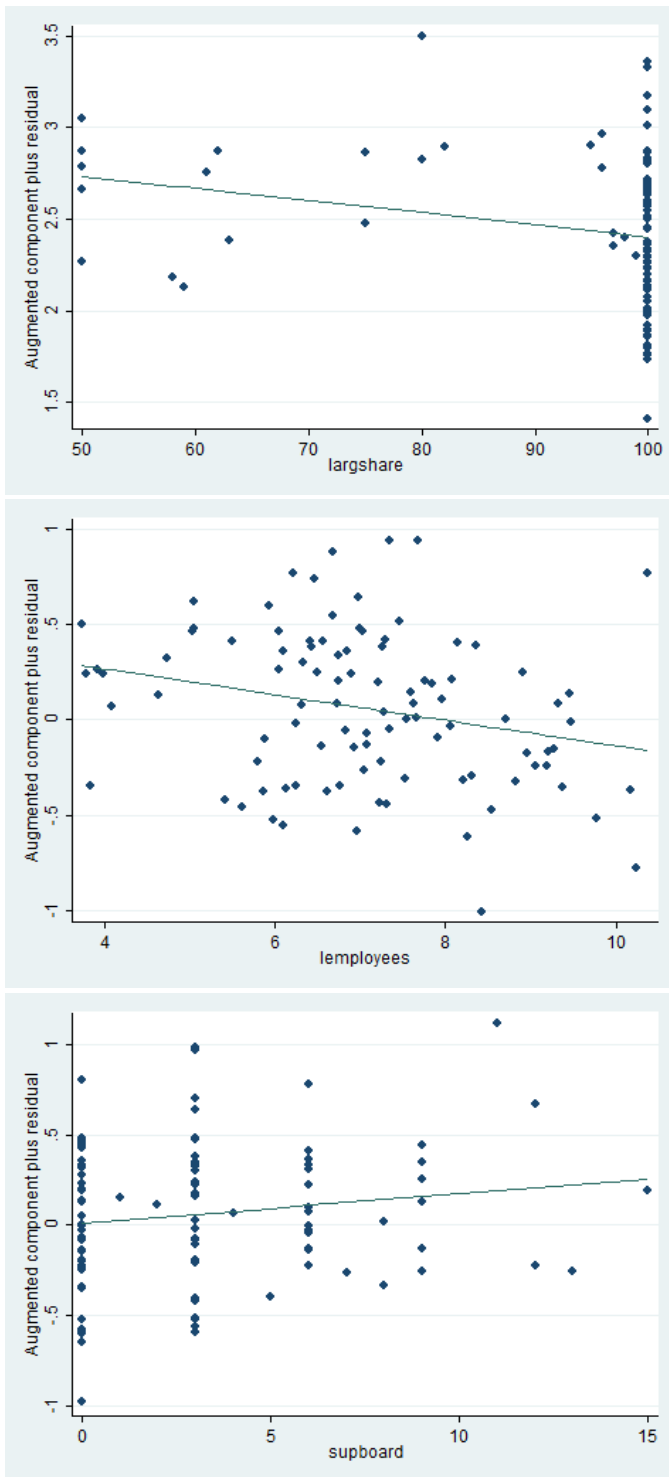
Lesy České republiky, s.p.
Lidl Česká republika v.o.s.
Linde Gas a.s.
LOM PRAHA s.p.
Lovochemie, a.s. Lovosice
Lumius, spol. s r.o.
M.L.S. Holice, spol. s r. o.
Magna Exteriors & Interiors (Bohemia) s.r.o.
METALIMEX a. s.

Toyota Peugeot Citroën Automobile Czech, s.r.o.
TRW Automotive Czech s.r.o.
Třinecké železářny, a.s.
Unipetrol a.s.
VEMEX s.r.o.
Vodafone Czech Republic a.s.
Vojenské lesy a statky ČR, s.p.
WITTE Nejdek, spol. s r.o.
Zentiva, k.s.

Appendix B: Model 1 in Stata

1. Plotting variables on augmented component plus residuals





2. Regression results

```
. regress laMI laassets lemployees supboard largshare FOE SOE aleverage aROCE
```

Source	SS	df	MS	Number of obs =	100
Model	5.09742199	8	.637177748	F(8, 91) =	3.97
Residual	14.6216263	91	.160677212	Prob > F =	0.0005
Total	19.7190483	99	.199182306	R-squared =	0.2585
				Adj R-squared =	0.1933
				Root MSE =	.40085

laMI	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
laassets	.1444252	.0479925	3.01	0.003	.0490939 .2397565
lemployees	-.0634008	.0314157	-2.02	0.047	-.1258042 -.0009975
supboard	.017239	.0190643	0.90	0.368	-.02063 .0551079
largshare	-.0061683	.0031462	-1.96	0.053	-.0124178 .0000813
FOE	.27006	.1113256	2.43	0.017	.0489255 .4911946
SOE	.2223084	.1672235	1.33	0.187	-.1098605 .5544774
aleverage	.2448681	.1996154	1.23	0.223	-.1516434 .6413796
aROCE	.7012836	.3606739	1.94	0.055	-.0151509 1.417718
_cons	6.99863	.5136733	13.62	0.000	5.978281 8.018979

3. Results of tests

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
```

```
Ho: Constant variance
```

```
Variables: fitted values of laMI
```

```
chi2(1) = 2.07
```

```
Prob > chi2 = 0.1502
```

```
Ramsey RESET test using powers of the fitted values of laMI
```

```
Ho: model has no omitted variables
```

```
F(3, 88) = 1.10
```

```
Prob > F = 0.3554
```

Variable	VIF	1/VIF
supboard	2.77	0.360376
SOE	2.46	0.407223
FOE	1.78	0.562707
laassets	1.70	0.587456
lemployees	1.34	0.744315
aleverage	1.26	0.796443
largshare	1.19	0.837392
aROCE	1.14	0.875491
Mean VIF	1.71	

White's test for H_0 : homoskedasticity
against H_a : unrestricted heteroskedasticity

chi2(41) = 32.22
Prob > chi2 = 0.8349

Cameron & Trivedi's decomposition of IM-test

Source	chi2	df	p
Heteroskedasticity	32.22	41	0.8349
Skewness	14.73	8	0.0647
Kurtosis	0.25	1	0.6186
Total	47.20	50	0.5866

Appendix C: Model 2 in Stata

1. Hausman Test

	Coefficients		(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
	(b) fe	(B) re		
ladsales	.2003321	.1609507	.0393814	.0962648
dfixassets	-.0902996	.0226293	-.1129289	.1199282
ladROA	.2012832	.3063377	-.1050545	.246914
dROE	-.0091094	-.0154569	.0063475	.0148784
dROCE	.0366609	.0414893	-.0048284	.038085
dEBITmargin	-.0110342	-.0255438	.0145095	.0386434

b = consistent under H_0 and H_a ; obtained from xtreg
 B = inconsistent under H_a , efficient under H_0 ; obtained from xtreg

Test: H_0 : difference in coefficients not systematic

chi2(6) = (b-B)'[(V_b-V_B)^(-1)](b-B)
 = 2.35
 Prob>chi2 = 0.8847

2. Lagrange multiplier test for random effects

Breusch and Pagan Lagrangian multiplier test for random effects

ladMI[idcode,t] = Xb + u[idcode] + e[idcode,t]

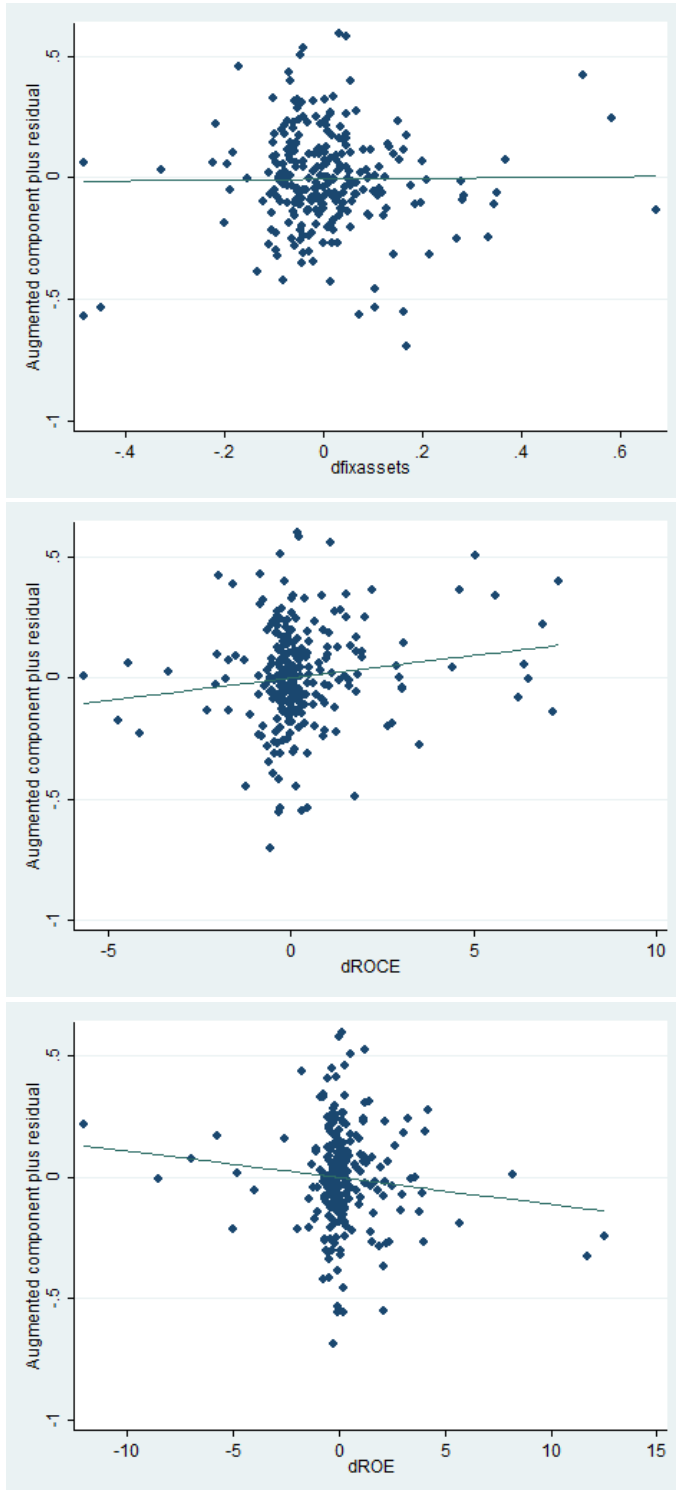
Estimated results:

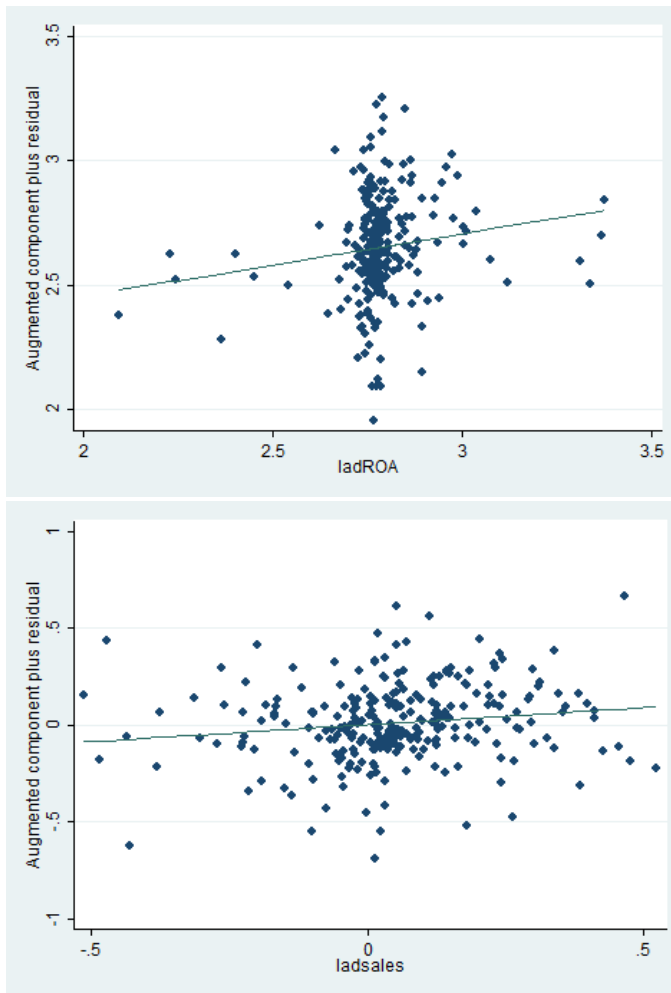
	Var	sd = sqrt(Var)
ladMI	.0434177	.2083691
e	.0541369	.2326734
u	0	0

Test: Var(u) = 0

chibar2(01) = 0.00
 Prob > chibar2 = 1.0000

3. Plotting variables on augmented component plus residuals





4. Regression results

Source	SS	df	MS		
Model	.761624079	5	.152324816	Number of obs =	262
Residual	10.5703866	256	.041290573	F(5, 256) =	3.69
Total	11.3320107	261	.043417665	Prob > F =	0.0031
				R-squared =	0.0672
				Adj R-squared =	0.0490
				Root MSE =	.2032

ladMI	Coef.	Std. Err.	t	P> t	Beta
ladsales	.1735617	.0762502	2.28	0.024	.1435122
dfixassets	.0185483	.0990952	0.19	0.852	.0113232
ladROA	.2333671	.2032642	1.15	0.252	.1378801
dROE	-.0119973	.0118453	-1.01	0.312	-.1148509
dROCE	.019419	.0102033	1.90	0.058	.1479061
_cons	-.6234162	.5633666	-1.11	0.270	.

5. Results of tests

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance
 Variables: fitted values of ladMI

chi2(1) = 0.00
 Prob > chi2 = 0.9471

Ramsey RESET test using powers of the fitted values of ladMI

Ho: model has no omitted variables

F(3, 253) = 1.39
 Prob > F = 0.2461

Variable	VIF	1/VIF
ladROA	3.96	0.252638
dROE	3.53	0.283365
dROCE	1.66	0.603323
ladsales	1.09	0.916626
dfixassets	1.00	0.995665
Mean VIF	2.25	

White's test for Ho: homoskedasticity

against Ha: unrestricted heteroskedasticity

chi2(20) = 19.20
 Prob > chi2 = 0.5092

Cameron & Trivedi's decomposition of IM-test

Source	chi2	df	p
Heteroskedasticity	19.20	20	0.5092
Skewness	1.69	5	0.8898
Kurtosis	7.19	1	0.0073
Total	28.08	26	0.3544