

IR **GUIDE** 1

magazine

NUMBER 1



A survivor's guide to roadshows

How to cross three continents in a week

Exploring emerging capital markets

Executing group meetings and one-on-ones

Do's and don'ts while on the road

AN EDUCATIONAL SUPPLEMENT TO IR MAGAZINE



Destination Middle East

All in the family

Abu Dhabi-based private equity investor Imad Ghandour suggests targeting families in the region when traveling to the Middle East. Oil-rich families here have divisions that handle their investments and are often looking for new opportunities.

For instance, the Saudi Arabia-based Olayan family holds a 26 percent stake in Peel Holdings, which owns Glasgow Harbour and the Mersey Docks, and is currently looking at European investment opportunities through its Crescent Holdings subsidiary. Another possible target is the Futtaim family: the brothers Abdullah and Majed are worth about €5.9 bn (\$8 bn) and have interests in construction and real estate, as well as import/export.

The Olayan and Futtaim families, along with Orascom Telecom, founded Oasis Capital, which has around €150 mn in assets under management. All of these wealthy families have their own staff of around five employees who handle their deals and investments, and the best way to reach these decision-makers is through a local broker.

DAY ONE

The Middle East's financial centers are unexplored territory for most investor relations professionals. So when our broker suggested my CEO and I take a trip to the United Arab Emirates in the middle of our roadshow, I was a bit skeptical. Since when did these become target destinations for non-deal roadshows? The answer is: they didn't. But if you have two or three local funds showing an interest in your story, as was the case here, this region is well worth a visit.

The funds interested in meeting with us were in Dubai and Abu Dhabi and, with Sunday marking the beginning of the working week there, we could easily tack on a weekend trip between our London and US stops. So after a grueling couple of days of meetings in London, we boarded a plane on Saturday afternoon to Dubai.

The flight landed us in the city around 10.30 pm, and I was thankful that I had asked our hotel to have a car waiting for us upon arrival – the last thing you want after seven hours on a plane with your boss is a delay in getting to the hotel. It took us about half an hour to get to the city center, where we checked into the Emirates Towers hotel.

DAY TWO: Dubai and Abu Dhabi

It wasn't until the following morning that I realized how incredibly hot it was: 43°C. Try wearing a full suit and toting a laptop in that heat. I decided

to forgo the blazer until we were about to enter our meeting but soon realized that the sleeveless look is simply not favored for women in this part of the world. You don't have to cover your head, but full formal business attire is a must here.

Even though we were within

Top 25 Dubai-based funds

This is an alphabetical list of well-known international institutions in the city, as well as local investment funds. Current assets under management were not available in order to rank these firms.

- ❖ Abraaj Capital
- ❖ Barclays International
- ❖ Calyon
- ❖ Carlyle Group (private equity)
- ❖ Citigroup
- ❖ Commercial Bank of Dubai
- ❖ Credit Suisse
- ❖ Deutsche Bank
- ❖ Dubai Islamic Bank
- ❖ Emirates Bank International
- ❖ Franklin Templeton Investments
- ❖ Goldman Sachs
- ❖ HSBC
- ❖ Invesco Asset Management
- ❖ JPMorgan
- ❖ Julius Baer
- ❖ Lehman Brothers
- ❖ Mellon Global Investments
- ❖ Merrill Lynch
- ❖ Morgan Stanley
- ❖ National Bank of Dubai
- ❖ Prudential
- ❖ Standard Chartered
- ❖ Sumitomo Mitsui
- ❖ UBS

Source: CapitalBridge



walking distance of the Dubai International Financial Centre, the cluster of ultra-modern skyscrapers that houses the city's buy side, we still arranged for a car. This was the easiest way to make sure we were on time and not too sweaty. We also wanted a car to take us to Abu Dhabi, which is a 90-minute drive from Dubai's city center, that afternoon.

Our meetings seemed to go smoothly. We forewent our standard presentation and launched into questions right away instead. I was certainly pleased I had done my homework beforehand as local fund managers were impressed with my knowledge of their current holdings and particular investment styles.

They were also exceedingly charming and polite, making it hard to discern whether they would invest any

time soon. It was a definite departure from the aggressive and straightforward approach of London or New York funds. I was later told by a local private equity manager that many funds here expect you to visit three or four times before they buy in.

Visitor hospitality is definitely a priority here, with all of our contacts vying to take us to dinner that night. With our 14-hour flight to New York leaving first thing Monday morning, it was a blessing to be in a Muslim country where alcohol is not generally available outside hotels. We decided to dine with the first fund manager we had met because his firm recently paid a hefty price for a sizable stake in one of our competitors. We ended up having a nice evening of polite conversation with promises to catch up in the following weeks.

Highs and lows of the local buy side

While still investing the bulk of their oil profits locally, Arab investors are increasingly showing an appetite for foreign equity. The Institute of International Finance estimates that between the beginning of 2004 and the end of 2005, the foreign asset holdings of the Gulf Cooperation Council states increased by \$150 bn.

The Bahrain-based Arcapita fund, for example, has put a third of its worldwide investments in European equities, investing a total of around €7 bn (\$9.6 bn), according to *CNBC European Business*.

Dubai and Abu Dhabi are home to several multi-billion-dollar funds currently scouting for investments abroad. Dubai International Capital, a government-owned fund with €4.5 bn under management, recently took a 3 percent stake in DaimlerChrysler and has expressed an interest in buying into European aerospace group EADS. And Abu Dhabi-based Mubadala Development recently bought up 5 percent of Italian car maker Ferrari.

As with any equity market, the best way to reach these funds is through a local sell-side contact who can test the waters before you commit your CEO to a visit.

Don't leave home without:

Checking the visa requirements for the country you're visiting in the Middle East. The UAE is one of the easiest with UK, US and many European citizens able to obtain a free visitors' visa upon arrival. But Saudi Arabia is a bit more complicated and, depending on your nationality, it can take up to a week to get a visa.

Ordering transportation from the airport. Most hotels in the region will have shuttle services from the airport but it's best to book these in advance so there is no wait when you arrive.

Telling management the rules. It is forbidden to import narcotics, pork products and pornographic materials into the UAE. While CEOs are unlikely to bring in pornography, it's important to note that these rules may extend to medical journals and fashion magazines that feature women's busts or lingerie-clad models. It's also against the rules to import Israeli products, and visitors coming directly from Israel are not allowed into the country.



The Big Apple

Sleeping in Manhattan

Manhattan has a wide choice of modern business hotels and smaller boutique hotels, so it depends on the style you and your management team prefer. The rooms at boutique hotels tend to be on the smaller side, but what they lack in space they often make up for in style, boasting unique décor and ambience.

Larger hotels are sometimes better rehearsed in dealing with business travelers, however, which is often your priority when on a roadshow. Good examples of larger hotels include the Mandarin Oriental and Grand Hyatt, while the Royalton and Sixty Thomson are among two of the best boutique hotels.

DAY THREE

We arrive at JFK airport at around 2.30 pm on the Monday and spend the usual 30 minutes getting through US customs. The 14-hour flight has left us both a bit the worse for wear so we skip the mile-long taxi lineup and take a private cab to the hotel.

We're booked into the Four Seasons on East 57th Street as it seems to be an efficient hotel with a good business center and convenient location. The rooms are also a decent size compared with some of the shoeboxes you get at trendier NYC boutique hotels.

New York has long been a prime roadshow destination spot. The city is

home to some of the world's largest hedge funds, equity funds, mutual funds and investment banks. You can easily spend a day here, packing in half a dozen one-on-one meetings as well as a group lunch, without overtaxing management members.

Manhattan is quite easy to navigate by car, unless you hit rush hour, or visit during the Columbus Day or St Patrick's Day parades, when all cross streets are closed and traversing Fifth Avenue becomes a superhuman feat.

Otherwise, with most companies located in the midtown area, it is reasonably easy to set up meetings back-to-back in this city.

Top 10 New York-based funds

Fund	Primary style	Assets under management
AllianceBernstein	Growth	\$606.0 bn
TIAA-Cref Asset Management	Growth	\$197.1 bn
Goldman Sachs Asset Management (US)	Value	\$171.0 bn
BlackRock	GARP	\$168.4 bn
OppenheimerFunds	Value	\$135.8 bn
Deutsche Bank Trust Company Americas	Index	\$118.6 bn
ClearBridge Advisors	Growth	\$114.7 bn
JPMorgan Investment Management (US)	Value	\$113.0 bn
Morgan Stanley Investment Management	Value	\$111.9 bn
Deutsche Investment Management Americas	Index	\$101.4 bn
Davis Selected Advisors	GARP	\$100.1 bn

Source: CapitalBridge

DAY FOUR: Passport control

Woke up bright and early to check emails and print off some last-minute changes to our presentation notes. We breakfasted with our broker in the hotel and then hopped in our limo to go to our first meeting on West 54th Street and Sixth Avenue.

The day started off badly when we had to go back to the hotel to retrieve my CEO's passport after the building security guard insisted on seeing picture ID. During the IPO roadshow, our agency was there to remind us of these practicalities, so I missed that. This delayed us by half an hour for our first meeting with a current holder who I suspected had more buying potential. Luckily I remembered that this particular portfolio manager never misses a Mets game and managed to smooth things a bit with some baseball banter.

We never did get back on schedule that morning so we arrived back at the hotel within minutes of our group meeting, which was set for 12.30 pm. Unlike their Middle East compatriots, New York portfolio managers like you to be very succinct when presenting, aren't interested in socializing and expect to be fed.

The presentation went a bit over the 25-minute mark, unfortunately. As dessert was served, we opened the floor to Q&A and some attendees headed for the door; if you overrun in the least, you always lose a few, and my CEO was not thrilled.

Good venues for group meetings in New York

Palace Hotel

Classic old-style hotel in midtown – convenient location for most funds
455 Madison Ave
Tel: +1 212 888 7000

Metropolitan Club

Baroque former men's club on the Upper East Side
1 East 60th St
Tel: +1 212 838 7401

Four Seasons

Modern-style hotel in midtown
57 East 57th Street
Tel: +1 212 758 5700

Hot dinner spots

Gramercy Tavern

Inventive American cuisine in rustic elegant setting
42 East 20th Street
Tel: +1 212 477 0777

La Goulue

Art nouveau French bistro
746 Madison Avenue
Tel: +1 212 988 8169

Union Square Café

Comfortable, crisp American eatery with Italian influence
21 East 16th Street
Tel: +1 212 243 4020

Still, we had a few incisive questions about our recent quarterly results that showed the high level of insight of this buy-side audience. All in all, it was a worthwhile meeting.

Roadshow travel tips

- ❖ Check the fine print: Always read up on the visa requirements for different passport holders when traveling abroad to avoid delays.
- ❖ Holidays: Verify national holiday dates before you plan your roadshow and always check the best time to meet with local fund managers.
- ❖ Tools of the trade: Multiple adapters and a Tri-Band BlackBerry or phone are essentials when on the road.
- ❖ Check ahead: Make sure your hotel offers wireless access from every room so that it's easy to hook up when you arrive late at night.
- ❖ Recharge: Don't forget to recharge your BlackBerry often – it's a good idea to bring along a car charger that plugs into cigarette lighters.
- ❖ Business cards: Bring *more* than enough.
- ❖ Food first: If you're running late, grab a sandwich on the go rather than wait until after the next meeting – there is nothing worse than a starving CEO.



Boston bound

Travel light

When taking the shuttle from New York to Boston, it's a good idea to travel as light as possible. Avoiding checking your bags – this can chop a lot of time off your trip as you don't have to wait in line at La Guardia to check in luggage. This often means you can catch an earlier shuttle and have more time to relax before another day of meetings.

If you've been on the road for a couple of weeks, however, it's unlikely you will have only carry-on bags. Therefore, one option is to hire a car to drive your bags to Boston and deliver them to your hotel. The drive from New York is around four hours in light traffic, and you can schedule the car to leave while you're still in meetings so your things are there on arrival. It's not obscenely expensive to do this and makes for a much smoother trip to Boston.

DAY FOUR

We finished our afternoon meetings, rushed back to the hotel to collect our bags and headed to La Guardia to catch the shuttle to Boston. In the old days, you could walk right on to the plane after checking your bags but now they've added the usual security screening, which takes about half an hour to get through on a busy flight.

My CEO really wasn't in the mood for removing his shoes and belt after such a taxing day. Thankfully, it only takes an hour to get to Boston by shuttle and Logan airport is just 10 minutes from downtown.

We got into Boston at about 7.30 pm and I was pleased to be back in

this relatively quiet New England city. It's much less of a concrete jungle than New York with lots of open spaces and a beautiful harbor front. To take advantage of the water views, I booked us into the Boston Harbour Hotel and took us down to Anthony's Pier 4 for dinner. After feasting on clam chowder and crab cakes, we headed back to the hotel around 10 pm and had a quiet drink in the bar.

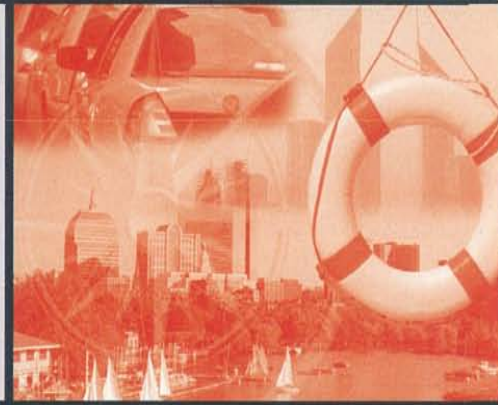
DAY FIVE: Facing the skeptics

The best strategy for us in Boston was to set up half a dozen one-on-ones with current and prospective holders. The city is known as the US' old money center with big names like

Top 10 Boston-based funds

Fund	Primary style	Assets under management
Fidelity Investments	Growth	\$758.6 bn
State Street Global Advisors	Index	\$560.9 bn
Wellington Management Company	Value	\$398.0 bn
Columbia Management Advisors	Value	\$142.4 bn
Grantham Mayo Van Otterloo & Company (GMO)	Quantitative	\$123.4 bn
MFS Investment Management	GARP	\$116.2 bn
Putnam Investments	Growth	\$108.0 bn
Pyramis Global Advisors	Growth	\$92.9 bn
Eaton Vance Management	Growth	\$83.7 bn
Geode Capital Management	Quantitative	\$65.8 bn

Source: CapitaBridge



Fidelity, Putnam and State Street Global Advisors all based here. Many larger institutions don't come to group meetings; they don't feel comfortable asking management questions in a group. At the same time, the local buy side is very savvy and knowledgeable, with many larger institutions producing high quality in-house research.

One of the perks of this leg of our trip was the chance to walk between meetings – after spending long days being chauffeured around foreign cities, walking is a luxury. All was going well until my BlackBerry ran out of juice after our second meeting. I didn't know where we needed to go next and it caused a panic when my CEO realized he didn't have his mobile – this is another moment when an agency would have been useful. We ended up calling the office from a payphone to get the address; a delay we didn't need. Note to self: recharge BlackBerry the night before meetings.

Despite that hiccup, our meetings seemed fruitful. Boston's equity managers are appreciative of non-deal roadshow visits, and are quite happy to talk about your story when you're not actively selling something.

Mostly, the portfolio manager was joined by the firm's analyst, who often asked the more penetrating questions about our results and growth strategy. Along with some of the bigger funds, we met with a few independent firms that had less to offer in buying power but, as current holders of some of our

Eating and drinking

Anthony's Pier 4
Good value with excellent views
140 Northern Avenue
Tel: +1 617 482 6262

No 9 Park
Fine dining in historic mansion overlooking Boston Common
9 Park Street in Beacon Hill
Tel: +1 617 742 9991

KO Prime
Great steak restaurant with fantastic ambience
90 Tremont Street
Tel: +1 617 772 0202

Locke-Ober
Old-school seafood restaurant where JFK came for clam chowder
3 Winter Place
Tel: +1 617 542 1340

Mistral
French food, trendy décor
223 Columbus Ave
Tel: +1 617 867 9300

peers, were worth a visit.

Next stop: the hotel, for a debrief with our broker. He seemed to think one of our bigger holders was eager for us to merge with a main competitor. My CEO didn't see this happening any time soon so we debated how to ensure this fund didn't sell, as well as what would take its place if it did.

Then it was off to the airport to catch the red eye. After a whirlwind five days on three continents, I was definitely ready to get back home.

Following up

Arriving home after a pretty exhausting roadshow, the last thing you want to think about is planning your next trip. However, experts say it's critical to follow up straightaway with funds you've met, and keep them constantly updated on your company's news.

Many funds require management to visit several times before they buy, so it's crucial that IR maintains relations with these portfolio managers following a meeting.

You also need to gather feedback for management on what the portfolio manager thought of the meeting and which questions remain to be answered. The best way to do this is to ask the fund managers you met with and hope they will provide honest feedback.

Your broker is also a good source of reliable feedback post-meetings. Portfolio managers often feel more comfortable talking to an intermediary than speaking directly to a company.



Home sweet home

Sponsor's statement

Planning a trip to meet investors? Want some help and advice? Media tree can provide you with either or both, and take away the road-related stress in order to help you do what you do best: convince the investors. Don't let logistics get between you and a seamless roadshow.

Media Tree can support the planning, coordination and execution of your roadshow around the clock, worldwide.

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- ❖ on-the-road support
- ❖ event production
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Media Tree: the international financial roadshow specialist.

Getting back to the office after a couple of weeks on the road is never a pleasant experience, no matter how many times you're able to check your email remotely. With our quarterly results nearing, we needed to begin preparing our results messages and putting the final touches on our earnings call. But my first priority was to prepare a report for management and the board on the successes and failures of our latest round of investor meetings.

This isn't the easiest task as you don't often get a sense of investors' appetites just after a visit, but we needed to demonstrate the immediate usefulness of tearing my CEO away from the business for two weeks.

After inputting my new contacts in our database, I made a note of any unexpected questions that came up during meetings. I also inputted any insight we gleaned from our broker, post-meeting, on particular funds.

We subscribe to a third-party service that helps us monitor the buying and selling patterns of funds

invested in our shares and our competitors so I asked it to send me the most up-to-date information on where these holders stood. Then it was time to reach out to these portfolio managers and see if they had any immediate follow-up questions.

The next morning, I got a 5 am wake up call from one of the funds we met with in Abu Dhabi. The fund manager was looking for more information on our new product line. I was surprised by his eagerness as he had seemed very courteous in the meeting but not particularly keen.

This assured me that it was indeed worthwhile to add on that weekend trip to the Middle East rather than have a nice relaxing weekend between London and the US. If I were to schedule this trip all over again, there are only a few things I would change – like remembering to recharge my BlackBerry and feed my CEO.

Crossing three continents in the space of a week with meetings back-to-back sounded incredibly daunting at the outset. But what we discovered is that with the right planning and inside knowledge of the buy side, it's possible to pull off this type of whirlwind roadshow without completely exhausting management.

It's also well worth exploring new capital markets destinations such as the Middle East – provided local fund managers have already indicated an interest in your story before you book your flights.

For more information

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