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Westbrook Communications Media and Investor Relations News brings together news and information on media and investor relations issues from around the world as well as providing an update on our news, activities and services.

### Challenge to shareholder communication

Australian listed companies are reporting a reduction in analyst and media attendance at results presentations according to a survey by the Australian Investor Relations Association.

The reason – a reporting period for listed companies reduced from 75 days to 60 days after 1 January 2004.

With these new time constraints, many listed companies are not getting the face-to-face contact with analysts and journalists they once enjoyed – a situation which is affecting small and mid-cap companies most markedly.

The situation has prompted listed companies to give careful consideration to the new shareholder communication landscape in which they find themselves

There are some electronic alternatives, such as webcasting, conference calls and placing presentations on websites.

However, while these are useful in making information available, face-to-face contact remains the most powerful mechanism by which CEOs and CFOs can communicate with analysts and the media.

A process implemented by Westbrook Communications for many companies is to look beyond results season to capture media coverage and the attention of busy analysts.

### Learning from those who go before

In a publication called, *Thinking about an Initial Public Offering? Preparing you and your business for the road ahead*, KPMG in the UK has covered what can be the rocky road towards an IPO.

According to the report which surveyed directors of recently listed European companies, the most challenging aspects of the IPO process were:

- preparation and verification of the prospectus
- due diligence
- marketing

These three areas were more time consuming than was expected, with 62% of CEOs and 81% of finance directors spending over half their time focusing on the IPO.

It was also revealed that nearly four out of 10 companies took longer than expected to complete the IPO, mainly because of:

- issues uncovered during due diligence
- changing market conditions
- unrealistic timetables
- complexity of preparing the financial track record

An area not covered by KPMG is corporate communications, which we know from our experience across over 40 IPOs is critical to establishing an investment brand with the media, investment community and shareholders.

### Crisis management and communication

When Johnson & Johnson implemented a strategic communications program in the early 1980s to avert a corporate crisis after seven people died from ingesting cyanide-laced Tylenol, a new subset of public relations was born – crisis management.

While crisis management experts don't always agree on what the strategy should be, they do agree that everyone should at least have a strategy because although crises are rare, they should not be unthinkable.

There are estimates that less than a fifth of larger corporations have a formal crisis communications plan, which is a concern given that "just a quarter of business crises come out of the blue" (*Institute for Crisis Management*).

It would seem that many companies just hope that a crisis will not eventuate.

However, for listed companies, the onset of a crisis can have widespread ramifications, necessitating a plan that communicates not only with the media and those affected directly by the crisis but also the investment community.





## Westbrook Communications News

### Presentations – common faults

Effective presentations to shareholders, journalists and analysts can be a powerful communication tool.

The main objective should be to impart understanding about a business and to create confidence that management can deliver growth.

However, this doesn't answer the question of what information to give and how to present it persuasively.

Among comments we hear from many investment presentations are these which highlight common faults:

- **Too long** – A simple way to keep to the time available is to allow three quarters of the time for presentation and a quarter for questions, with questions intended as a discussion opportunity to re-emphasise key points
- **Information overload** – information often needs to be converted into a more interesting commodity so that the corporate story is placed in an industry context to explain the evolution of the business plan
- **Wrong information** – there is little point in telling people what they already know. Results presentations need to go over key figures but an audience can learn a lot from understanding industry developments and how company decisions are made
- **The PowerPoint trap** – continual word summaries need to be varied by using diagrams and contact with the audience can be recaptured by turning off the projector occasionally

### IPO Update

Towards the end of 2005, we were involved in several IPOs, taking to 45 the number of IPO communications programs we have managed over the past 18 years.

According to a Japanese study, returning to work after the weekend can trigger a dangerous increase in blood pressure which may explain why there are 20% more heart attacks at the start of the week

Microsoft estimates that about 30 million PowerPoint presentations are made everyday

The estimated US productivity loss as a result of worker absenteeism after the release of *Star Wars: Episode III – Revenge of the Sith* was \$US627 million

### Our Services

- **Communications strategy** - development of the corporate story and how it is presented
- **Media relations** - achieving a media profile, positioning and management of the news flow
- **Investor relations** - achieving investor understanding of your corporate story
- **Shareholder communication** - shareholders like to be informed – develop a complete program
- **Corporate affairs** - conveying key messages to the media and government
- **Marketing communications** - contributing to the marketing function with communications input
- **Crisis management** - preparation for and management of communication at times of crisis
- **Media training** – rehearsing your story to sharpen the value of the outcome
- **Graphic design** – achieving quality and consistency throughout your overall communications strategy
- **Government relations** – accessing key decision-makers on a local, state and federal level

*Westbrook Communications advises ASX listed companies, financial services and professional organisations on communication. Established in 1987, we have completed 45 IPOs, with our programs winning national awards for excellence in financial and investor communication.*

Westbrook Communications is Australia's leading independent financial public relations firm.

Our team comprises senior people with backgrounds in journalism and the investment markets, giving us an edge in advice on communication of business information.

Our years of experience enable us to advise companies on marketing and communication with the media, investors and the investment community.

Crucial to maximising the value of communication is guidance on the how and when as well as the content of what is said.

With our input your company can achieve the positioning and recognition it deserves.

**Westbrook** *communications*

Level 7  
15–19 Bent Street  
Sydney NSW 2000  
Telephone 61 2 9231 0922  
Facsimile 61 2 9231 0131  
info@westbrookfin.com.au  
www.westbrookfin.com.au