

**July 9-10, 2008 – Rio de Janeiro, Brazil**

A revolutionary new paradigm for capitalizing on uncertainty in the new millenium...

# **REAL OPTIONS VALUATION IN THE GLOBAL ECONOMY**

*Energy & Natural Resources, Real Estate & Infrastructure, Portfolio Applications,  
Manufacturing/ Contract Design and Strategy*

## **Features**

- **Practical presentations and case applications** by experts from leading corporations and universities
- **Roundtable (break-out) discussions by industry** where participants choose their area of interest and interact to address key issues & challenges (Natural Resources/Energy/Real Estate; Innovation/Manufacturing/Technology; Corporate Strategy & Portfolio Mgt)
- **Panel discussions by leading experts** in various hot areas
- **Tutorials/keynote presentations** from thought leaders
- **Networking reception** to interact with your peers in a relaxing atmosphere

## **Benefits of Attending**

- Learn how to make flexible step-by-step decisions and adapt to change to gain competitive advantage
- Take advantage of uncertainty to capitalize on upside while limiting downside risk
- Translate your corporate strategic plans into forward-looking real option value that enhances shareholder wealth and market price
- Understand (and communicate) the advantages of options analysis and dynamic thinking compared to discounted cash flow analysis
- Learn how to structure your decisions & agreements to maintain valuable flexibility
- Quantify the value of strategic investment opportunities and operating options
- Value innovation/technology investments and growth companies
- Learn about successful applications in Energy, R&D, Corporate Strategy and Portfolio Mgt
- Benefit from experiences of leading corporations that are currently using real options
- Consider the benefits and challenges of adapting real options into your organization
- Meet and interact with international thought leaders and peers from leading corporations

## **Organized by**



***The leader in real options-based research and consulting services***

Providing comprehensive total enterprise package solutions, extending real options analysis into strategy, corporate valuation/M&As, risk management, compensation, training/change management

## **Main Sponsor**



# DAY 1

**Wednesday July 9, 2008**

**ENERGY/NATURAL RESOURCES, REAL ESTATE & INFRASTRUCTURE**

**8:00 Registration**

**8:20 Welcome/Orientation**

## **ENERGY & NATURAL RESOURCES**

### **8:25 WORKSHOP/PLENARY SESSION I**

**Real Options Applications in Natural Resources/Energy**

Marco A.G. Dias, Petrobras, Brazil

**9:00 Valuing, Optimizing and Understanding Managerial Flexibility:  
An Application in Oil Expansion**

Charles Dumont and Gregory Vainberg, McKinsey & Co, Canada

**9:30 The Ethanol-Gas Flex Fuel Car: The Option Value of Choosing your Own  
Fuel**

Carlos B. Pinto, Luiz Brandao and Mariana Alves, PUC-Rio, Brazil

**10:00 Valuing the Option to Delay a Petrochemical Project in Brazil**

Alberto M. Marques, Marco A. G. Dias, Petrobras, and Roberto M. da Silva Montezano, IBMEC, Brazil

**10:30 Morning Coffee Break**

**11:00 Option Value in Nuclear Energy Projects**

Ulrike Lauferts and L. Van Den Durpel, NRG, Netherlands

**11:30 Valuation of Flexible Power Plants: An Application in the Brazilian Power  
Market**

Alexandre Aronne, Haroldo G. Brasil, Fundacao Pedro Leopoldo, and Ivan Aronne, CDTN, Brazil

### **12:00 ROUNDTABLE DISCUSSIONS BY INDUSTRY**

**A. Natural Resources/Energy/Real Estate Roundtable** (*G. Sick & L. Brandao*)

**B. Innovation/Manufacturing/Technology Roundtable** (*D. Paxson & S. Matthews*)

**C. Corporate Strategy & Portfolio Management** (*J. Kensinger & M. Pergler*)

**12:45 Luncheon**

## **REAL ESTATE & INFRASTRUCTURE APPLICATIONS**

### **2:20 WORKSHOP/PLENARY SESSION II**

#### **Real Options Applications in Real Estate/Infrastructure**

Gordon Sick, University of Calgary, Canada

#### **3:00 Optionality in Presale of Real Estate Development**

Luiz Brandao, PUC-Rio, Brazil

#### **3:30 Viability Study of a New Real Estate Venture in Brazil**

Sergio M. Dos Reis, FNPP, Brazil

#### **4:00 Afternoon Coffee Break**

#### **4:30 Optionality and the Role of Municipalities in Regional Development Projects in Finland**

Mikael Collan, IAMSR, Ebo Akademi University, Finland

#### **5:00 Internet Service Option on Trains: An Application in Belgium Railway**

Jan Van Ooteghem, Ghent University – IBBT, Belgium

#### **5:30 Flexibility in Fiber Deployment Network Planning: An Application to Belgian Network**

Sofie Verbrugge, Gent University – IBBT, IBCN, Belgium

#### **6:00 Closing Remarks**

# DAY 2

**Thursday July 10, 2008**

**PORTFOLIO APPLICATIONS, MANUFACTURING/CONTRACT DESIGN  
AND STRATEGY**

**8:30 – 8:45 Welcome**

**8:45 PRESIDENT'S ADDRESS**

**On Multinationality Options and Performance**

Lenos Trigeorgis, University of Cyprus and President, Real Options Group

**PORTFOLIO APPLICATIONS**

**9:30 WORKSHOP/PLENARY SESSION III**

**Private Equity Acquisitions as Real Options Portfolios**

John Kensinger, University of North Texas, USA

**9:55 The Value of Land as Portfolio of Planting Flexible vs. Inflexible Crops**

Nelson Ferreira, McKinsey & Co, Brazil

**10:20 Morning Coffee Break**

**11:00 Valuing a Real Options Portfolio in the Petroleum Industry**

Oscar M. Bravo, Luis Alfredo Mogollon and Jose Dario Parra, Ecopetrol S.A., Columbia

**11:25 Performance Assessment of a Real Options Portfolio**

Javier G. Castro, Tara N. Baidya and Fernando A. L. Aiube, DEI PUC-Rio, Brazil

**12:00 Luncheon Keynote Address by Tom E. Copeland (MIT)**

**Financial and Real Options: My Complements and Your Substitutes**

**MANUFACTURING/CONTRACT DESIGN AND STRATEGY**

**1:50 WORKSHOP/PLENARY SESSION IV**

**Innovation, Manufacturing & Technology Investments**

Dean Paxson, Manchester Business School, United Kingdom

**2:15 License Contracts with Embedded Options to Expand and Withdraw:  
The Case of Disc Flex Filter in Japan**

Haruyoshi Ito, Keio University, Kenji Yamada, Coteau Vert Co. Ltd, and Akane Iwasaki,  
Waseda University, Japan

**2:35 Expansion Flexibility in Flexible Manufacturing Systems**

Roberta Pellegrino, Politecnico di Bari, Italy

**3:00 Flexible Processing Plant: Producing Vegetable Oil or Biodiesel in Brazil**

Murilo Berni, FEAD Minas, Jose A. de Sousa Neto, and Haroldo G. Brasil, Strategor, Brazil

**3:25 Afternoon Coffee Break**

**3:50 Auto ID (RFID) Deployment Configuration Design: An Application in Aerospace Logistics**

Victor Prodonoff Jr. and Tarik Driouchi, University of Cambridge, United Kingdom

**4:15 Intuitive Real Options Implementation: Manufacturing Design at Boeing**

Scott Mathews, The Boeing Company, USA

**4:40 Entering a New Market in the Airline Business: Real Options and Games**

Sergio Ramos, Kaiser Associates, and Ricardo Rochman, FGV-EAESP, Brazil

**5:00 Risk and Flexibility in Global Manufacturing Strategy Design Decisions**

Martin Pergler, McKinsey & Co, USA

**5:25 – 6:15 Panel Discussion**

**Innovation/Technology, Corporate Strategy & Contracting:  
Current Status and Future Prospects**

*Moderator: Dean Paxson (Manchester Business School, UK)*

**Panelists Include:**

*Francesco Baldi (ENEL, Italy)*

*Luiç Brandao (PUC-Rio, Brazil)*

*Tom Copeland (MIT)*

*Marco A.G. Dias (Petrobras, Brazil)*

*John Kensinger (U. N. Texas, USA)*

*Scott Mathews (The Boeing Company, USA)*

*Martin Pergler (McKinsey & Co, USA)*

*Sergio Ramos (Kaiser Associates, Brazil)*

**6:20 - 7:30 Networking Reception**

***Sponsored by ROG, Petrobras and McKinsey & Company***

# About the Conference

## Venue & Accommodation

Pestana Rio Atlântica Hotel, Avenida Atlântica 2964, Copacabana beach, Rio de Janeiro, Brazil

Hotel website: <http://www.rio.rj.gov.br/riotur/en/hotel/?CodHot=280>

Email [rioatlantica@pestanarioatlantica.com.br](mailto:rioatlantica@pestanarioatlantica.com.br); tel (21) 22556410

For special group accommodation rates for this and nearby hotels see

[http://www.iag.puc-rio.br/realoptions\\_rio2008/accomodation.cfm](http://www.iag.puc-rio.br/realoptions_rio2008/accomodation.cfm)

## Fees & Registration

*Academic attendee*: US\$825 by May 16, \$990 thereafter (or equivalent in Euros)

*Corporate/consulting presenter* (one per paper): \$825 by May 16, \$990 thereafter

*Corporate attendee*: US\$1,650 by May 16, \$1,990 thereafter

Registration should be made online via the conference website [www.realoptions.org](http://www.realoptions.org)

## Important Administrative Information

Registration fees include the conference proceedings and other materials, gifts, lunches, coffee breaks, and receptions. Substitutions (from the same organization) can be made at any time. Cancellations made in *writing* by June 30 can be refunded, except for a 15% service charge. Those not attending or canceling after June 30 are responsible for the whole fee. The organizers reserve the right to make changes to the program without notice. Only registrations paid by June 30 are guaranteed to be confirmed and included on the official list of participants. For information on registration and other general-type conference-related inquiries contact Eugenia (tel +357 22892461; fax +357 22892460; e-mail [conference.registration@realoptions.org](mailto:conference.registration@realoptions.org)). For information on local logistics, PUC-Rio or Brazil contact Luiz Brandao (tel +55 21 2138-9304, Fax: +55 21 2138-9272, e-mail [realoptions\\_rio2008@iag.puc-rio.br](mailto:realoptions_rio2008@iag.puc-rio.br) or [brandao@iag.puc-rio.br](mailto:brandao@iag.puc-rio.br)).

## Hotels, Airport/Transport, Registration

See [www.realoptions.org](http://www.realoptions.org) or [www.iag.puc-rio.br/realoptions\\_rio2008](http://www.iag.puc-rio.br/realoptions_rio2008)

For visa in Brazil, see [http://www.iag.puc-rio.br/realoptions\\_rio2008/visa.cfm](http://www.iag.puc-rio.br/realoptions_rio2008/visa.cfm)

## Who Should Attend?

**CEOs, CFOs, Heads of Strategy, Vice Presidents,**

**Directors, Investment Bankers, and Analysts in:**

- Strategic Planning
- Corporate Finance
- Risk or Portfolio Management
- Information Technology
- Marketing
- Manufacturing/Supply Chain/Contracting
- R&D/Innovation

## Speakers from Leading Organizations

The Boeing Company – University of Cambridge – Ecopetrol S.A. – ENEL – IBMEC  
– Kaiser Associates – Keio University – Manchester Business School – McKinsey & Co – MIT – Petrobras – Real Options Group

## Thanks to Sponsors

