

July 23-24, 2014 – Medellin, Colombia

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

REAL OPTIONS VALUATION IN THE GLOBAL ECONOMY

Natural Resources/Energy, Infrastructure, Strategy, Tutorials, Evidence & Applications

Features

- *Practical presentations and case applications* by experts from leading universities and corporations
- *Roundtable (break-out) discussions by industry* where participants choose their area of interest and interact to address key issues & challenges (Natural Resources & Energy; Innovation, Technology and Strategy)
- *Panel discussions by leading experts* in various topical areas
- *Tutorials, workshops and featured 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 adaptable, dynamic thinking compared to discounted cash flow analysis
- Learn how to structure your decisions & contracts to maintain valuable flexibility
- Quantify the value of strategic investment opportunities and operating options
- Value innovation/technology investments and growth opportunities
- Learn about successful applications in Natural Resources & Energy, R&D/Innovation & Technology, Infrastructure, Project/Corporate Strategy Design
- 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 universities and corporations

Organized by



DAY 1

Wednesday July 23, 2014

NATURAL RESOURCES/ENERGY, INFRASTRUCTURE, STRATEGY & CASE APPLICATIONS

7.30 - 8:15 Registration

8:30 Welcome/Orientation

9:00 PLENARY SESSION I

Real Options: An Overview and Applications

Luiz E. Brandão, PUC-Rio, Brazil

9:40 Morning Coffee Break

NATURAL RESOURCES & ENERGY APPLICATIONS

10:20 Valuation and Optimal Price Threshold for Investing in a Mine under Mean Reversion

Kuangyuan Zhang, Antonio Nieto and Andrew Kleit, Penn State U., USA

10:40 Valuation of a Multi-stage Hydrocarbon Project in Unconventional Fields: A Shale Gas Application

Luis Alfredo Mogollón Monroy, Ecopetrol S.A., Colombia

11:00 Optimal Sizing and Investment Timing in Distributed Energy Resources

Farbod Farzan, Khashaya Mahani, Mohsen Jafari, Rutgers U., with Farnaz Farzan and Warren Katzenstein, DNV GL Energy, USA

11:30 ROUNDTABLE DISCUSSIONS BY INDUSTRY

A. Natural Resources & Energy Roundtable (*L. Brandao and M.A.G. Dias*)

B. Technology & Strategy Roundtable (*L. Trigeorgis and C.Bastian-Pinto*)

12:30 – 2:00 Luncheon

2:00 PLENARY SESSION II

Real Options: Past Lessons and Future Directions

Lenos Trigeorgis, Real Options Group, U. of Cyprus & King's College London

VARIOUS APPLICATIONS IN BRAZIL/LATIN AMERICA

2:40 Choosing among Alternative Technologies for Energy Production from Sugarcane

Luiz Ozorio, Carlos Bastian-Pinto, IBMEC Business School, and Guilherme Dantas, Federal U. of Rio de Janeiro, Brazil

3:00 Valuing Flexibility in Beef Cattle Raising

Alexandre Paula Silva Ramos, Carlos Bastian-Pinto, Luiz Ozorio, IBMEC Business School, and Luiz E. Brandão, PUC-Rio, Brazil

3:15 Flexible Production of Natural Gas from Municipal Solid Waste

Guilherme Martins, Luiz Ozorio and Carlos Bastian-Pinto, IBMEC Business School, Brazil

3:35 Multi-Stage Investment in a Start-Up Company: A Business Case in Colombia

Luis Hernandez Alburquerque, Leadership and Strategy Group, Colombia

3:50 Afternoon Coffee Break

INFRASTRUCTURE/TRASPORT AND STRATEGY APPLICATIONS

4:20 Valuation of Infrastructure Investment: An Application from Railway Infrastructure in Nigeria

Olubanjo Adetunji and Akintola Owolab, Lagos Business School, Nigeria

4:40 Largest Auction with No Bidders: Is the Rio–São Paulo High Speed Rail Project Feasible?

Leandro Monteiro, Nokia NSN, Luiz E. Brandão and Leonardo Lima, PUC-Rio, Brazil

5.00 Corporate Resource Redeployability across Product Markets and the Persistence of Conglomerates

Arkadiy Sakhartov, Wharton School, U. of Pennsylvania, USA

5:20 Closing Remarks

DAY 2

Thursday July 24, 2014

TUTORIALS, EMPIRICAL EVIDENCE & VALUATION APPLICATIONS

TUTORIALS (40 min each)

9:00 I. Valuing Real Options Using Binomial Trees

Lenos Trigeorgis, U. of Cyprus and King's College London, UK

9:45 II. Valuing Real Options Using Simulation

Luiz E. Brandão, PUC-Rio, Brazil

10:30 Morning Coffee Break

11:00 III. Case Studies Using Binomial Trees and Simulation

Marco A.G. Dias, Petrobras, Brazil

12:00 – 1:45 Luncheon

1:45 PRESIDENT'S WELCOME

EMPIRICAL EVIDENCE & VALUATION APPLICATIONS

2:00 Project and Firm Valuation in Mining Exploration: An Application in Peru

Oscar Miranda and Luiz E. Brandão, PUC-Rio, Brazil

2:25 Optimal Harvest Policies: An Application to Pine Harvesting in Chile

Eduardo Navarrete, U. de la Frontera, Chile

2:50 Real Options and Determinants of Idiosyncratic Skewness

Luca Del Viva, ESADE Business School, Spain, Eero Kasanen, Aalto U., Finland, and Lenos Trigeorgis, U. of Cyprus and King's College London, UK

3:15 The Impact of Growth Options and Distress Risk on Stock Returns

Lenos Trigeorgis, U. of Cyprus and King's College London, UK, Neophytos Lambertides, Cyprus University of Technology, and Luca Del Viva, ESADE Business School, Spain

3:40 Afternoon Coffee Break

4:10 Keynote Address

Application of Real Options in Petroleum & Energy

Marco A.G. Dias, Petrobras and PUC-Rio, Brazil

5:00 – 6:00 Panel Discussion

Real Options Application: Successes and Impediments

Moderator: Cecilia Maya Ochoa (CFO XM, Colombia)

Panelists Include:

Luis Brandao (PUC-Rio, Brazil)

Marco A.G. Dias (Petrobras, Brazil)

Luis Hernandez Alburquerque (Leadership and Strategy Group, Colombia)

Luis Alfredo Mogollon (Ecopetrol, Colombia)

Lenos Trigeorgis (ROG, U. Cyprus and King's College London, UK)

6:00 – 7:15 Networking Reception

Sponsored by ROG and EAFIT University

Who Should Attend?

CEOs, CFOs, Heads of Strategy, Vice Presidents,

Directors, Technology Officers, Investment Bankers, and Analysts in:

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

About the Conference

Venue

The conference is hosted at EAFIT University, Carrera 49 # 7-Sur 50, in Medellin.

Fees & Registration

Registration fees for all participants (academic or corporate) are Euro 420 or US\$575 if paid by April 7 and include attendance at both the managerial and the academic parts of the conference; please register via the conference website www.realoptions.org. Registration fees go up by 20% after April 7 (to Euro 500 or \$685 thereafter).

Important Administrative Information

Registration fees include the conference proceedings and other materials, lunches, coffee breaks, reception and bus tour on Saturday. Cancellations made in writing by June 1 can be refunded, except for a 15% service charge. Those not attending or canceling after June 1 are responsible for the whole fee. The organizers reserve the right to make changes to the program without notice. Only registrations paid by April 7 are guaranteed to be confirmed and be included on the official list of participants. For information on registration and other general-type conference-related inquiries contact Eugenia (tel +357 22893605; fax +357 22895030; e-mail conference.registration@realoptions.org).

For information on local logistics, EAFIT University, Medellin or Colombia contact Maria Paola Roldan, tel: 57 4 2619500 ext.9601; e-mail: mroldan5@eafit.edu.co.

Venue Hotel, Airport/Transport, Visas

The recommended hotel close to the venue and of international quality standards is Sheraton Four Points, adjacent to El Poblado, the safest and most exclusive area of Medellin, close to quality shopping centers and numerous restaurants (1 min walk from Oviedo Mall). Jose Maria Cordova (JMC) international airport is located in the municipality of Rionegro, 40 km (15 miles) and about 45 minutes from Medellin. There are three hubs for international air connections (through Bogota, Lima and Panama), with direct flights to the US (New York, Miami and Ft. Lauderdale). Flights from Europe can initiate from Frankfurt, Paris, Madrid (and London via the US). A local airport within the city of Medellin, Olaya Herrera Airport (OH), serves mainly domestic/national flights. The cost of a taxi service in the Medellin area starts at US\$2.50 and runs \$12 an hour. Medellin has a modern, integrated railway and transportation system. More info can be found at the conference website (under venue).

Regarding VISA, please first check if your nation is one of 95 jurisdictions that do not require a visa to enter Colombia: http://en.wikipedia.org/wiki/Visa_policy_of_Colombia

If a visa is required, EAFIT University will provide you with an invitation letter that you should print and show to the Colombian immigration authorities at the airport so they stamp in your passport the temporary visitor stamp (PIP-6) which allows you to develop activities with the University; at the time you arrive at the University, EAFIT should take a copy of this stamp. To provide you with the PIP-6 letter, you will need to provide the university your relevant info (Name, Passport Number, Nationality, Email).

For more detailed info or to register for the conference see www.realoptions.org