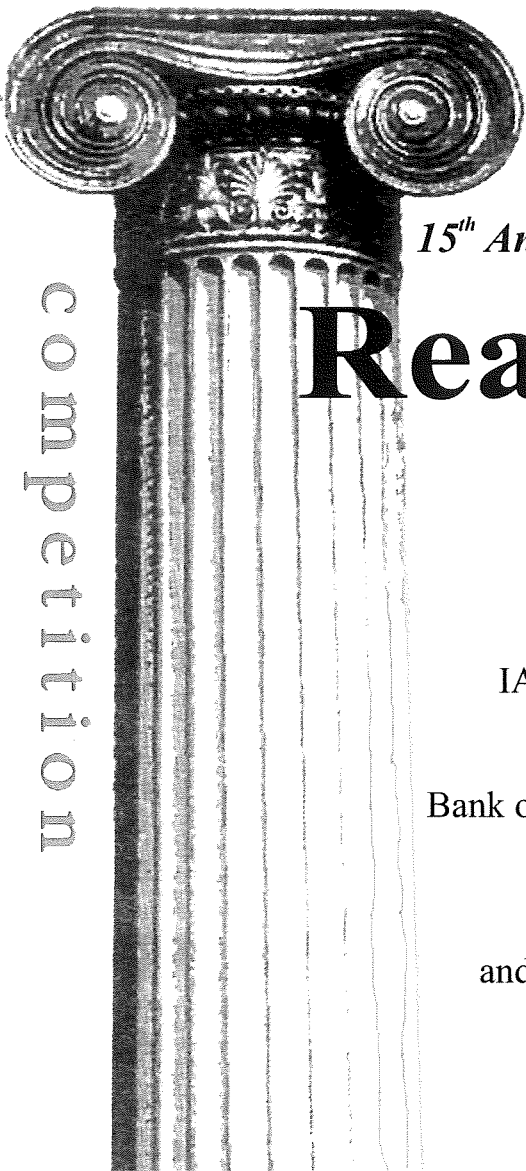


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valuing
flexibility



competition

risk management strategy

15th Annual International Conference on

Real Options

Theory Meets Practice

Organized by
Real Options Group and
IAMSR/Åbo Akademi University, Finland

In cooperation with
Bank of Cyprus Chair/Center for Real Options,
University of Cyprus
Aalto University, Finland
Northwestern University
and University of California at Los Angeles

June 16 - 18, 2011
Turku, Finland

Program Sessions Summary Guide

DAY 1 - THURSDAY, JUNE 16

[9:00-12:00 Tutorials (Extra)]
12:00-1:15 Registration & Luncheon
1:15-2:00 Welcome & President's Address
2:00-3:15 Empirical Evidence (3)
4:00-4:45 Keynote Address
4:45-5:45 Panel Discussion
5:45-7:15 Networking Reception

DAY 2 - FRIDAY, JUNE 17

Track I	Track II
8:30-9:00 Registration	
9:00-10:15 Natural Resources/ Commodities (3)	9:00-10:15 New Product Development/ R & D (3)
10:45-12:00 Switching Options Applications (3)	10:45-12:00 Strategic Decisions (3)
12:00-2:00 Luncheon	
2:00-3:15 Infrastructure Investment (3)	2:00-3:15 Competition/Preemption Games (3)
3:45-5:00 Environmental Investment & Policy (3)	3:45-5:00 Cooperation/Collusion Games (3)

* 7 – 11 pm Bus Tour of Turku and Gala Dinner Cruise in Finnish Archipelago

DAY 3 - SATURDAY, JUNE 18

Track I	Track II
9:00-10:15 Agency Models & Issues (3)	9:00-10:15 Theoretical Models & Issues I (3)
10:45-12:00 Debt, Default & Taxes (3)	10:45-12:00 Theoretical Models & Issues II (4)
12:00-1:00 Panel Discussion: Current State, Challenges and Future Prospects	

** 2.00 Travel to Helsinki for Optional 2-3 Day Tour to St. Petersburg, Russia
(reservation at extra cost)

Program Sessions

DAY 1 – THURSDAY, JUNE 16

[9:00 – 12:00 Tutorials (Extra cost) –see Managerial Program]

11:00 – 12:15 Registration

12:00 – 1:15 Luncheon

1:15 – 2:00 Welcome & President's Address

L. Trigeorgis (U. of Cyprus & President, Real Options Group)

Multinationality and Managerial Real Option Awareness: Evidence on Downside Risk

(with S. Ioulianos, U. of Cyprus)

2:00 – 3:15 Empirical Evidence

Chairperson: J. Kensinger (U. of N. Texas, USA)

A. Laude (U. Of Orléans, France) and C. Jonen (U of Köln, Germany),

Biomass and Carbon Capture and Storage Technologies: The Influence of Learning Effects

S.-E. Fleten, A.M. Heggedal (NTNU) and K. Linnerud (CICERO, Norway),

Climate Policy Uncertainty and Investment Behavior: Evidence from Small Hydropower Plants

J.H. Fisch and J.-M. Ross (U. of Augsburg, Germany), *New Product Development Timing:*

Switching Options in the Face of Volatile Material Prices

3:15 – 4:00 Afternoon Coffee Break

4:00 – 4:45 Keynote Address

D. Paxson (U. of Manchester), *Real Environmental Options*

4:45 – 5:45 Panel Discussion

Real Options Application: Successes and Impediments

Moderators: C. Carlsson (Abo Akademi U., Finland) and J. Kensinger (U. of N. Texas, USA)

Panelists Include:

L. Brandao (PUC-Rio, Brazil)

M. Collan (Fennicum Financial, Finland)

J. Hanski (President, Berggren Inc., Finland)

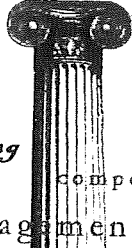
S. von Helfenstein (Braver PC, USA)

D. Paxson (U. Manchester, UK)

G. Sick (U. Calgary, Canada)

5:45 – 7:15 Networking Reception

Sponsored by ROG, IAMSR/Åbo Akademi U. and Aalto U.



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DAY 2 – FRIDAY, JUNE 17

8:30 – 9:00 Registration

9:00 – 10:15

I. Valuing Natural Resources/Commodities

Chairperson: J. Casassus (PUC, Chile)

A. Almansour, M. Insley and T. Wirjanto (U. of Waterloo, Canada), *Valuing an Exhaustible Resource with Stochastic Convenience Yield and Stochastic Extraction Cost: The Case of the Alberta Oil Sands*

J. Casassus (PUC, Chile), P. Liu (Cornell U., USA) and K. Tang (Renmin U., China), *Long-term Economic Relationships and Correlation Structure in Commodity Markets*

R. Adkins and D. Paxson (U. of Manchester, UK), *Forest Harvesting with Multi-Factor Uncertainty*

II. New Product Development/ R & D

Chairperson: Y. Lawryshyn (U. of Toronto, Canada)

S. Jaimungal and Y. Lawryshyn (U. of Toronto, Canada), *Incorporating Managerial Information Into Valuation of Early Stage Investments*

G. Enea and G. Lo Nigro (U. of Palermo, Italy), *Selecting a Balanced R&D Portfolio*

E. Dockner (WU Vienna U. of Economics and Business, Austria) and B. Siyahhan (Aarhus School of Business, Denmark), *Human Capital Investment and the Value of Risky R&D Projects*

10:15 – 10:45 Morning Coffee Break

10:45 – 12:00

I. Switching Options Applications

Chairperson: J. Kensinger (U. of N. Texas, USA)

O. Dahl Hem, S.-E. Fleten, V. Gunnerud and A. Svendsen (Norwegian U. of Science and Technology, Norway), *The Option to Switch from Oil to Natural Gas in Offshore Petroleum Fields*

R. Adkins and D. Paxson (U. of Manchester, UK), *Valuing Flexible Facilities with Real Input-Output Switching Options*

V. Hagspiel (Tilburg U., Netherlands), *Optimal Investment Strategies for Product-Flexible Manufacturing Systems Under Demand Uncertainty*

II. Strategic Decisions

Chairperson: T. Laamanen (Aalto U., Finland)

K. Huisman (Tilburg U., Netherlands) and J. Thijssen (U. of York, UK),
Temporary Unemployment Regulations

M. Flanagan (Manchester Metropolitan U.) and D. Paxson (U. of Manchester, UK),
Strategic Renegotiation Options in US Residential Mortgages

P. Pereira (U. of Porto) and A. Rodrigues (U. of Minho, Portugal), *Investment Decisions in Monopolies under Random Change in Market Structure*

12:00 – 2:00 Luncheon

2:00 – 3:15

I. Infrastructure Investment

Chairperson: M. Collan (U. of Turku, Finland)

Y. Li, P.-J. Engelen, C. Kool and T. Poot (Utrecht U., Netherlands),
Valuing a Multi-stage Hydrogen Infrastructure Investment With Barrier

G. Couto (U. of Açores), I. Ferreira (IST), C. Nunes (IST) and P. Pimentel (U. of Açores, Portugal), *Investment in High Speed Rail Transport Under Uncertainty*

N. Misir (Copenhagen Business School, Denmark), *Economic Capacity Withholding: Effects of Power Plant Operational Characteristics on Optimal Dispatch Decisions*

II. Competition/Preemption Games

Chairperson: L. Trigeorgis (U. of Cyprus)

M. Kijima, S. Ko and T. Shibata (Tokyo Metropolitan U., Japan),
Strategic Investment Among Asymmetric Firms in Oligopoly

C.M. Leng and Y.K. Kwok (Hong Kong U. of Science and Technology),
Patent-Investment Preemption Games under Asymmetric Information

B. Chevalier-Roignant, A. Huchzermeier (WHU, Germany) and L. Trigeorgis (U. Cyprus), *Preemptive Capacity Investment Under Uncertainty*

3:15 – 3:45 Afternoon Coffee Break

3:45 – 5:00

II. Environmental Investment & Policy

Chairperson: K. Huisman (Tilburg U., Netherlands)

H. Brasil (Ibmec Minas Gerais), A. Aronne (U. of Verona) and A. Rajão (Brazil),
Valuation of Options to Expand and Verticalize a Fertilizer Investment

M. Tsujimura (Doshisha U., Japan),
Pollution Reduction Policies Under Uncertainty

O. Ionescu (Strasbourg U./ Nancy U.) and S. Spaeter (Strasbourg U., France),
Reversibility and Switching Options in the Geological Disposal of Radioactive Waste



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II. Cooperation/Collusion Games

Chairperson: R. Ruble (EM Lyon, France)

Y. Li (Ryerson U.) and G. Sick (U. Calgary, Canada),
Investment under Uncertainty: Equilibrium between Competition and Cooperation

W. Margsiri and S. Wu (Fordham U., USA), *Holdup Problems in Early Supplier Involvement and New Product Development Performance*

E.B. de Villemeur (IDEI), R. Ruble and B. Versaevel (EM Lyon, France),
Tacit Collusion in Investment Timing

*** 7:00 – 11:00 pm Bus Tour of Turku and Gala Dinner Cruise in Finnish Archipelago**

DAY 3 – SATURDAY, JUNE 18

9:00 – 10:15

I. Agency Models & Issues

Chairperson: L. Brandao (PUC-Rio, Brazil)

D. Cardoso and P. Pereira (U. of Porto, Portugal),
Contract Design for Optimal Investment Decisions

S. Jaimungal (U. of Toronto, Canada), *Ambiguity Aversion in Real Options*

M. Nishihara (Osaka U.) and T. Shibata (Tokyo Metropolitan U., Japan),
The Effect of Costly Exploration on Optimal Investment Timing

II. Theoretical Models & Issues I

Chairperson: D. Paxson (U. of Manchester, UK)

M. Hung (National Taiwan U.) and L.-C. So (National Tsing Hua U., Taiwan),
The Role of Uncertainty in Real Options Analysis

A. Azevedo (U. of Hull) and D. Paxson (U. of Manchester, UK),
Uncertainty and Competition in the Adoption of Complementary Technologies

M. Chronopoulos, B. De Reyck and A. Siddiqui (University College London, UK),
Duopolistic Competition with Risk Aversion Under Uncertainty

10:15 – 10:45 Morning Coffee Break

10:45 – 12.00

I. Debt, Default & Taxes

Chairperson: G. Sick (U. of Calgary, Canada)

J. Shen and F. Pretorius (U. of Hong Kong),
Valuation of Real Estate Companies with Dynamic Real Options and Debt

M. Goto (Hokkaido U.), M. Kijima (Tokyo Metropolitan U.) and T. Suzuki (Hokkaido U., Japan), *Optimal Default and Liquidation with Tangible Assets and Debt Renegotiation*

V. Arkin and A. Slastnikov (Central Economics and Mathematics Institute, Russian Federation),
Compensation of High Interest Rates by Tax Holidays

II. Theoretical Models & Issues II

Chairperson: C. Carlsson (Abo Akademi U., Finland)

S. Grillo, G. Blanco and C. Schaefer (National U. of Asuncion, Paraguay),
Valuing Real Options Using a Jump Process Approximation

P. Edge (EDP, Portugal), *Stochastic Discount Factors and Real Options*

J. Casassus and M. Villalon (PUC, Chile), *Optimal IPO Timing in an Exchange Economy*

M. Arai, M. Ota and G. Mogi (U. of Tokyo, Japan),
On a General Market Portfolio Acting as the Twin Security of an Arbitrary Project

12:00 – 1:00 Panel Discussion: Current State, Challenges and Future Prospects

Moderator: G. Sick (U. of Calgary, Canada)

Panelists Include:

L. Brandão (PUC-Rio, Brazil)

J. Casassus (PUC, Chile)

K. Huisman (Tilberg U., Netherlands)

T. Laamanen (Aalto U., Finland)

D. Paxson (U. of Manchester, UK)

R. Ruble (EMLYON, France)

1:00 Closing Remarks/ Conference Concludes

*** 2:00 Travel to Helsinki for Optional 2-3 Day Tour to St Petersburg, Russia**

About the Conference

Venue

The conference is hosted at the premises of ICT House at Åbo Akademi University (located in the heart of Turku Science Park), in Turku, Finland. The address is: Joukahaisenkatu 3-5. Turku, currently the cultural capital of Europe, is located 2 hours from Helsinki by fast train. For more detailed info about the venue or Turku visit <http://iamsr.abo.fi/i/index/index/pid/20/sid/67/area/Conferences>

Fees & Registration

For info. on fees and registration see the conference website www.realoptions.org

Important Administrative Information

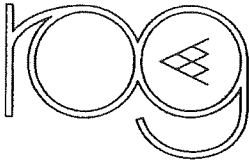
Registration fees include the conference proceedings and other materials, lunches, coffee breaks, and receptions. They also include a brief bus tour in the city of Turku with dinner cruise in the Finnish Archipelago on Friday evening. A 2-3 day cruise (or by fast train) tour to St Petersburg, Russia is also available at extra cost at the end of the conference. 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 28 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, IAMSR/Åbo Akademi, Turku or Finland contact Sarah Lindström (tel +358503659278, fax +358 2 251 5557, e-mail lindstrms@gmail.com).

Hotels, Airport/Transport

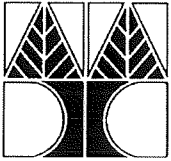
See <http://iamsr.abo.fi/i/index/index/pid/21/sid/67/area/Conferences>

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

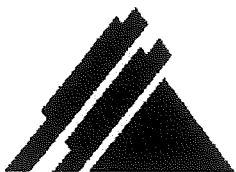
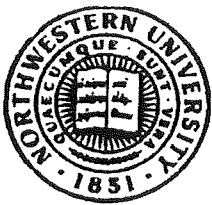
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University

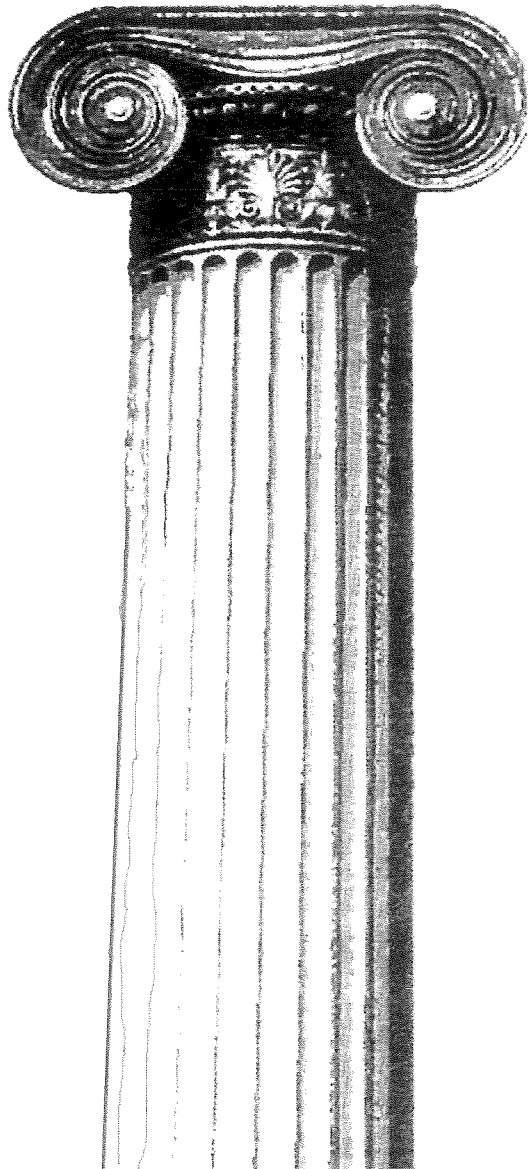


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