

Abu Dhabi
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International IR under difficult local macro

Ronald Schranz

27 October 2015, TÜYİD



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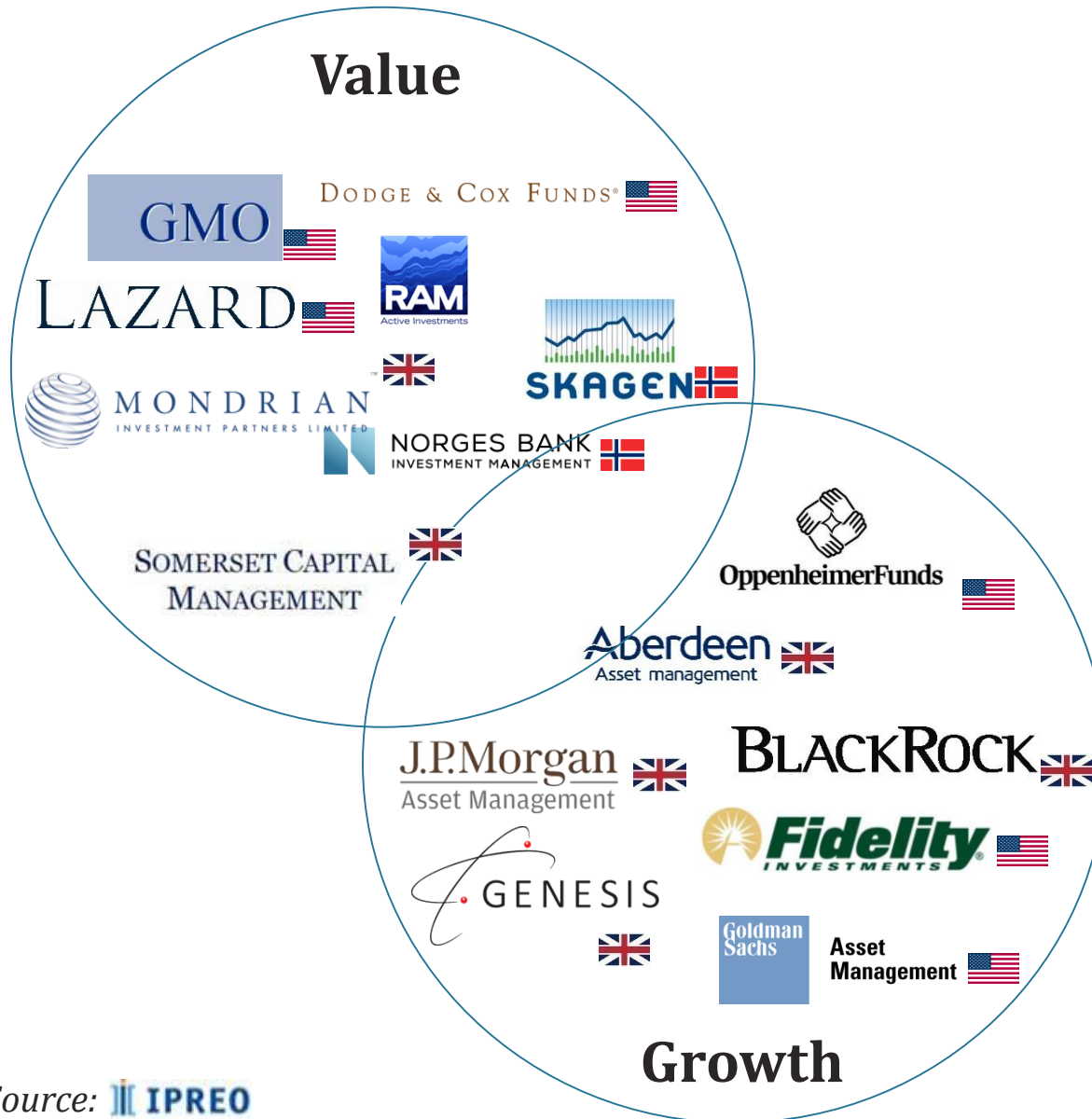


Which investors

International institutional

Styles

Types



- Banks
- Insurances
- Pension Funds
- Trusts
- Sovereign Funds
- Hedge Funds
- ...

Variety!



Shaping perception

Media

THE WALL STREET JOURNAL.

MONDAY, MARCH 24, 2014

Turkish Violence Spooks International Investors



Turkey investors hold fire before final coalition talks



THOMSON REUTERS

Investors hope Turkey's election will give economic reformers more clout

NIKKEI ASIAN REVIEW

| Home | Politics & Economy | Business | Markets |

Terrorism, political instability give investors cold feet



Investors Lose Faith in Turkey

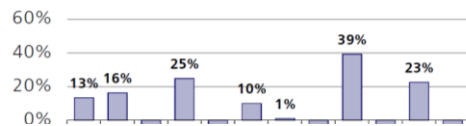
FINANCIAL TIMES

Turkey's central bank caught between markets and politics

Analysts



MSCI Turkey vs. MSCI EM



Turkey
Choppy Waters



Turkey

Coalition talks fail

Deutsche Bank
Research

Emerging Markets
Turkey

Economics
Foreign Exchange
Rates
Credit



Economics
17 August 2015

USD/TRY

MonitorING Turkey

Uncertainty to linger further

Turkey: Off the saddle path



Their perception

Outside perspective on Turkey

S

- Strategic location
- Developed industry
- Legal framework
- Flexible labour law
- Low public debt

W

- Private FX debt
- Currency
- Public sector financials opaque
- Fear of autocratic system
- Passiveness and retraction

O

- EU accession
- Middle-class growth
- Dynamic private sector
- Low-priced assets
- Positive demographics

T

- Political uncertainty
- Geopolitical crises
- Emerging markets unpopular
- Confusing central bank policies
- Funding of infrastructure projects

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- **Passiveness and retraction**

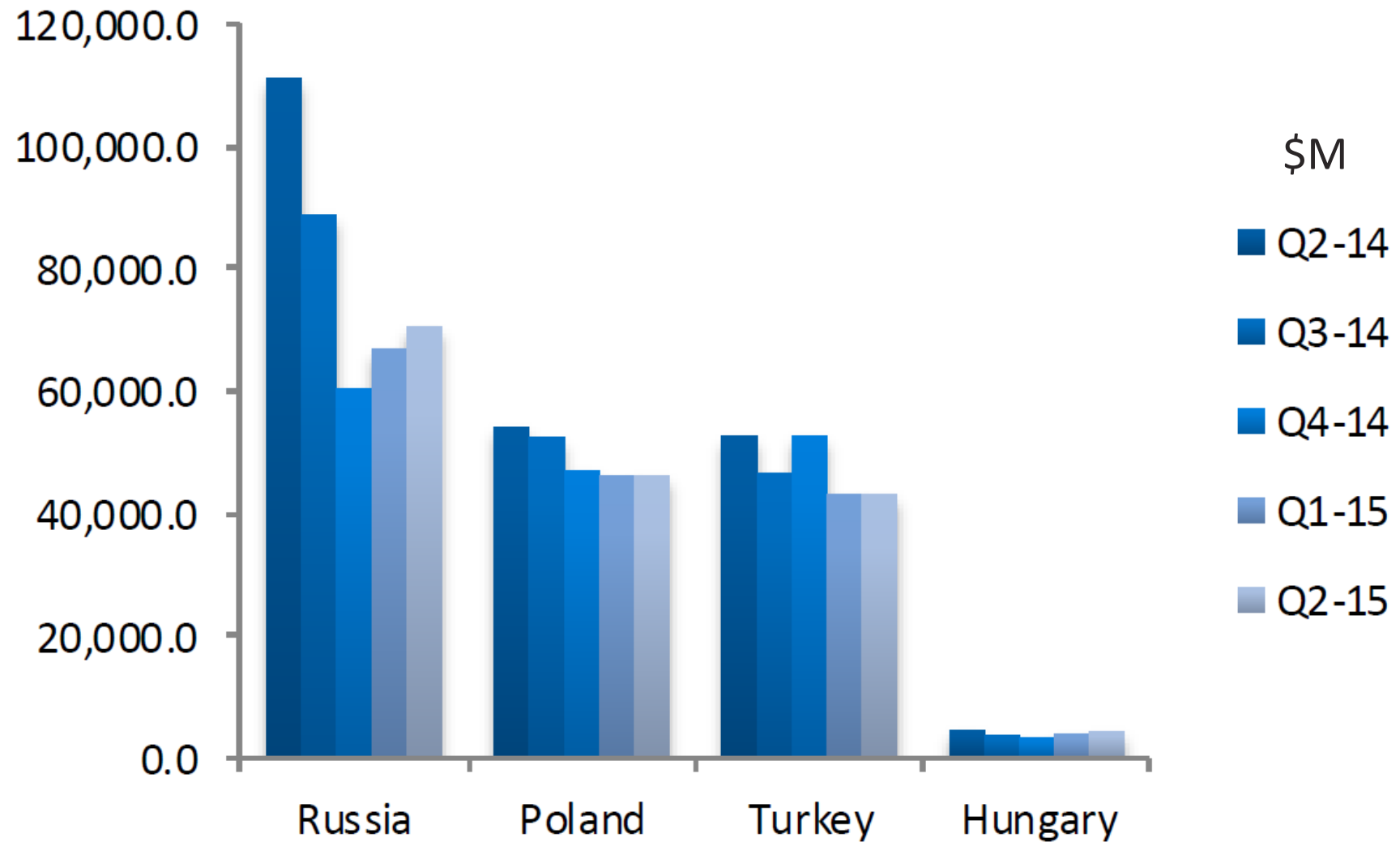
T

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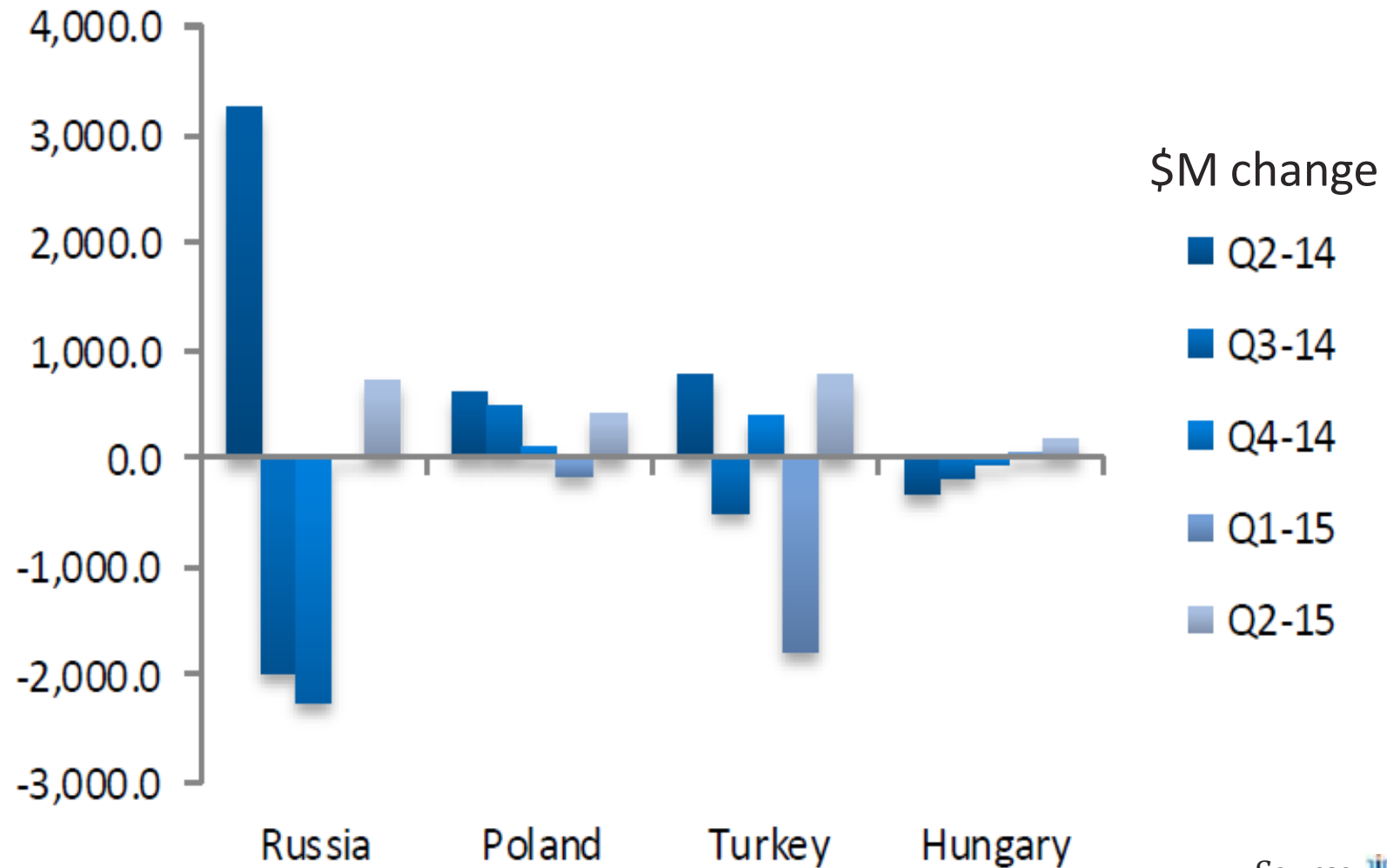
Their response

Institutional investment



Source:  IPREO

Institutional investment



Source:  IPREO



International experiences

Countries in crises

Pratt & Whitney 2015



Lessons from clients in troubled countries like





Top ten teachings

1

NO ROCKET SCIENCE

- No miracles
- Systematic work
- Classical IR virtues

INVESTOR RELATIONS

- People
- Relationships
- Credibility = consistent truth and transparency
- Reputation = what others think of you

<HELP> for explanation.

Brunswick 2015

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WDF Equity		25 Settings		26 Export		Security Ownership									
World Duty Free SpA						ISIN	IT0004954662								
1 Current		2 Historical		3 Matrix		4 Ownership		5 Transactions		6 Options					
Search Name		All Holders, Sorted by Size		Save Search		Delete Search		Refine Search							
Text Search				Holder Group		All Holders		Allocate Multi-Managed							
Holder Name		Portfolio Name		Source		Opt		% Out		Position		Latest Chg		File Dt	
				All		All									
KNOW YOUR INVESTORS															
<ul style="list-style-type: none">Shareholder ID – IPREOTypes of institutionalsStyle / regulationSpecific motivesHome base															
FIDELITY INTERNATIONAL		Multiple Portfolio		MF-AGG				1.93		4,911,199		200,760		12/31/14	
FIDEURAM GESTIONS SA		FONDITALIA-FL		MF-LUX				1.48		3,760,000		1,910,000		04/30/15	
SCHRODERS PLC		--		ULT-AGG				1.07		2,727,484		-50,480		01/30/15	
NORGES BANK INVESTMENT MANAGEMEN		NORGES BANK I		MF-NOR				0.97		2,467,788		0		12/31/14	
MUBI PRAMERICA SGR		Multiple Portfolio		MF-AGG				0.89		2,264,878		2,264,878		10/31/13	
MAGNUS HOLDING LTD		Multiple Portfolio		MF-AGG				-0.68		-1,730,736		330,876		04/27/15	
PRUDENTIAL FINANCIAL INC		Multiple Portfolio		MF-AGG				0.62		1,575,282		-381,315		01/31/15	
PRUDENTIAL FINANCIAL INC		Multiple Portfolio		MF-AGG				0.53		1,360,000		0		04/30/15	
PRUDENTIAL FINANCIAL INC		Multiple Portfolio		ULT-AGG				0.52		1,327,365		755,273		03/31/15	
VANGUARD GROUP INC		Multiple Portfolio		MF-AGG				0.43		1,085,267		-17,282		03/31/15	
VANGUARD GROUP INC		Multiple Portfolio		MF-AGG		Y		0.42		1,069,747		-422,880		04/30/15	
VANGUARD GROUP INC		Multiple Portfolio		ULT-AGG				0.38		973,065		66,305		01/30/15	
VANGUARD GROUP INC		Multiple Portfolio		ULT-AGG				0.30		755,514		0		05/07/15	
DEUTSCHE BANK AG		--		ULT-AGG				0.22		570,671		258		05/11/15	
CAJIBO INVESTMENT LTD		Multiple Portfolio		MF-AGG				0.21		537,335		-444,914		12/31/14	
BANKINTER SA		Multiple Portfolio		MF-AGG				0.21		532,350		68,000		03/31/15	
% Out 73.52 SI % Out n/a Zoom 100%															

KNOW YOUR INVESTORS

- Shareholder ID – IPREO
- Types of institutionals
- Style / regulation
- Specific motives
- Home base

4



FOCUS

- Key shareholders
- Quality
 - = long only, CF, long term, successful = attractor
- Main locations – US, UK
- Right asset class

TARGET TARGETS

- Deciders
= fund manager
owners
- Internal influencers
= analysts
sales

WORK ANALYSTS

- Promote coverage – inform and invite
- Buy side!
- Paid-for
- + Sell side

WIN INTERMEDIARIES

- All channels
- Earn specialist media!
- Service general media
- Optimise own media
- Use share media

KNOW PERCEPTION

- Assumptions and intuition not enough
- Empirical research data
- Qualitative + quantitative

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INTERNAL = EXTERNAL

- Do not forget your own people
- Carriers of (capital market) culture
- Ambassadors
- Same effort and messages as for financial community

SHAPE SHAREHOLDERS

- Not naturally given
- Actively work composition
- Discourage unwanted (subtly)
- Actively address wanted



Six saviours when tough at home

1

GO OUT

- Courage
- Beyond the regular programme
- Be active
- Be visible
- Get close(r)

THE TOP ENGAGES

CEO

- Personal commitment of CEO and CFO
- Face time
- Access
- Prepare and practise!

BE WHERE ONE MEETS

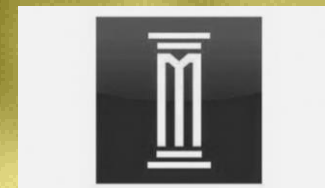
- Engage in community
- Become known
- Conferences
- Investor events
- Top quality!



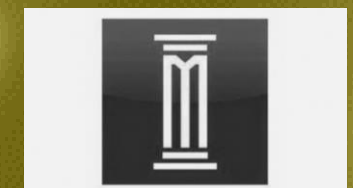
Jan / Davos



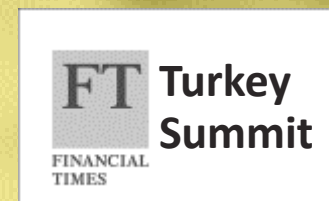
Feb / Vancouver



Milken CA / May



Milken London / Oct



May/ Istanbul



Nov/ NY

ANSWER CONCERNS

- Perception = fact
- Accept Ws and Ts
- Relativise risk
- Demonstrate resilience to local factors
- “The story is the business – not politics”

5

STRENGTHS OVER MACRO

- The story is the business
- Offer info edge
- Drum facts
- Strong balance sheet / good debt situation = ++
- Long term
- Shareholder and stakeholder value

FRIENDS ON YOUR SIDE

- Expert advice
- International capital markets specialists
- Experience in navigating corporates through issues
- At home in global centres and community
- Like Brunswick...



Comments and questions



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