

4

Managing Leaks

As previously highlighted, it is pretty much inevitable at this point that news of the lead banks' appointments will appear in the financial or general media. Many journalists who specialize in capital markets do daily rounds with equity syndicate desks and will generally be quick to unearth the information. Accordingly, including a reminder about the banks' obligations under their respective confidentiality agreements as part of the decline letters should help tame the news flow. Swiftly sending a clear reminder to the appointed banks will also serve to reaffirm the authority of the issuer and of any adviser or consultant, and emphasize the importance of keeping news about the mandate and details of the IPO, confidential. An example of such a reminder can be found in Appendix 7. Similar reminders can and should obviously be issued with respect to any syndicated loan facility as well as related details that also find their way to the newswires.

Because delays can occur during the course of execution, it is best to minimize outside information about the offering at the outset. Things becoming quiet at a later stage after a flurry of news about the issuer or the IPO may in such a case give the wrong impression that there are issues with the transaction and/or the company, which obviously may be detrimental to the success of the offering at a later stage.