



Retail Food Group - IPO

Background

Retail Food Group is a leading Australian retail food brand manager and franchisor. It is the franchisor and intellectual property owner of the Donut King and bb's café systems.

In early 2006, the company enlisted BBS to assist with communications for its Initial Public Offering.

BBS provided strategic and tactical communications support throughout the process of listing – from the development of the prospectus through to the opening of the Initial Public Offer and listing day.

A total of 36.5 million shares were offered at \$1.00 per share during the IPO. The company had a market capitalisation on listing of approximately \$71.7 million.

Strategy

The aim of the Retail Food Group IPO communications strategy was to ensure a successful commercial outcome to the transaction while at the same time protecting the Retail Food Group brand.

In order to complete a successful IPO, the overarching strategy of the media relations program was to:

- Educate key audiences about Retail Food Group, its business model, its success, its vision and its leadership team
- Generate trust in the company, its team and its goals
- Create excitement about the investment opportunity to support the IPO and future share price growth
- Position Retail Food Group as a profitable and growing company
- Ensure consistent messages through all communications
- Proactively manage emerging issues

The *media relations* campaign was broken into:

(1) Investor marketing

- (2) prospectus lodgement
- (3) Retail offer period
- (4) Offer close
- (5) Listing
- (6) Ongoing investor communications.

A range of media and communication activities were conducted throughout each phase, including media releases, briefing kits and fact sheets.

Issues & Crisis Management

A key consideration for the program was a number of potentially negative issues surrounding senior members of the management team.

As such, a range of Q&As and key messages were formulated to address these issues. These were employed, along with strong media management, to mitigate negative media inquiries.

Throughout the entire process, BBS worked closely with the financial and legal advisors to ensure that all communications for the IPO were consistent.

Results

Retail Food Group's initial offer period was closed over subscribed, at a time when a major competitor failed to arouse enough investor support to list on the ASX.

Additionally, RFG's crisis and issues management strategy enabled the organisation to successfully identify and contain potentially damaging issues which arouse during the IPO process.

On 22 June 2006, RFG successfully listed on the stock exchange and continues to benefit from consistent positive media coverage in Australia's leading metropolitan newspapers.

financial and investor relations ■ issues and crisis management

project brief