

A Call to G8 Leaders*

The problems of counterfeiting and piracy are spiralling out of control. As part of its worldwide campaign, ICC's Business Action to Stop Counterfeiting and Piracy urges the heads of state and government attending the G8 Summit in Germany to take appropriate action:

- **Close down all known counterfeiting and pirate markets** in G8 countries, including websites
- **Prohibit transshipment of counterfeit goods** through free trade zones
- **Endorse World Customs Organization** standards that set minimum performance criteria and harmonize customs procedures
- **Allocate funding to improve law enforcement**, border control and adjudication capabilities of G8 member countries to effectively protect intellectual property
- **Strictly enforce laws against counterfeiting and piracy** and introduce tough criminal penalties that deter intellectual property theft

* Text and signatures excerpted from BASCAP's letter to the G8 leaders

The protection of intellectual property rights is vital to sound economies and the health and safety of consumers. BASCAP unites the global business community to fight the scourge of counterfeiting and piracy.

Visit us at www.iccwbo.org/bascap to read the complete text of our letter to the G8 leaders, access a full range of information and statistics, and join the fight along with hundreds of companies and trade associations.

| | |
|---|---|
| Jean-René Fourtoun BASCAP Co-Chair Chairman of the Supervisory Board Vivendi, France | Robert A. McDonald COO, Procter & Gamble United States |
| Bob Wright BASCAP Co-Chair Vice Chairman and Executive Officer General Electric United States | Eric Nicoli CEO, EMI United Kingdom |
| Paul Adams CEO British American Tobacco United Kingdom | Sidney Turel Chairman and CEO Eli Lilly and Company United States |
| Bernard Arnault Chairman and CEO LVMH, France | Marcus Wallenberg Chairman, SEB Sweden |
| Steven A. Ballmer CEO, Microsoft United States | Ataque Ahmed Khan CEO, Hoto Collections, UAE |
| Peter Brabeck-Letmathe Chairman & CEO Nestlé, Switzerland | Raja Kanwar Vice Chairman UFO Movies, India |
| David Brennan CEO Astra Zeneca United Kingdom | Tariq M. Rangoonwala Chairman Fonans Pvt. Ltd. Pakistan |
| Patrick Cescau CEO, Unilever United Kingdom | Gerd T. Becht Vice President and General Counsel DaimlerChrysler, Germany |
| Jean-François Dehecq President Sanofi Aventis, France | Andreas Fibig President Latin America, Africa, Middle East Pfizer, United States |
| David Jakobachvili Chairman Wimm-Bill-Dann Foods Russia | Adriaan Nühn Executive Vice President Sara Lee, United States |
| Hiroshi Kimura President and CEO Japan Tobacco Inc. Japan | Randy Pond Senior Vice President Cisco Systems United States |
| | Guy Sebban Secretary General International Chamber of Commerce |

THE WALL STREET JOURNAL
An ICC initiative

BASCAP
Business Action to Stop
Counterfeiting and Piracy



International Chamber of Commerce
The world business organization

Conflict concerns reduce appeal of Vector offering

By MOLLY DOVER
And VICTORIA HOWLEY

LONDON—Several key U.K. and U.S. fund managers said they don't plan to participate in the initial public offering of shares in Vector Hospitality PLC because of concerns that the external management structure could lead to conflicts of interest.

The hotel company will list on the London Stock Exchange this week as a real-estate investment trust. IPO books close today ahead of pricing tomorrow, and the company aims to raise £2 billion, or roughly \$4 billion.

Vector Hospitality's 71 hotels across the U.K. will be managed by Cameron Investment Managers LLP, which has been set up to act as Vector Hospitality's external investment manager. Cameron is headed by Richard Balfour-Lynn, chief executive of Marylebone Warwick Balfour Group, which owns and operates hotels and serviced offices. It has sold some of its hotel assets to Vector and leased them back, leading to the concern about potential conflicts.

U.S. investment manager Cohen & Steers Inc. said yesterday that it is "unlikely to participate" due to possible "conflicts of management between different parties." U.K. fund managers Standard Life Investments Ltd. and Morley Fund Management also said they wouldn't participate.

Mike Bessell, Standard Life's investment director for U.K. equities, said, "We do see very real corpo-

rate-governance risks out of the complex management structure of this deal, so therefore we will not be investing at this point in time."

Morley Fund Management, a unit of Aviva PLC, said it was "not convinced about the management structure." Morley, Standard Life Investments and Cohen & Steers are among the major fund managers that tend to invest heavily in the real estate sector.

A spokesman for Vector Hospitality said procedures laid out in the prospectus—including establishing a conflicts committee on the Vector

Share prices of U.K. REITs have fallen this year amid fears the boom is over.

board—"mitigate or eliminate the effects of any potential conflicts."

Cohen & Steers research director Leonard Geiger said an internal management team is preferable because it is "fully incentivized and on our side," rather than acting as a fee-paid consultant. He added that "in the U.S., we have seen a change where external management is really not acceptable anymore."

Vector Hospitality will be joining a struggling sector. Share prices of U.K. REITs have fallen an average of 11% this year amid concerns that the commercial-property boom has ended.