Contents

Preface to third edition vii

PART 1: PUTTING FINANCIAL STRATEGY IN CONTEXT

1. Corporate financial strategy: Setting the context 3
2. What does the share price tell us? 29
3. Executive summary: Linking corporate and financial strategies 44
4. Linking corporate and financial strategies 50
5. Corporate governance and financial strategy 88
6. Executive compensation 104

PART 2: FINANCIAL STRATEGY AND THE CORPORATE LIFECYCLE

7. Start-up businesses and venture capital 125
8. Growth companies: Marketing focused 143
9. Mature companies: To divi or not? 164
10. Declining businesses: A case for euthanasia? 180

PART 3: FINANCIAL INSTRUMENTS

11. Financial instruments: The building blocks 193
12. Types of financial instrument 208
13. Dividends and buybacks 226
### Contents

#### PART 4: TRANSACTIONS AND OPERATING ISSUES

14. Floating a company ........................................ 243  
15. Acquisitions, mergers and selling a business ........ 258  
16. Restructuring a company ................................ 276  
17. Private equity ............................................. 286  
18. International corporate finance ......................... 309  
19. Strategic working capital management ................. 324

#### APPENDICES

1. Review of theories of finance ............................. 337  
2. Valuing options and convertibles ....................... 353  
3. Forecasting .................................................. 366

- Glossary of selected financial terms ..................... 375
- Discount table: present value of £1 ...................... 380
- Discount table: present value of £1 received annually for N years 382
- Black-Scholes value of call option expressed as a percentage of the share price 384

Index ................................................................. 387