

DIRK

Deutscher
Investor Relations
Verband e.V.

DIRK Trend Indicator, Autumn 2014

Special topic:
Scrip dividends

Autumn 2014



Survey details



- Half-yearly survey of IR professionals (DIRK members)
- Internet-based written survey from 20.10.2014 to 05.11.2014
- Basis: 306 DIRK members (1-2014: 304)
- Responses: 101= 33% (1-2014: 28%)
- Broken down by indices, the responses came from:
 - 12 DAX companies (= 40% of all DAX-listed companies)
 - 25 MDAX companies (= 50% of all MDAX-listed companies)
 - 7 TecDAX companies (= 23% of all TecDAX-listed companies)
 - 18 SDAX companies (= 51% of all SDAX-listed companies)
 - 37 companies that are not part of a selection index
- 59% of all the companies to have responded belong to the Prime Standard segment

Survey details



- Half-yearly survey of IR professionals (CIRA members)
- Internet-based written survey from 20.10.2014 to 05.11.2014
- Basis: 62 CIRA members
- Responses: 12=19% (1-2014: 34%)



IR club

- Half-yearly survey of IR professionals (IR Club members)
- Internet-based written survey from 20.10.2014 to 05.11.2014
- Basis: 62 SIRV members
- Responses: 24=39% (1-2014: 30%)



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Autumn 2014 Trend Indicator

RESULTS

Main survey

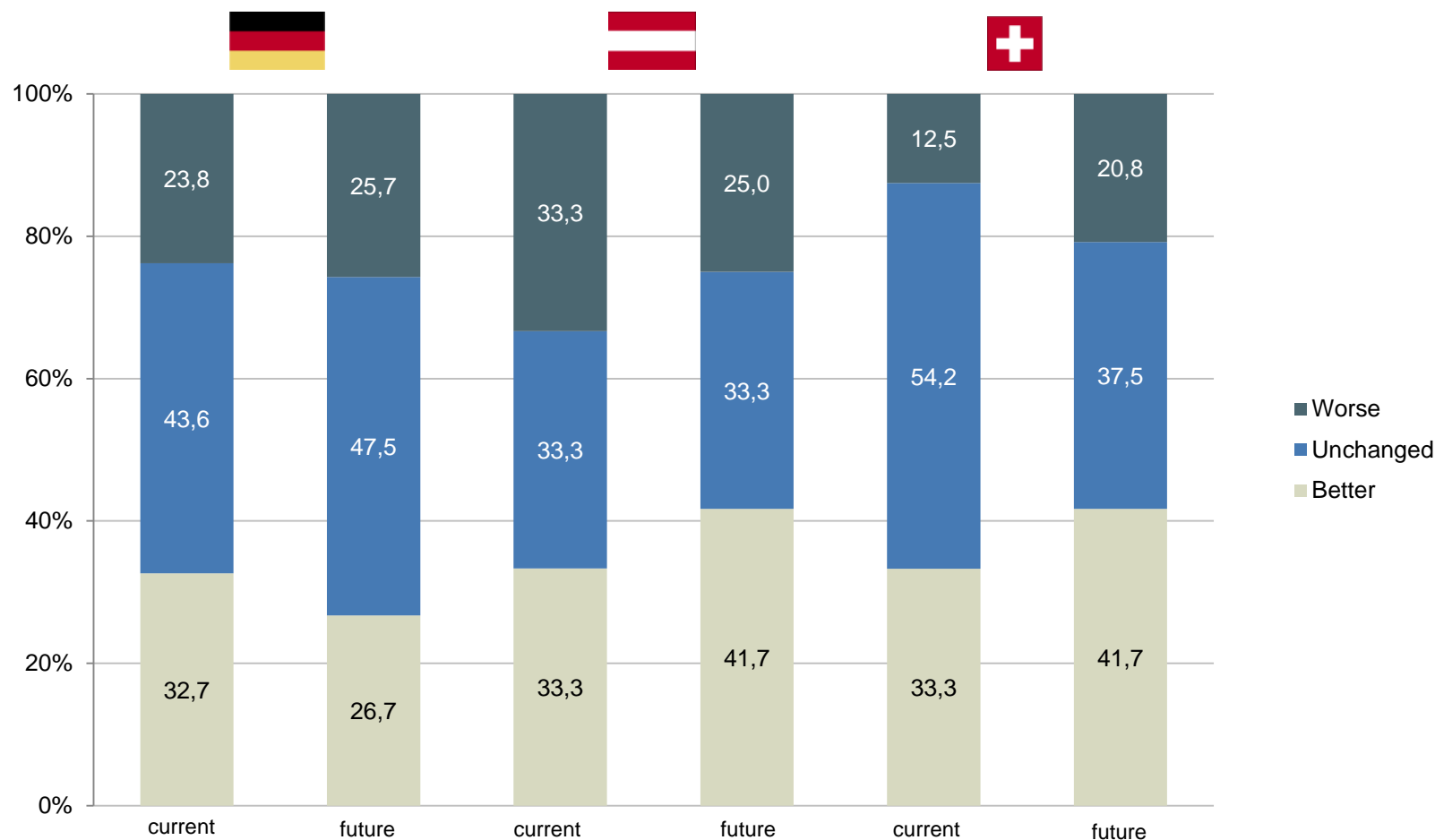
The companies' economic situation in Germany is seen less positive in the future



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By country – left-hand bar: assessment of current situation; right-hand bar: assessment of future situation



Assessment of current situation of companies in Germany from year to year

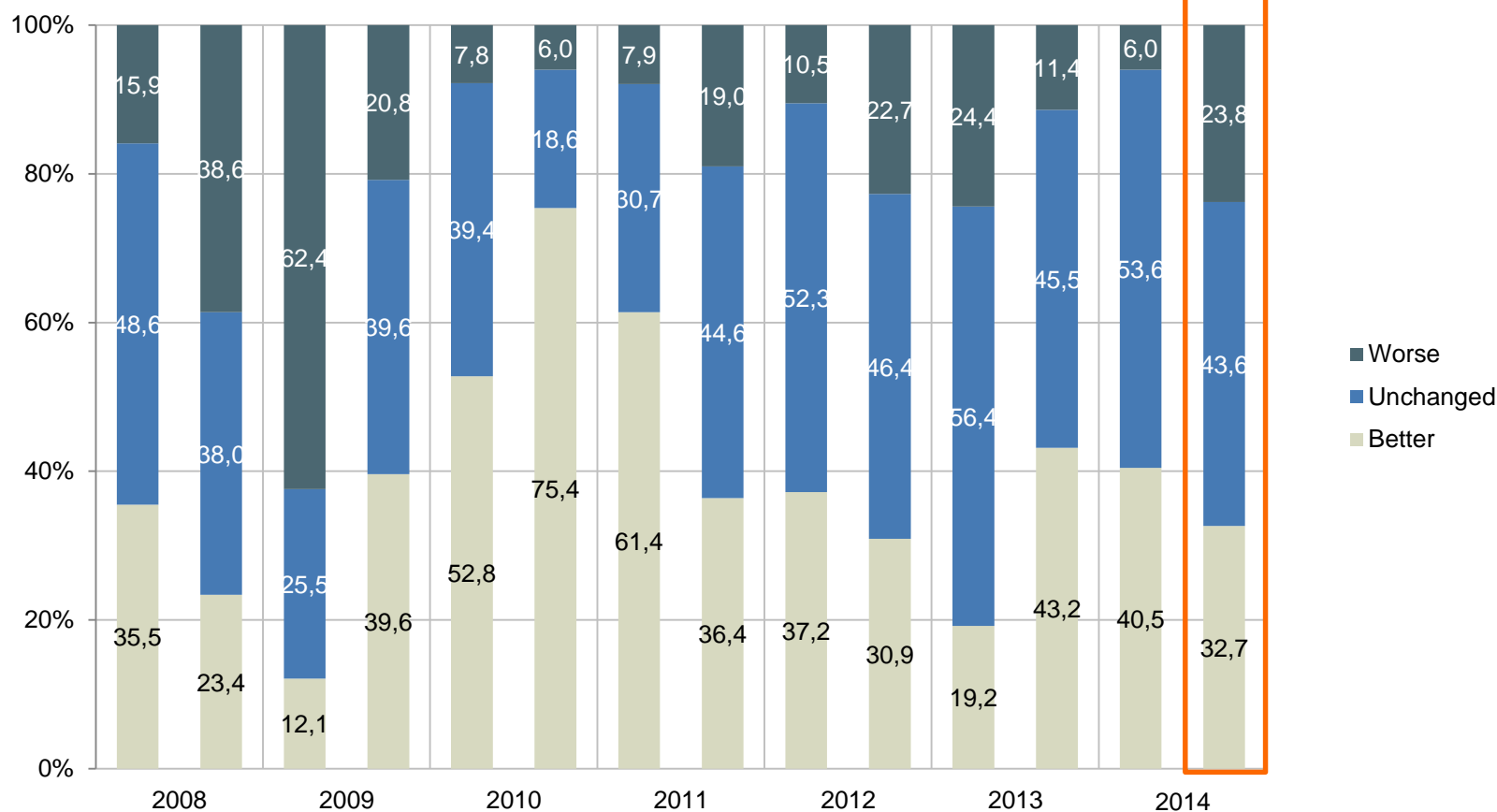


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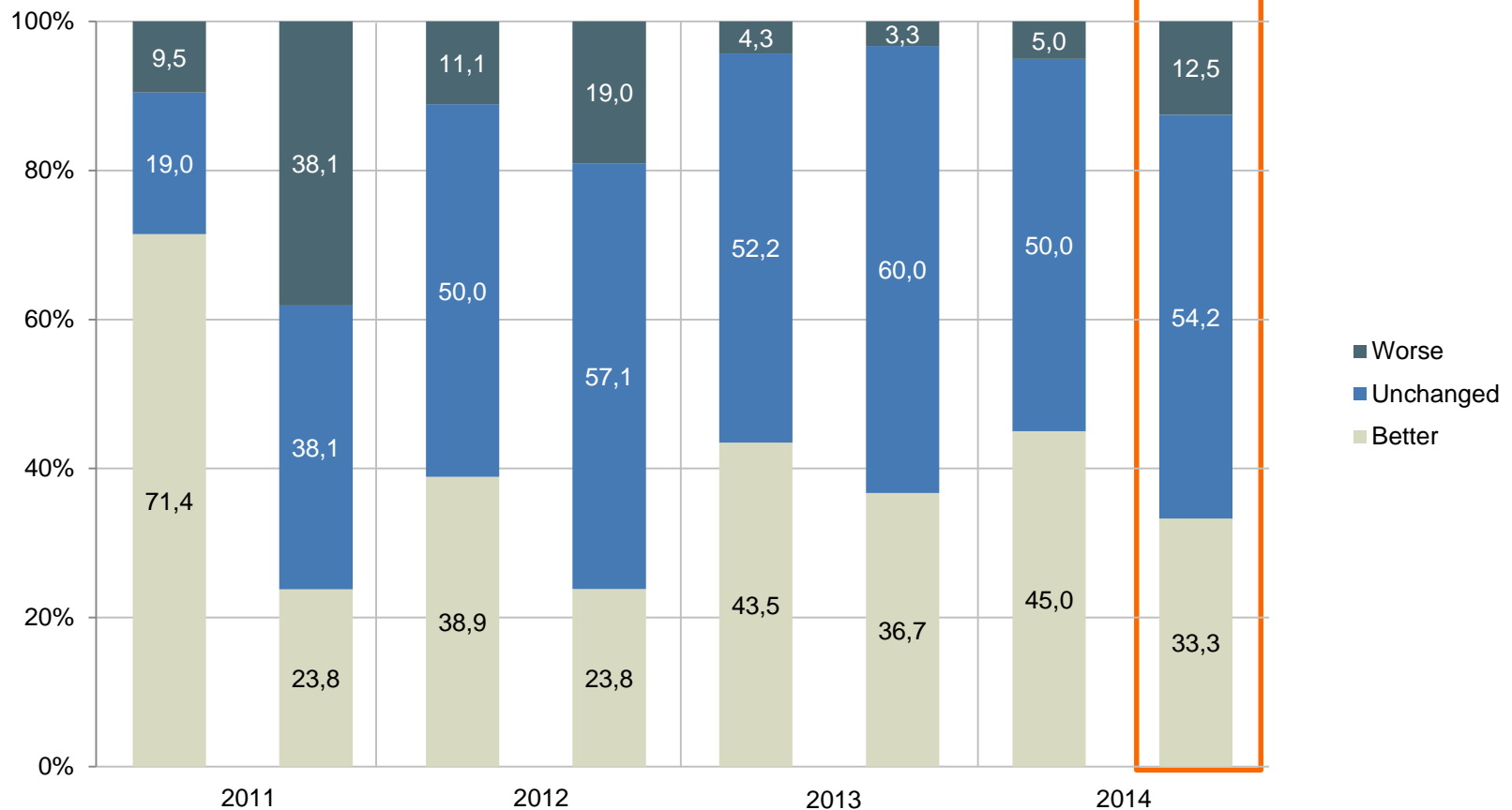
Assessment of current situation
(two survey periods per year)



Assessment of current situation of companies in Switzerland from year to year



Assessment of current situation
(two survey periods per year)



Assessment of current situation of companies in Austria from year to year

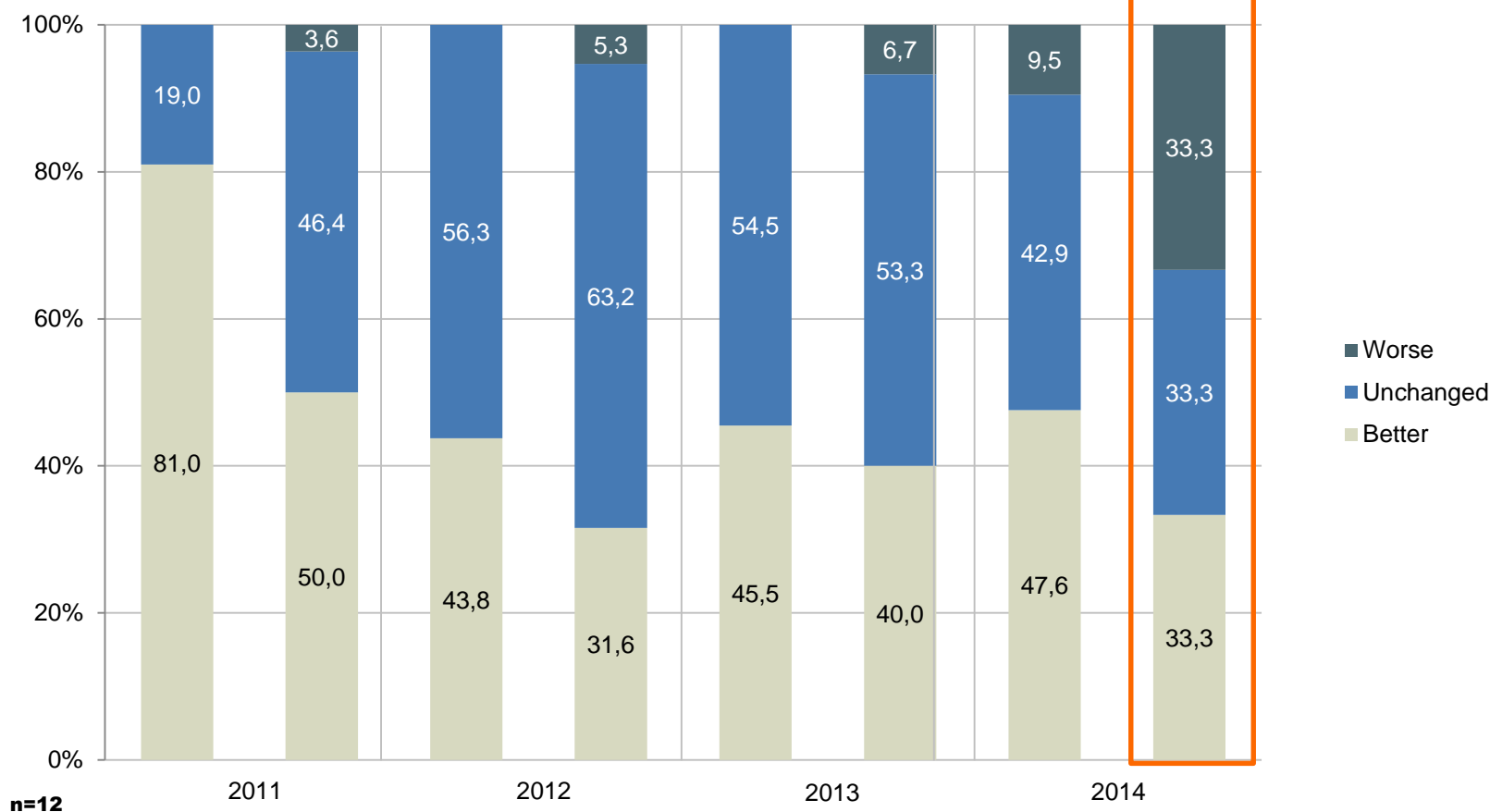


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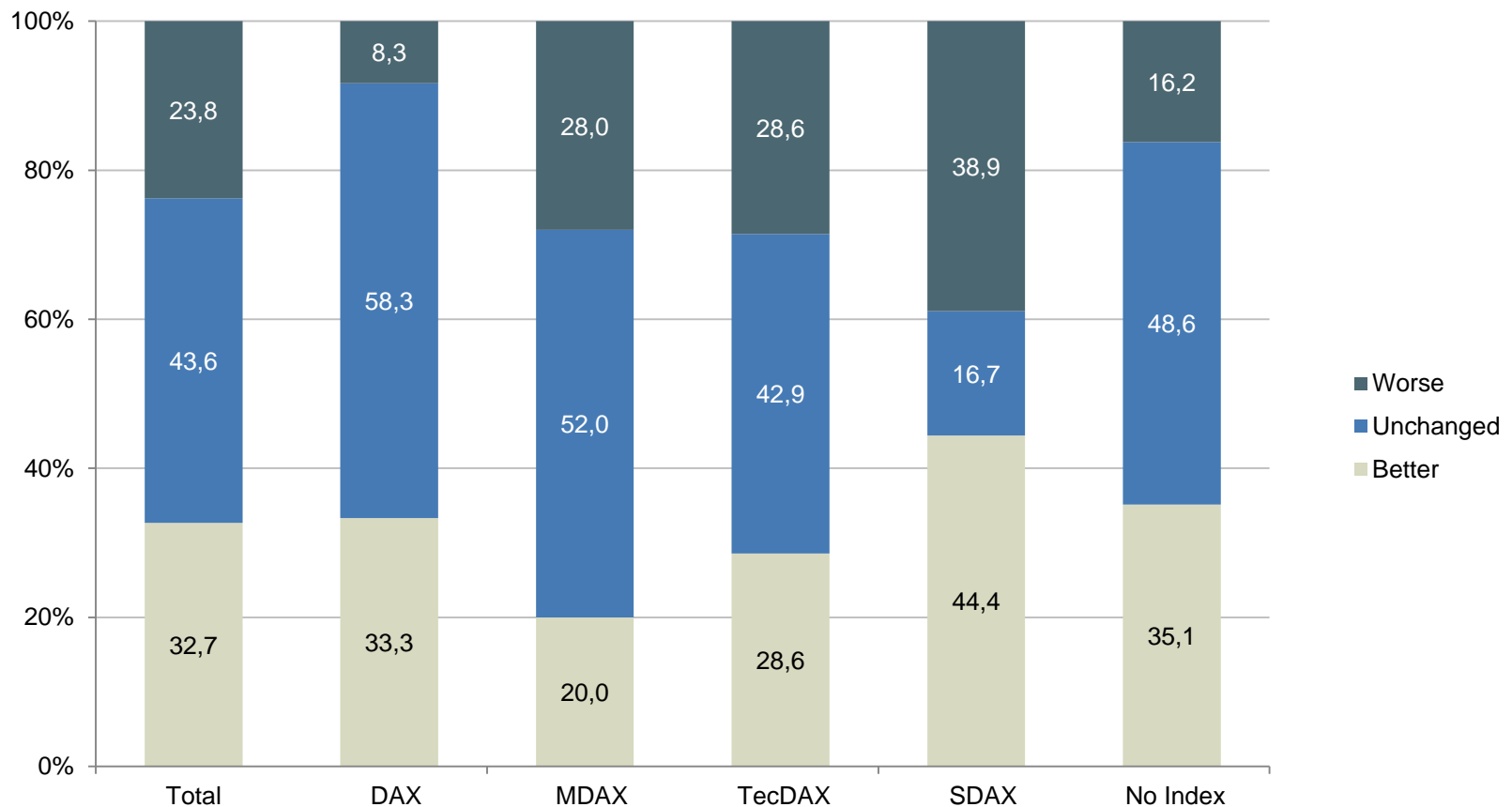
Assessment of current situation
(two survey periods per year)



Assessment of current situation of companies in Germany - Indices



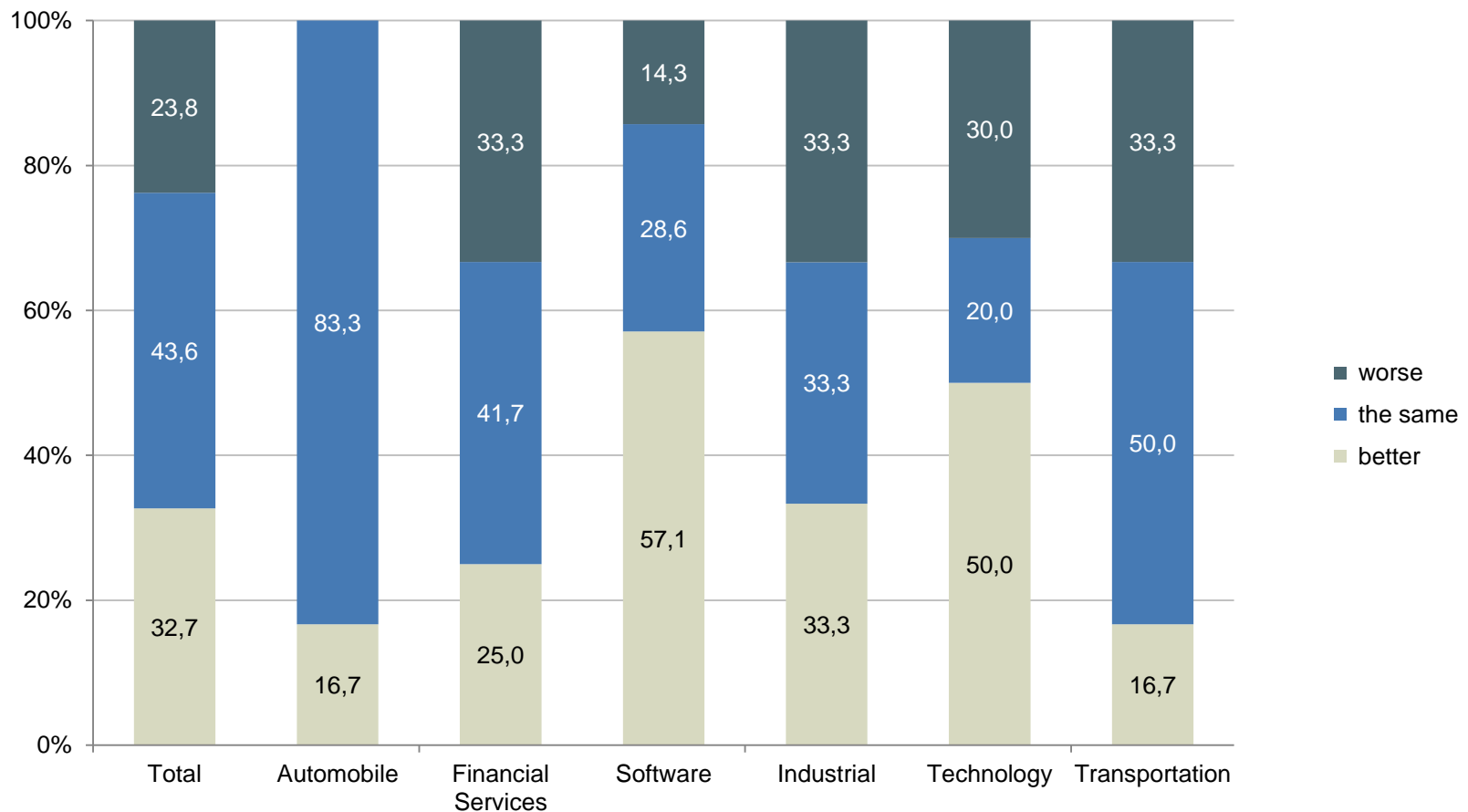
Assessment of current situation
(two survey periods per year)



Assessment of current situation of companies in Germany - Industries



Assessment of current situation
(two survey periods per year)



Assessment of future situation of companies in Germany from year to year

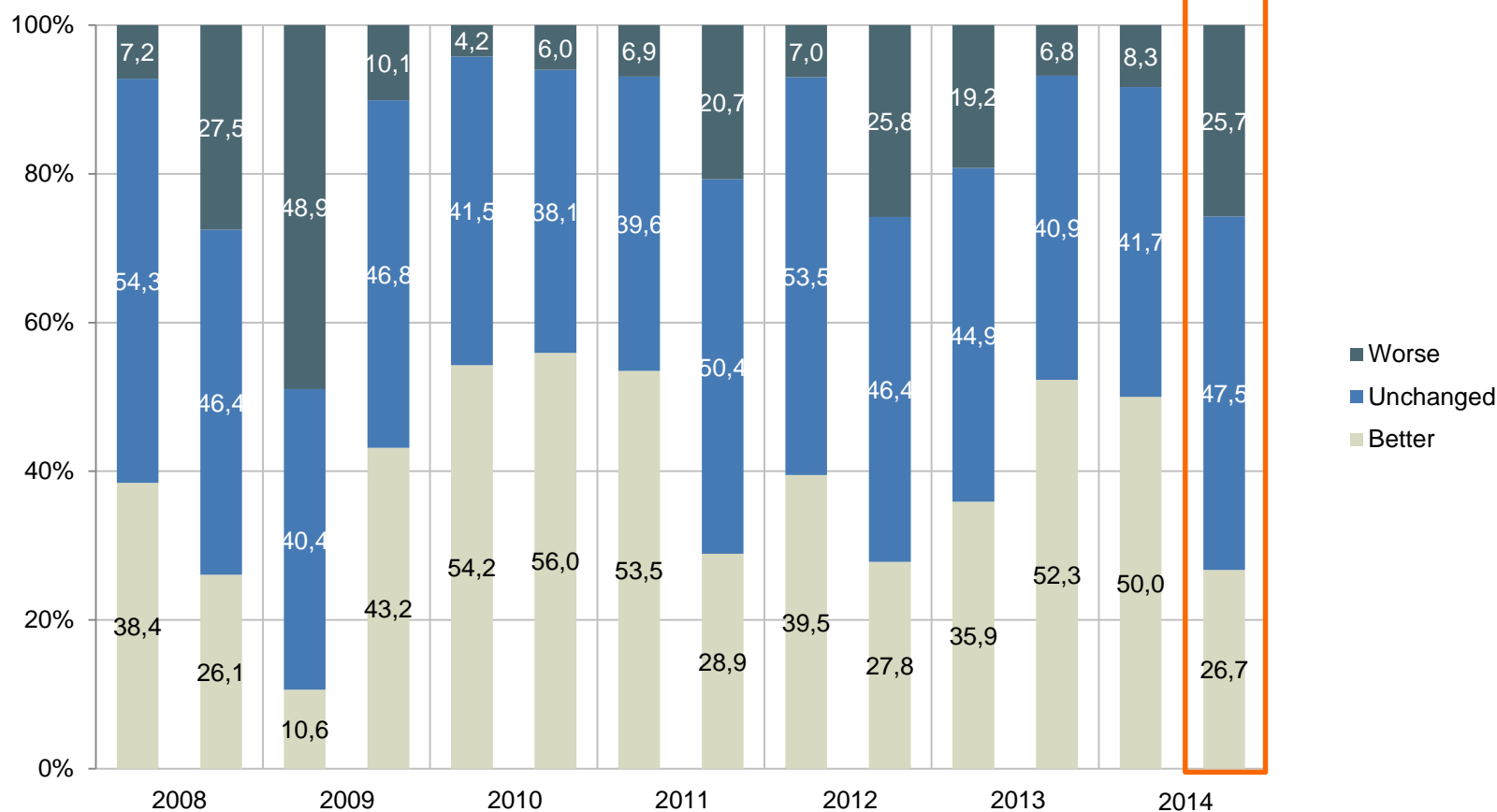


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Assessment of future situation
(two survey periods per year)



Assessment of future situation of companies in Switzerland from year to year

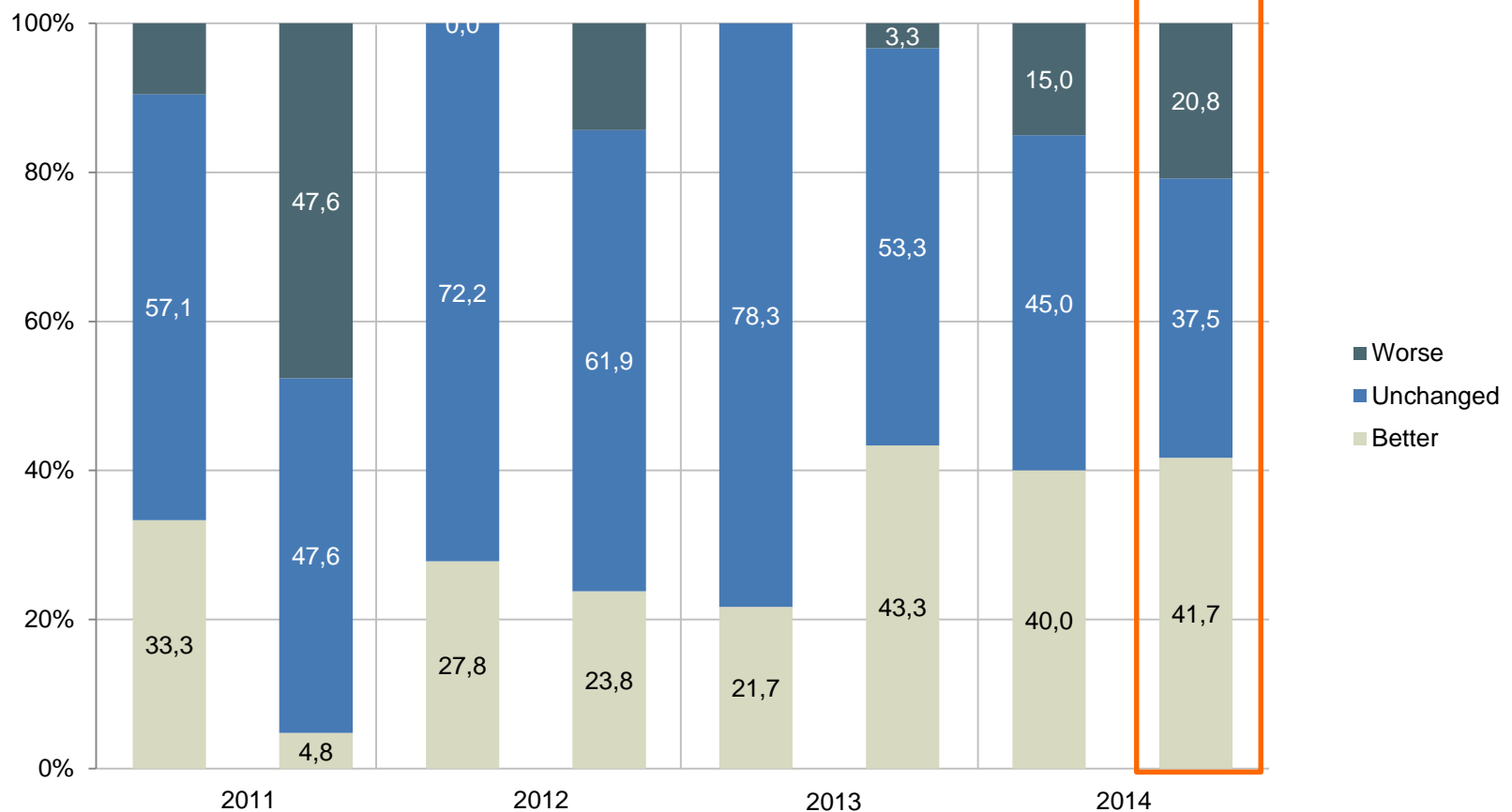


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Assessment of future situation
(two survey periods per year)

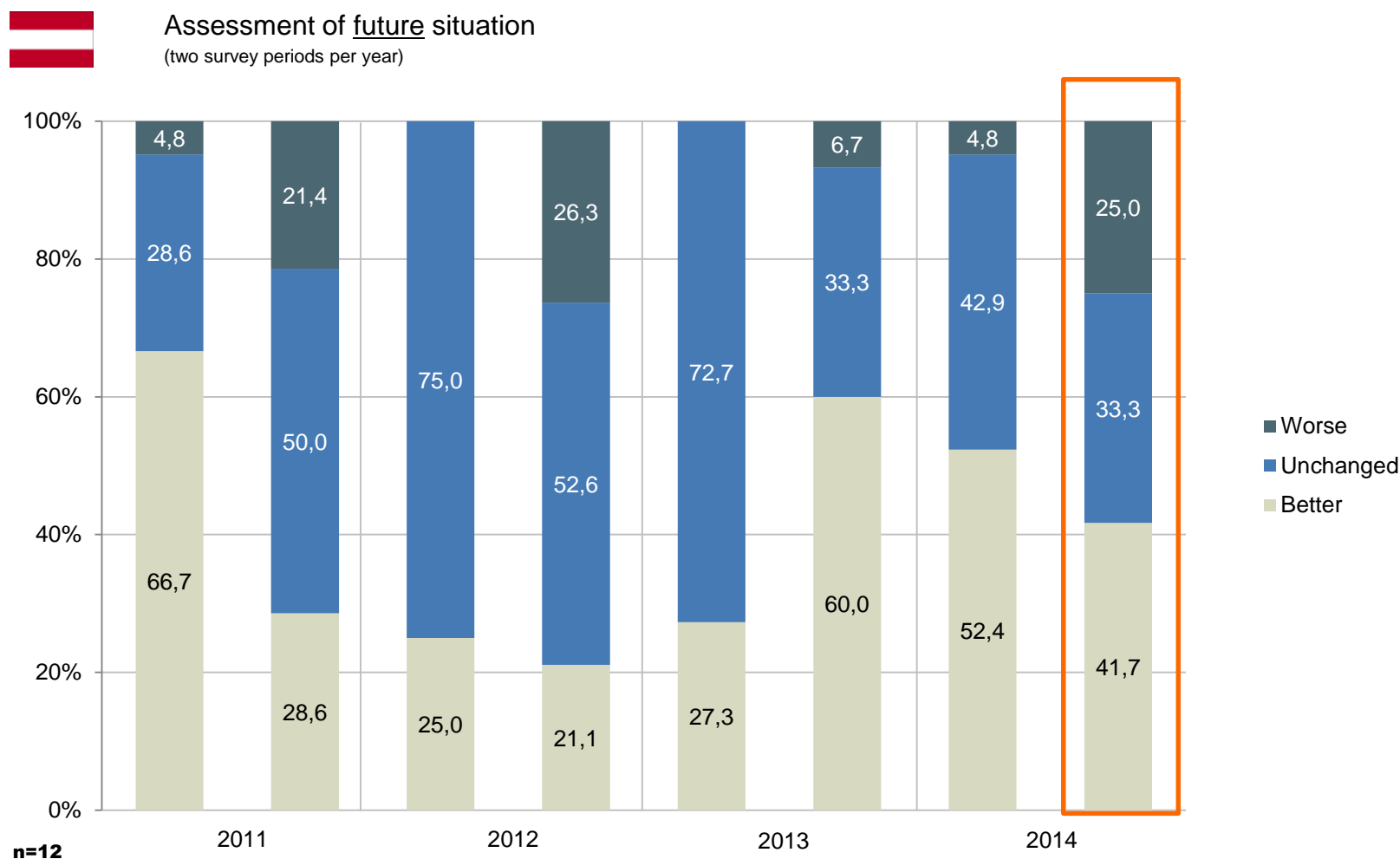


Assessment of future situation of companies in Austria from year to year



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Assessment of future situation of companies in Germany - Indices

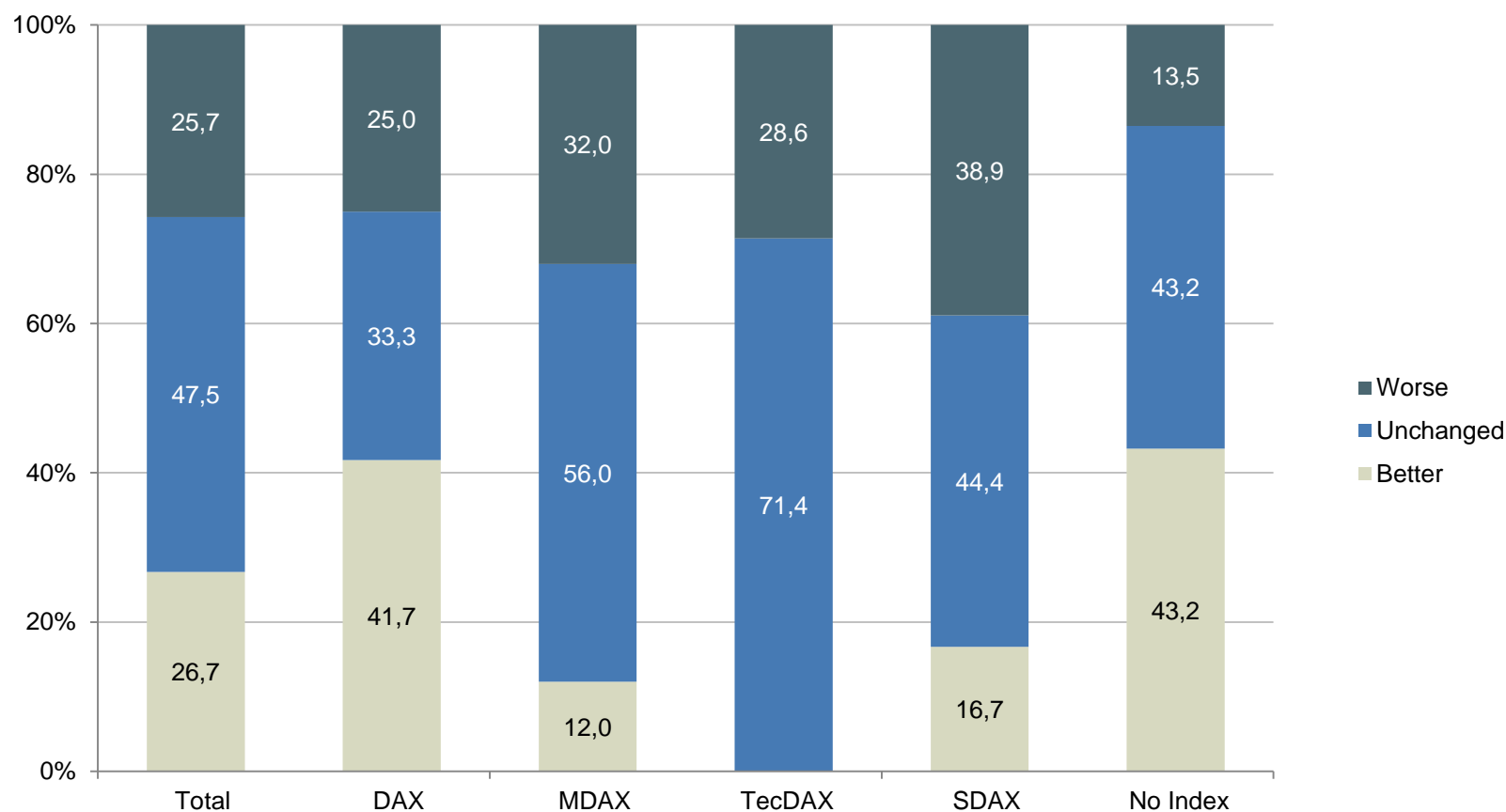


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Assessment of future situation
(two survey periods per year)



Assessment of future situation of companies in Germany - Industries

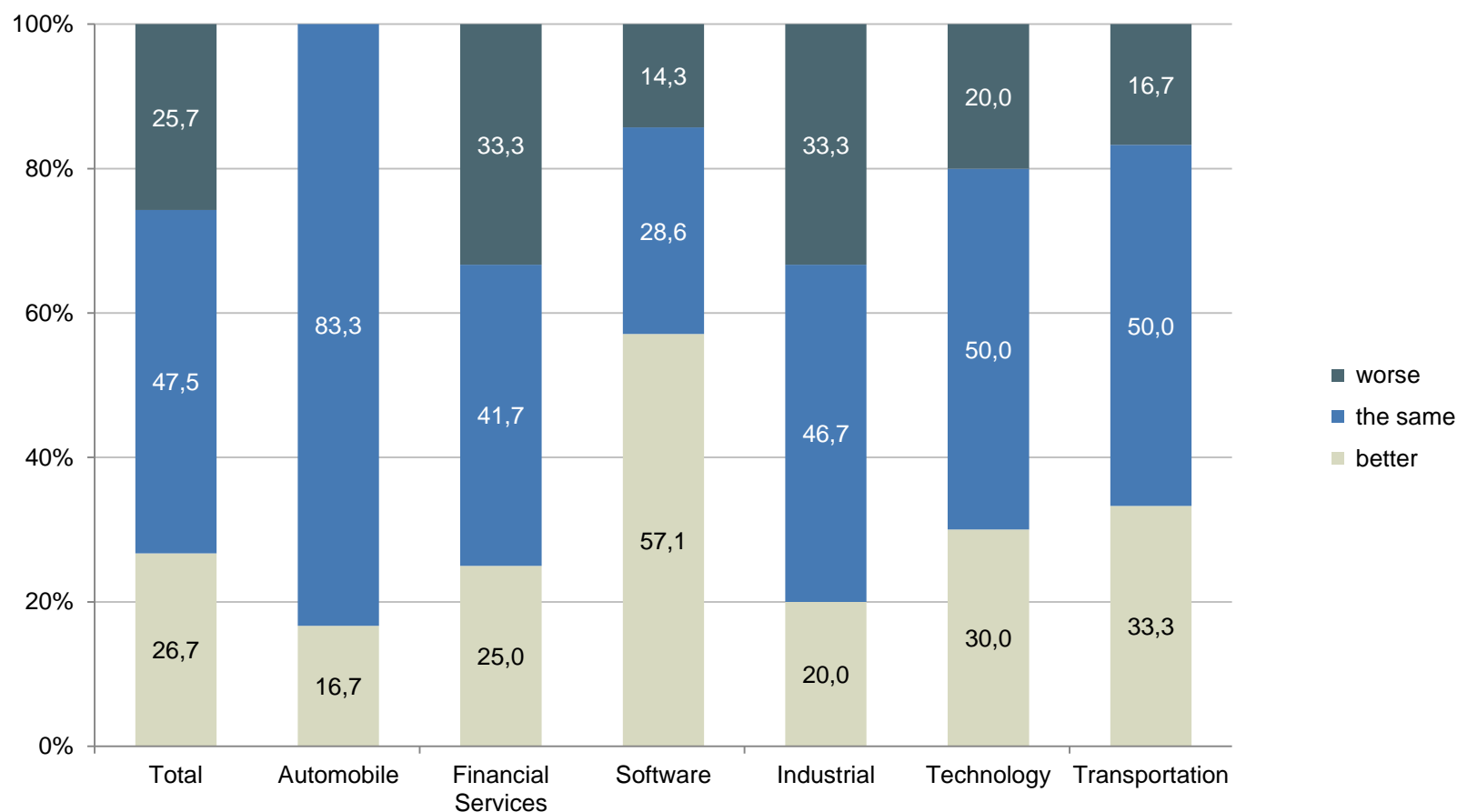


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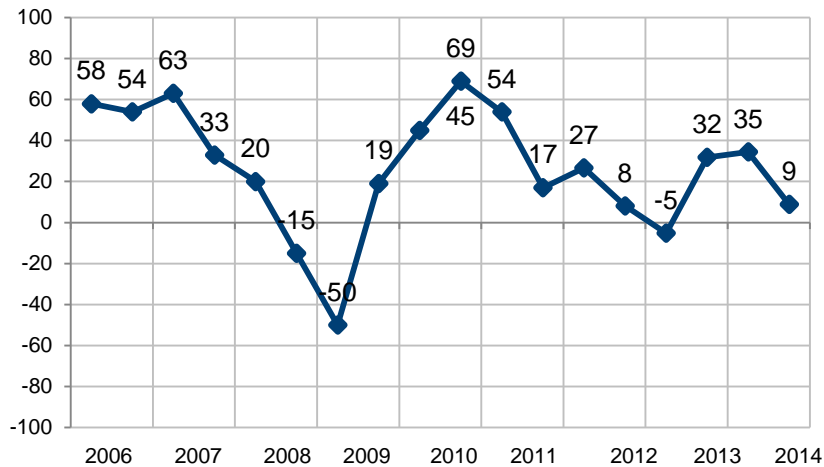
Assessment of future situation
(two survey periods per year)



Economic assessment shows decline for the future

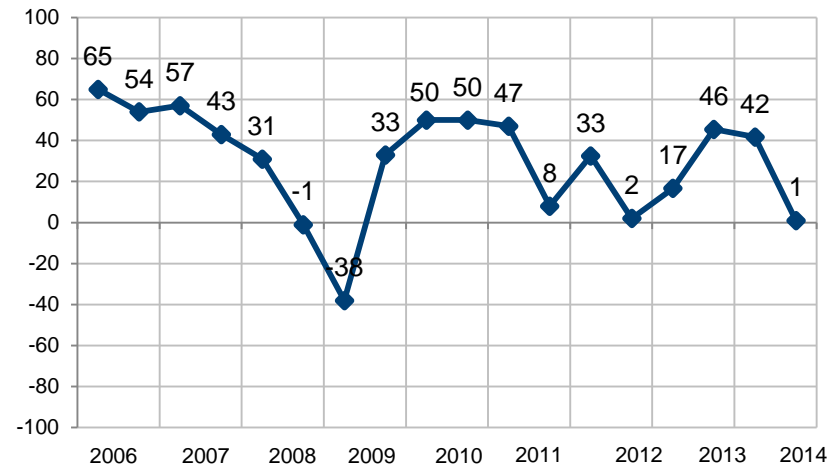


Assessment of current prospect
(two survey periods per year)



The indicator currently stands at 9 points in Germany, which represents a strong decrease compared to spring 2014.

Assessment of future prospects
(two survey periods per year)

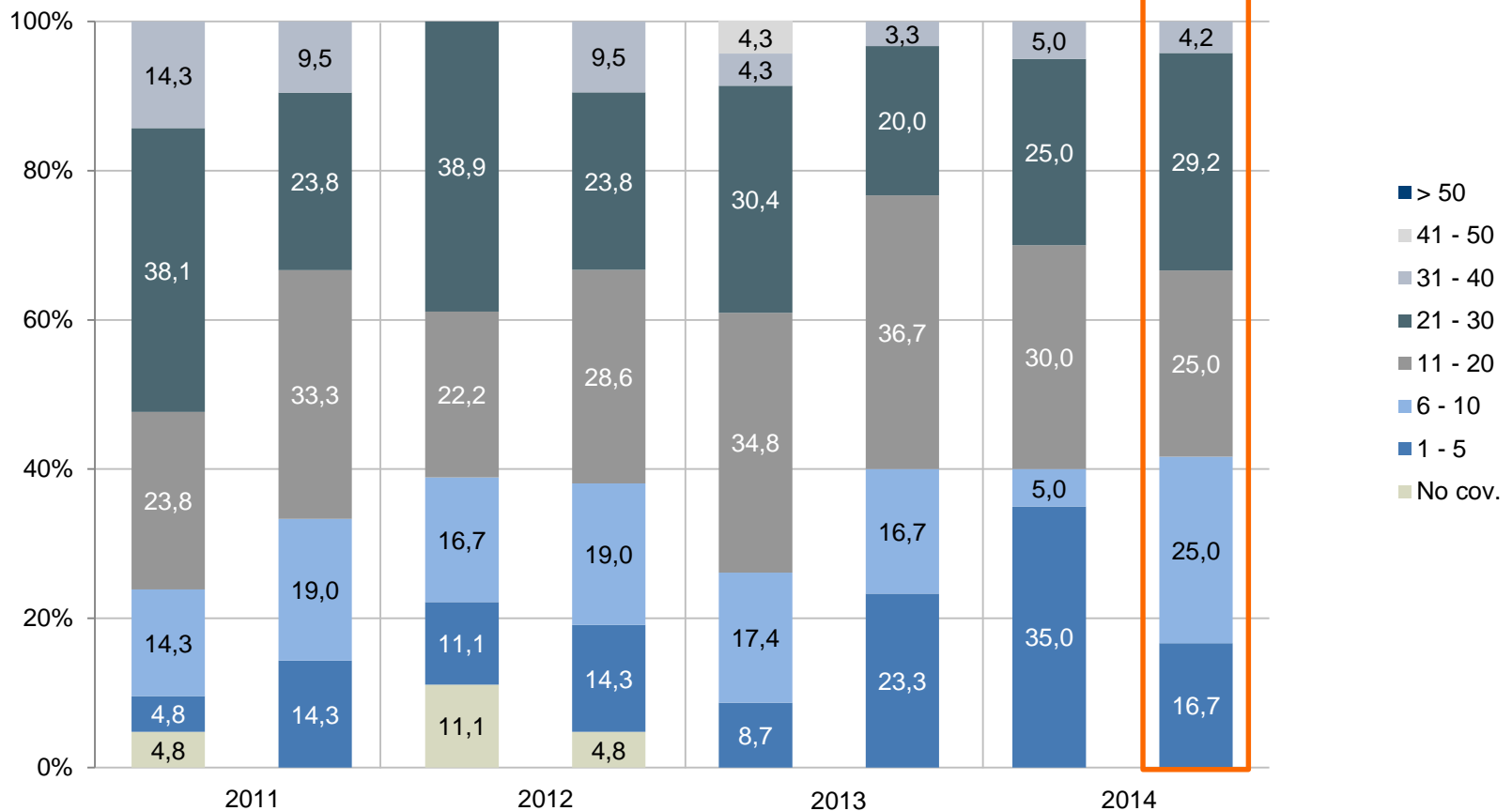


The future indicator stands at 1 point in Germany. It decreases 41 points compared to spring 2014.

Current sell-side analyst coverage in Switzerland



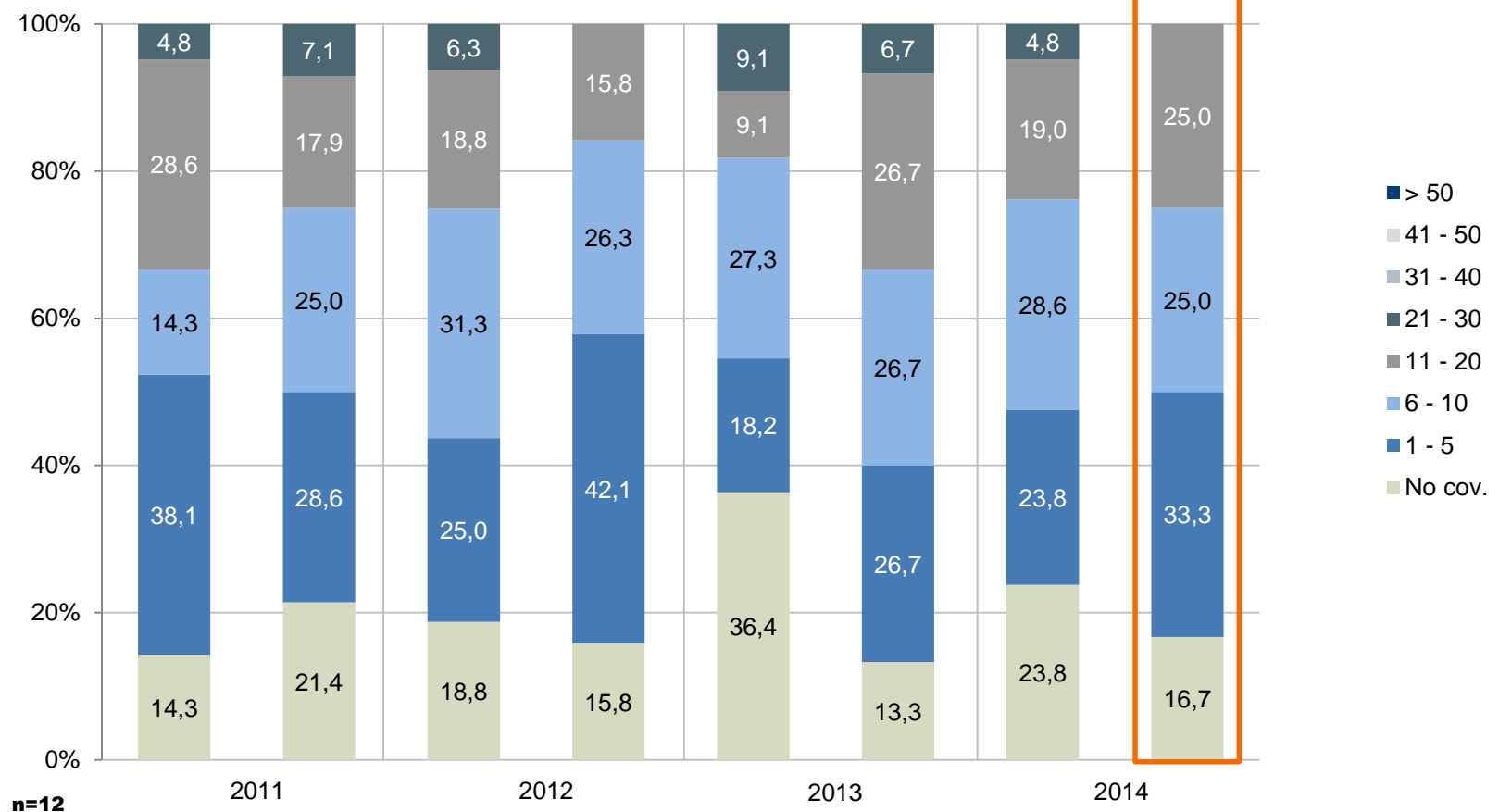
Comparison of surveys from 2010 to 2014
(two survey periods per year)



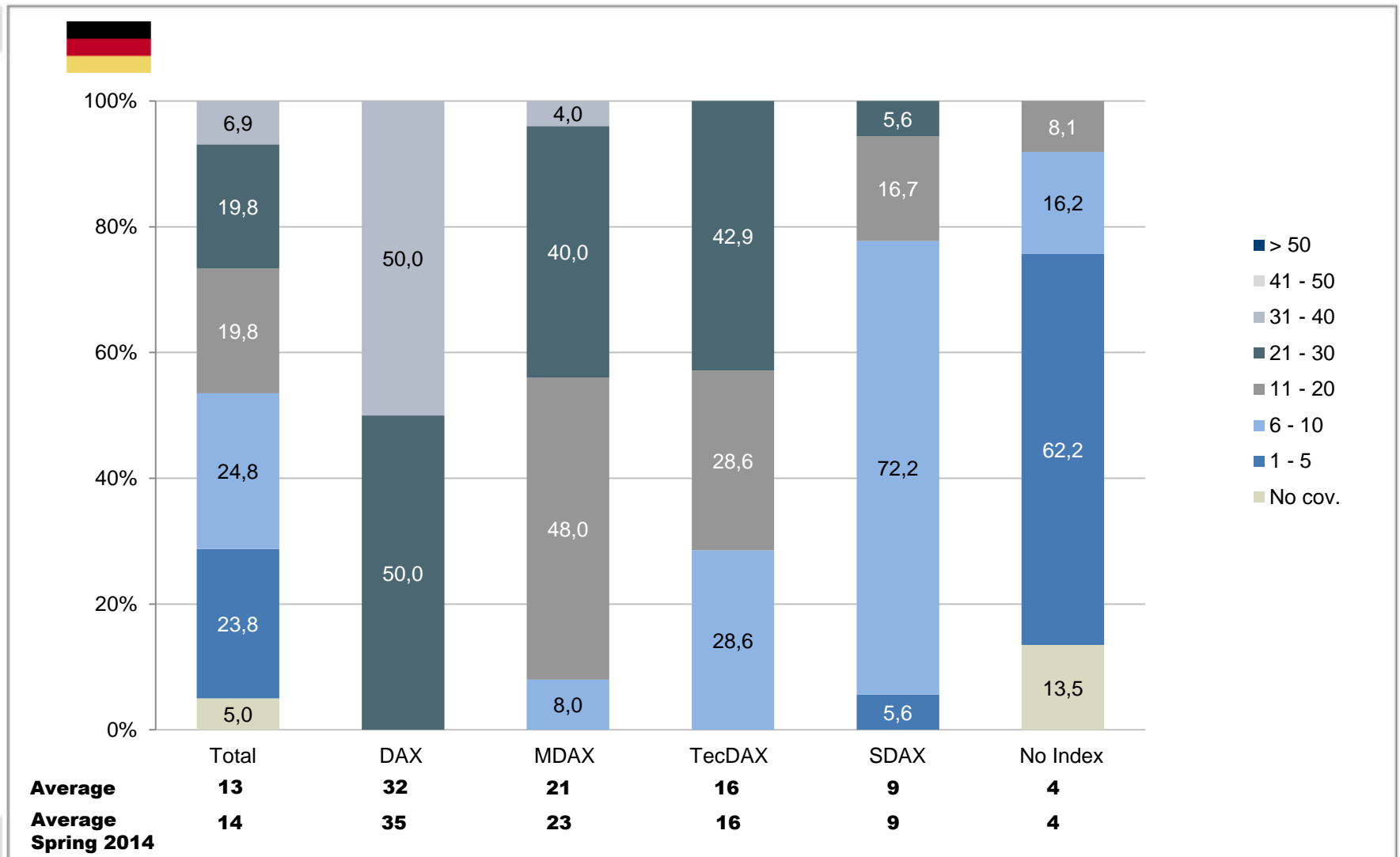
Current sell-side analyst coverage in Austria



Comparison of surveys from 2010 to 2014
(two survey periods per year)



Current sell-side analyst coverage in Germany - Indices



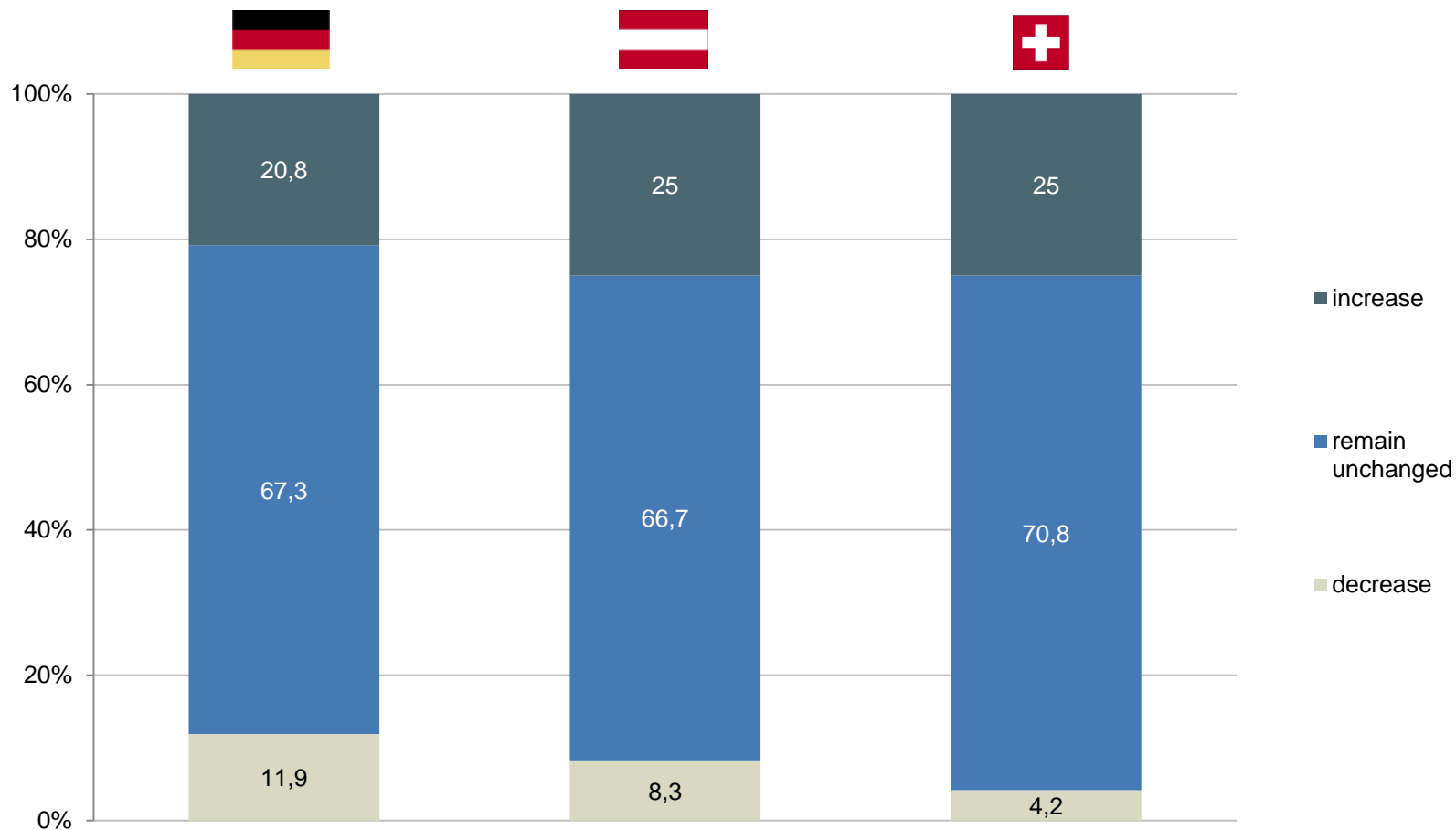
Investor appointments



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By country



Investor appointments in Germany

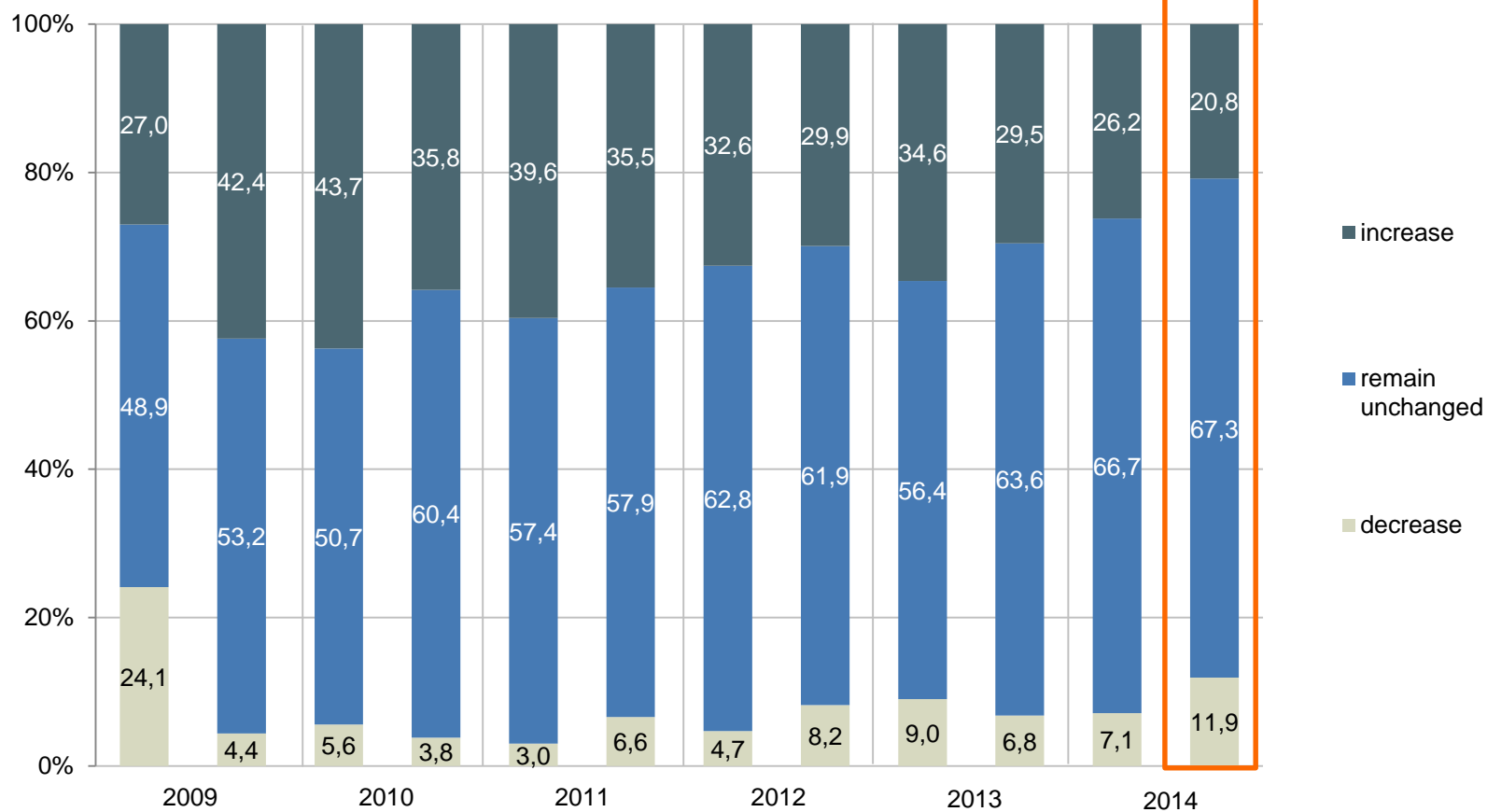


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Comparison of surveys from 2009 to 2014
(two survey periods per year)



Investor appointments in Switzerland

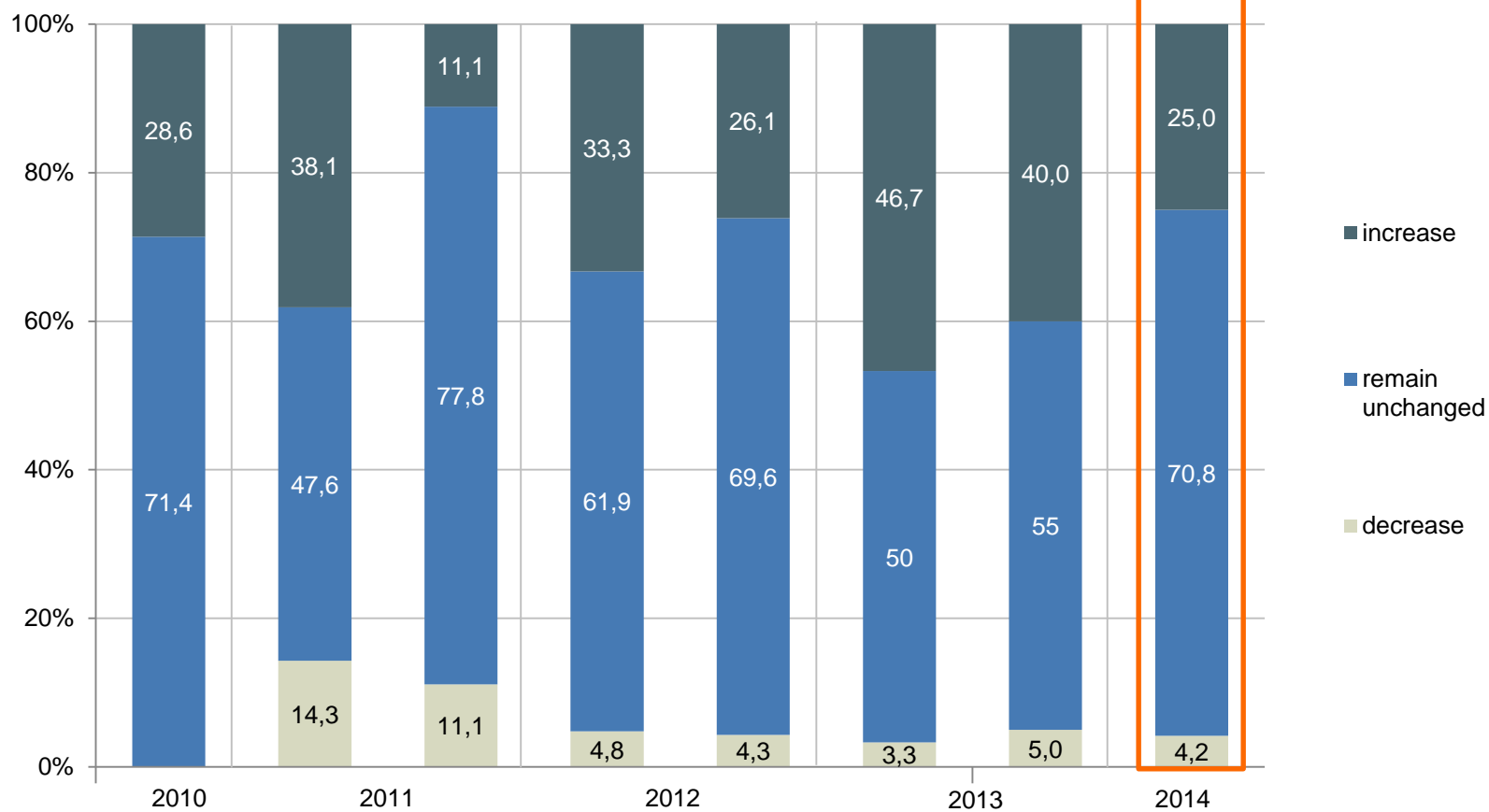


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Comparison of surveys from 2010 to 2014
(two survey periods per year)



Investor appointments in Austria

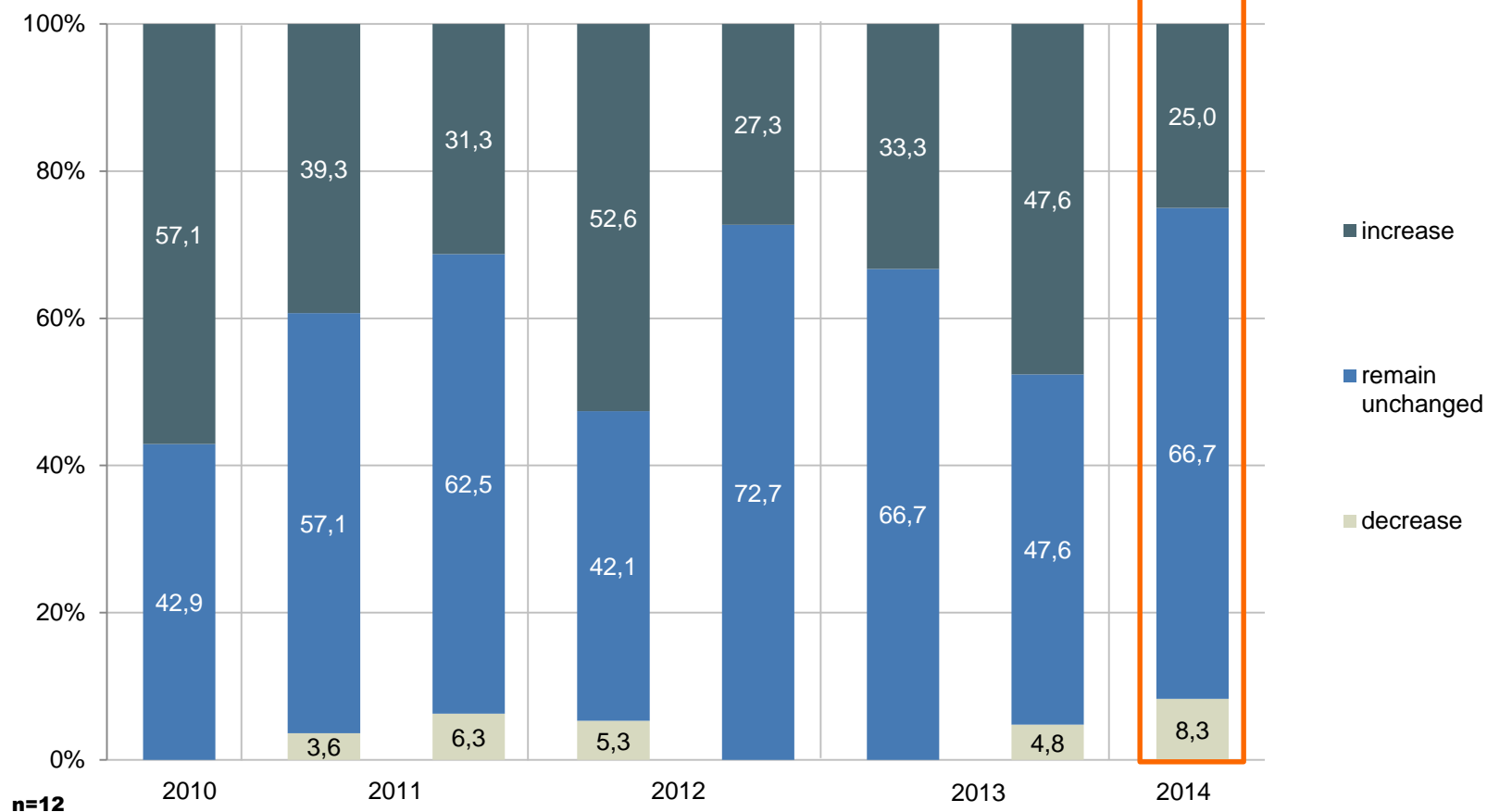


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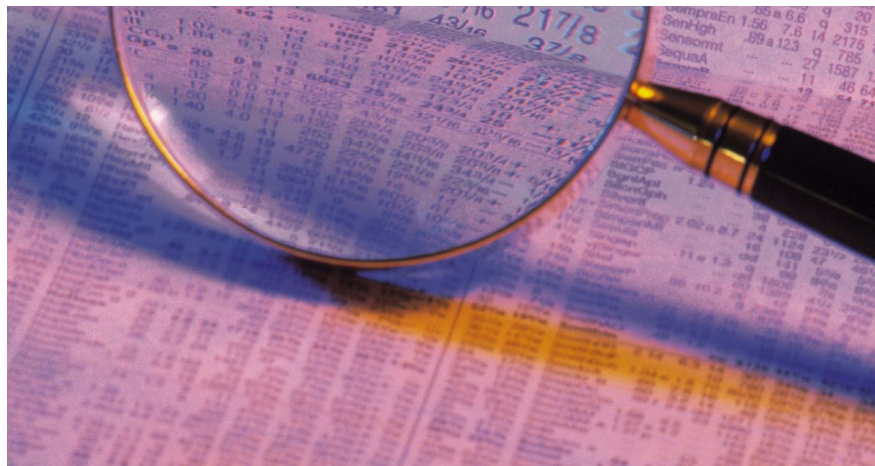


Comparison of surveys from 2010 to 2014
(two survey periods per year)



SPECIAL TOPIC

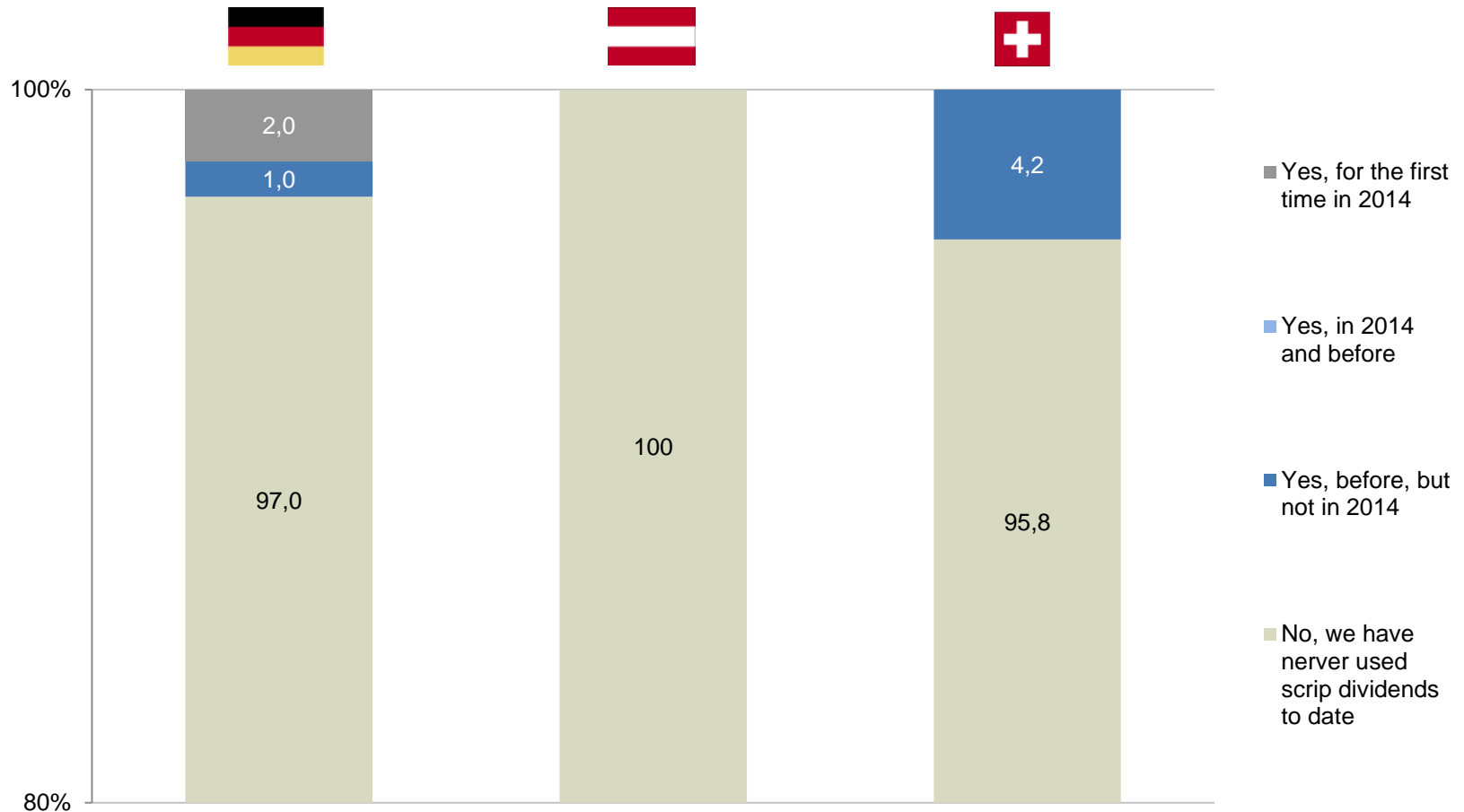
Scrip dividends



In Germany, 97% of the DIRK members never have used scrip dividends before.



Use of scrip dividends by country



Main advantage of scrip dividends is that they protect liquidity.



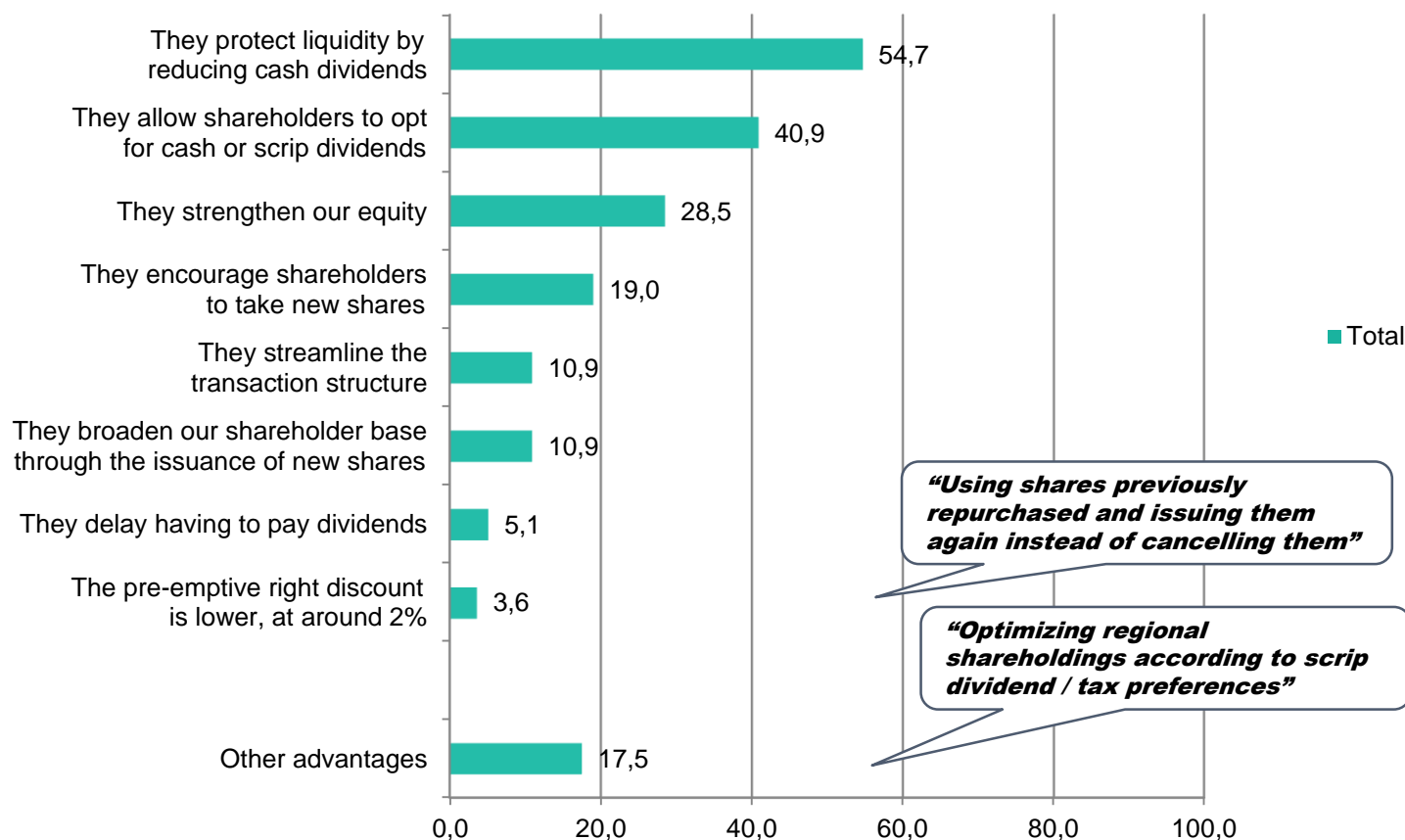
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What do you see personally as the main advantages of scrip dividends for your company?

(Multi Punch)

Total



In Germany, 56% of the DIRK members think that scrip dividends protect liquidity.

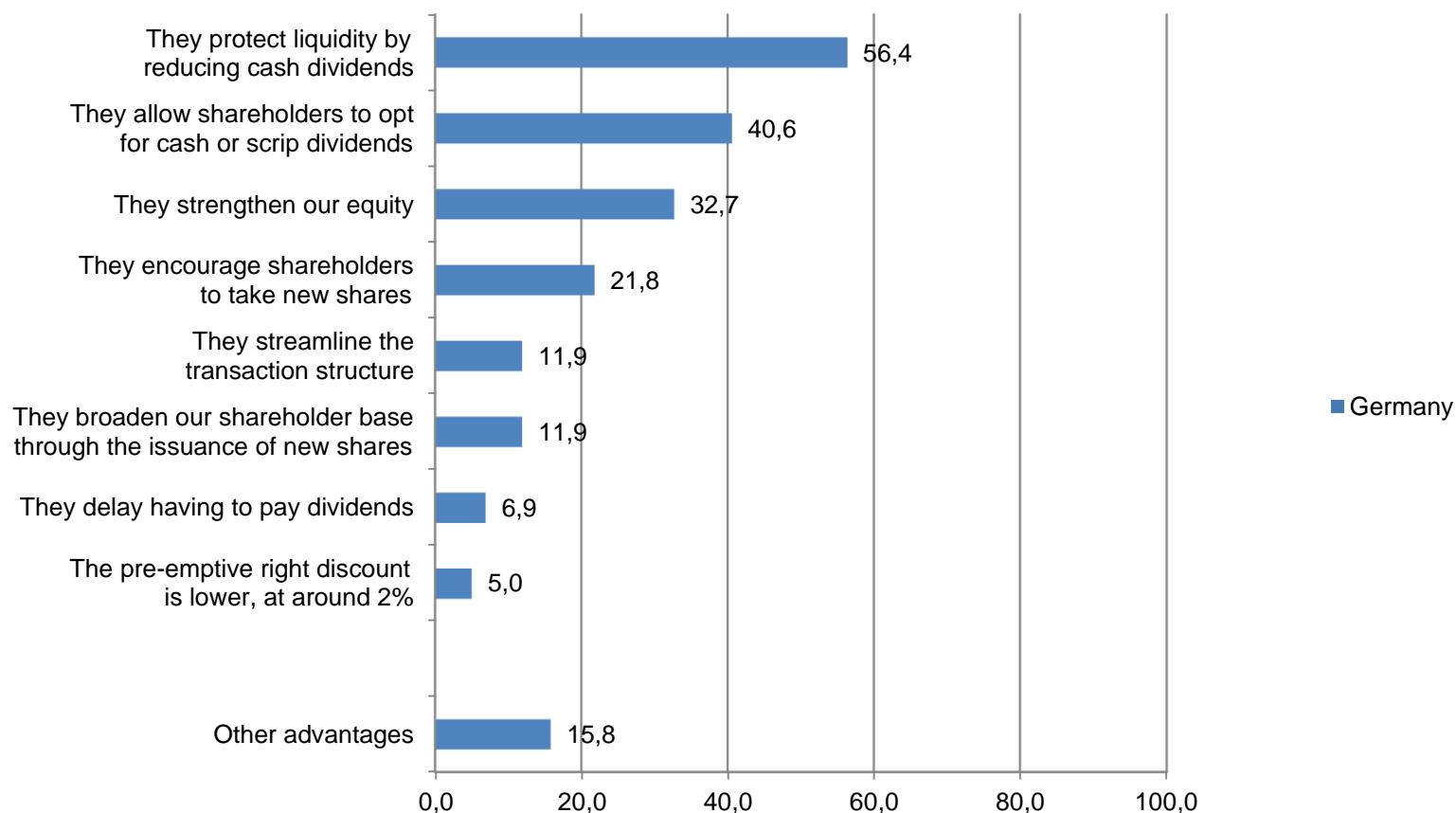


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What do you see personally as the main advantages of scrip dividends for your company?

(Multi Punch)



33% of the CIRA members think that scrip dividends allow shareholders to opt for cash or scrip dividends.

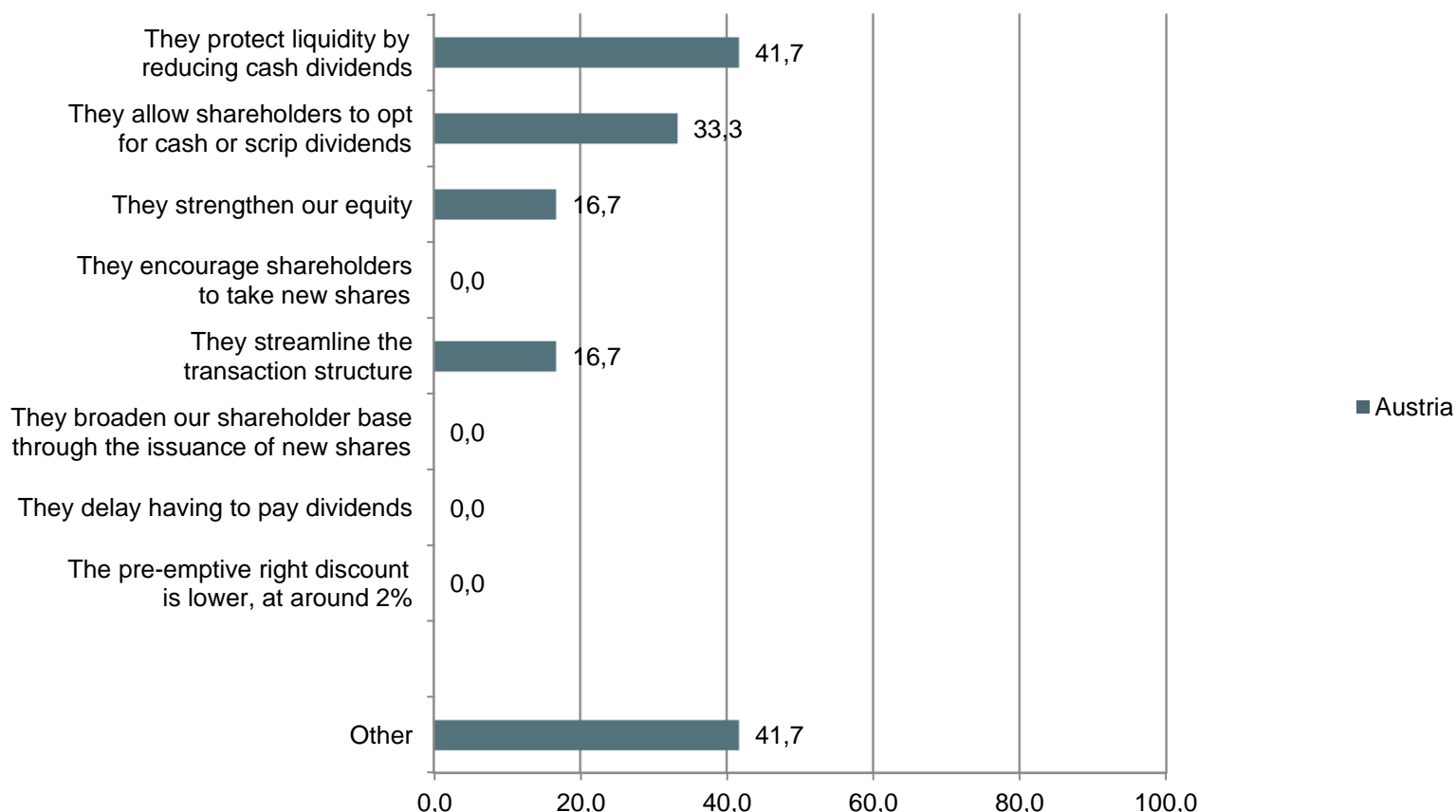


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What do you see personally as the main advantages of scrip dividends for your company?

(Multi Punch)



n=12

54% of IR-Club members think that scrip dividends protect liquidity by reducing cash dividends.

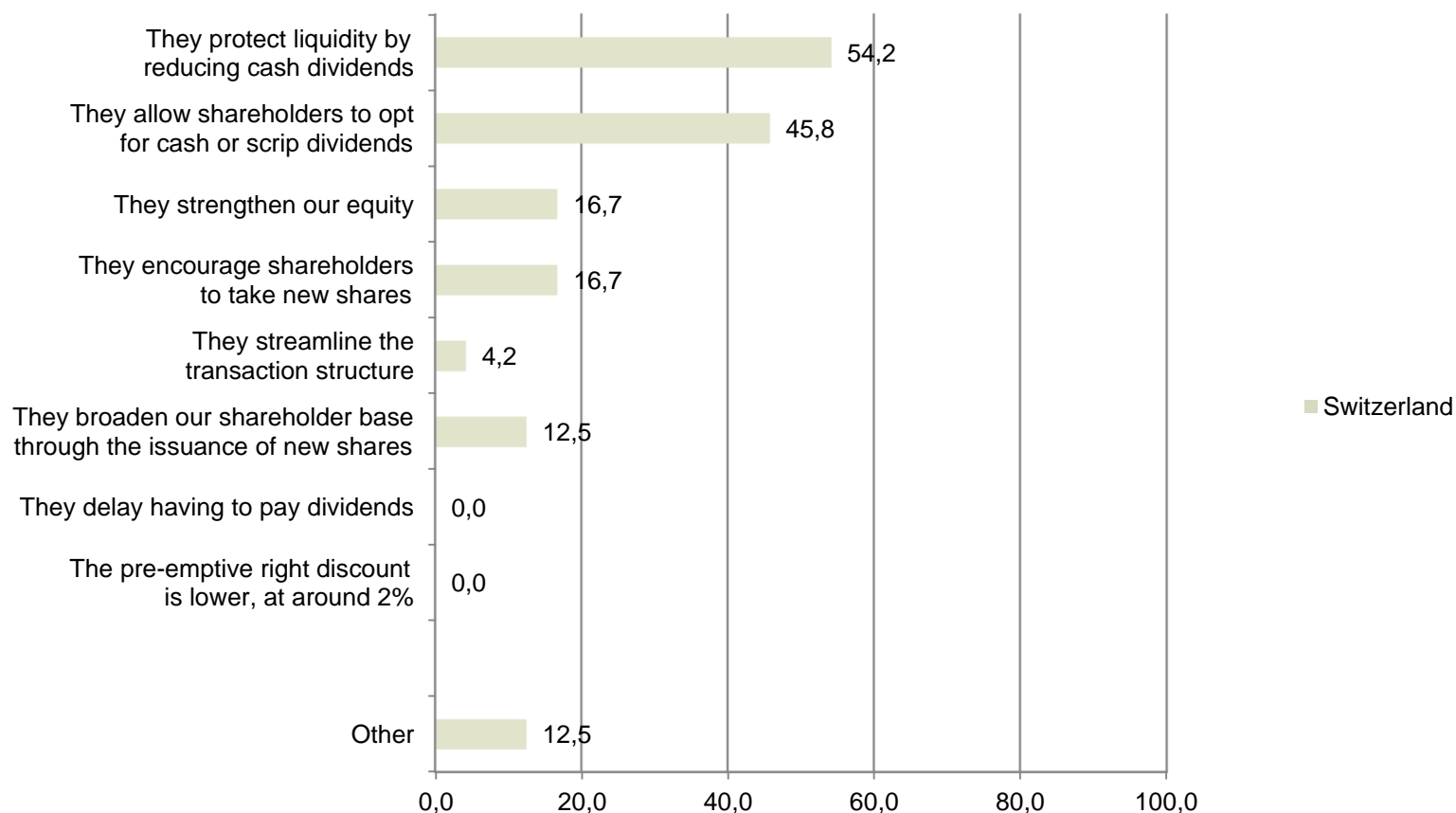


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What do you see personally as the main advantages of scrip dividends for your company?

(Multi Punch)



Complexity of transaction structure is seen as main drawback of scrip dividends.

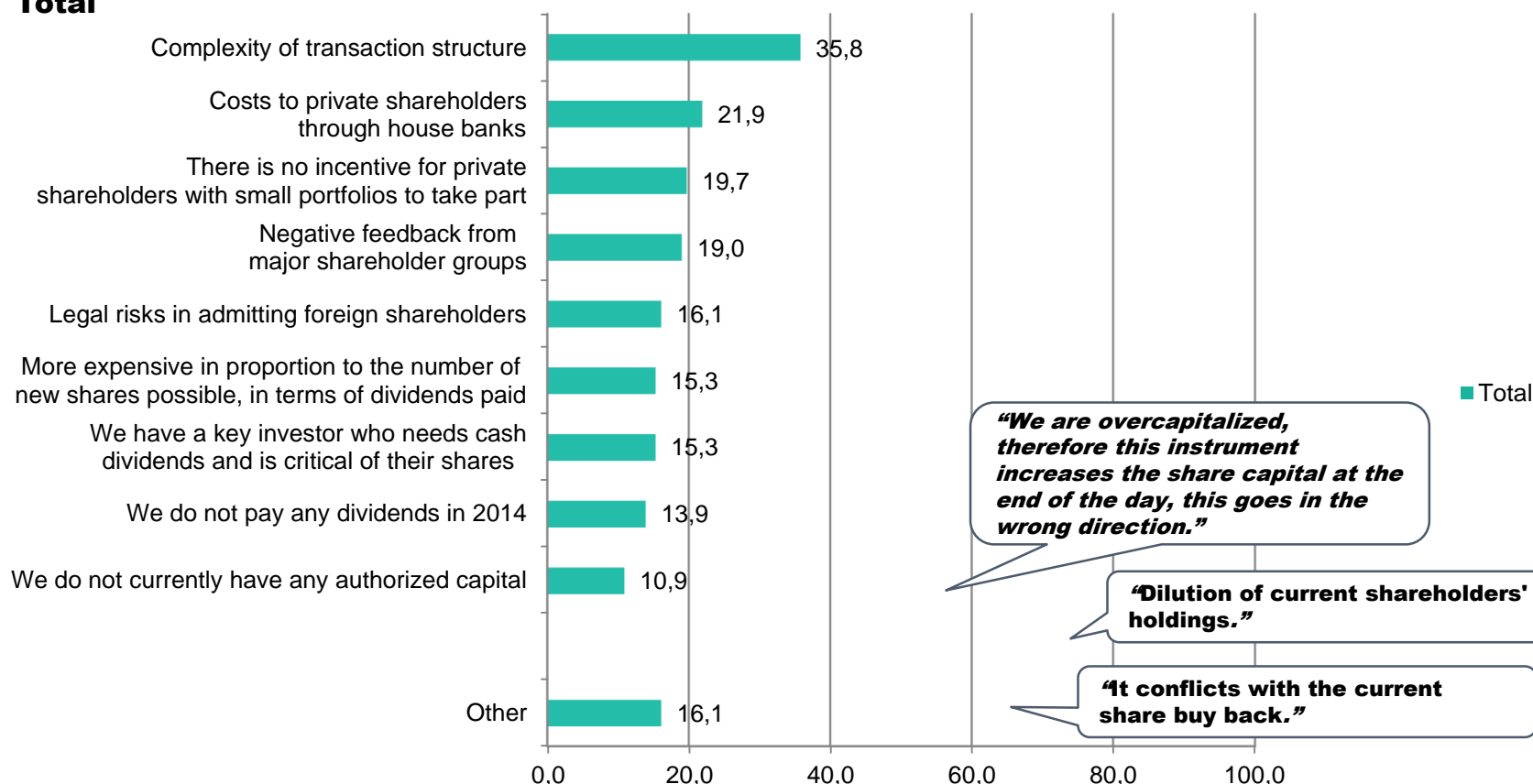


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And what do you yourself see as the main drawbacks for your company as far as scrip dividends are concerned? (Multi Punch)

Total



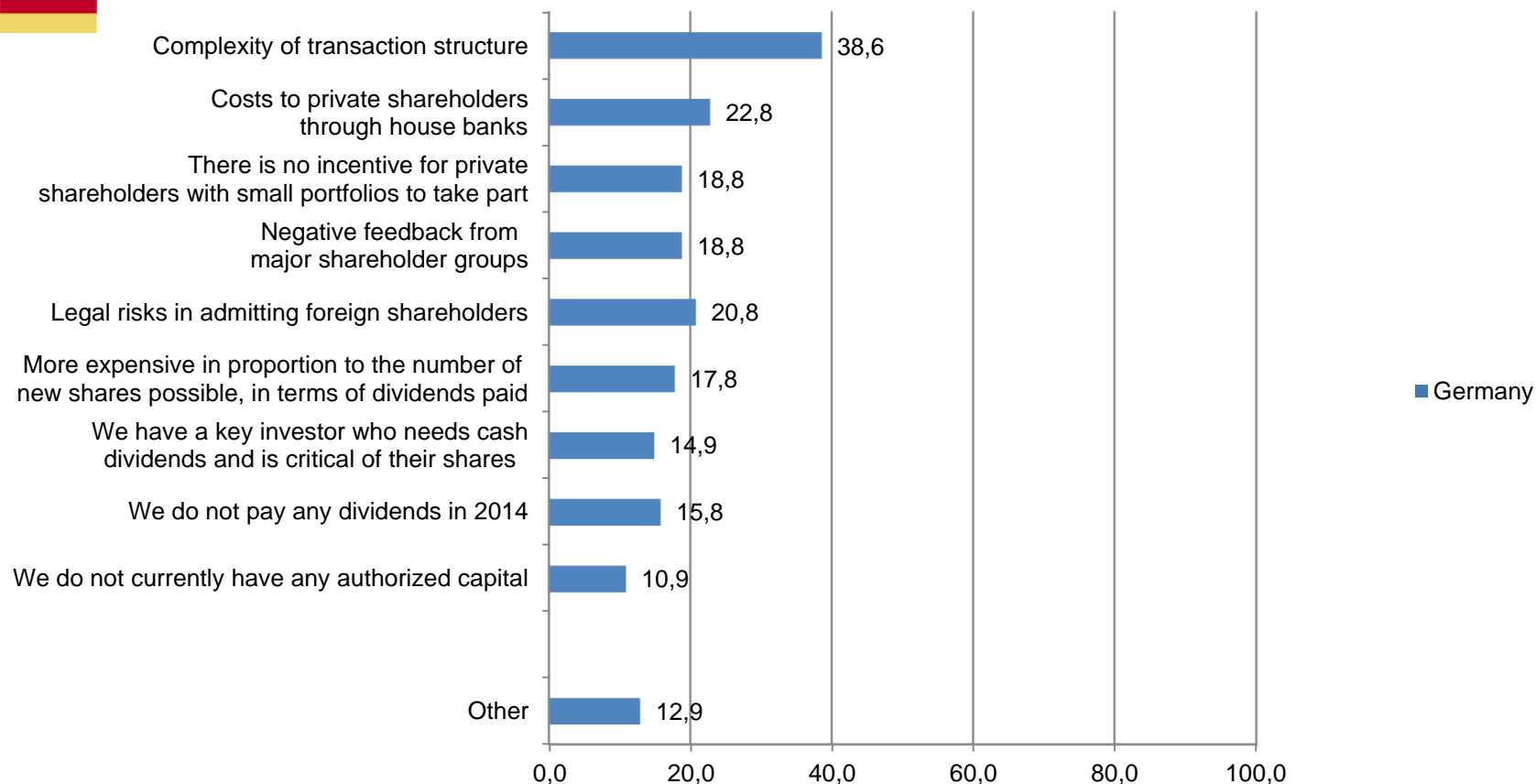
In Germany, as main drawbacks are seen the complexity of transaction structure, costs to private shareholders and legal risks.



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And what do you yourself see as the main drawbacks for your company as far as scrip dividends are concerned? (Multi Punch)



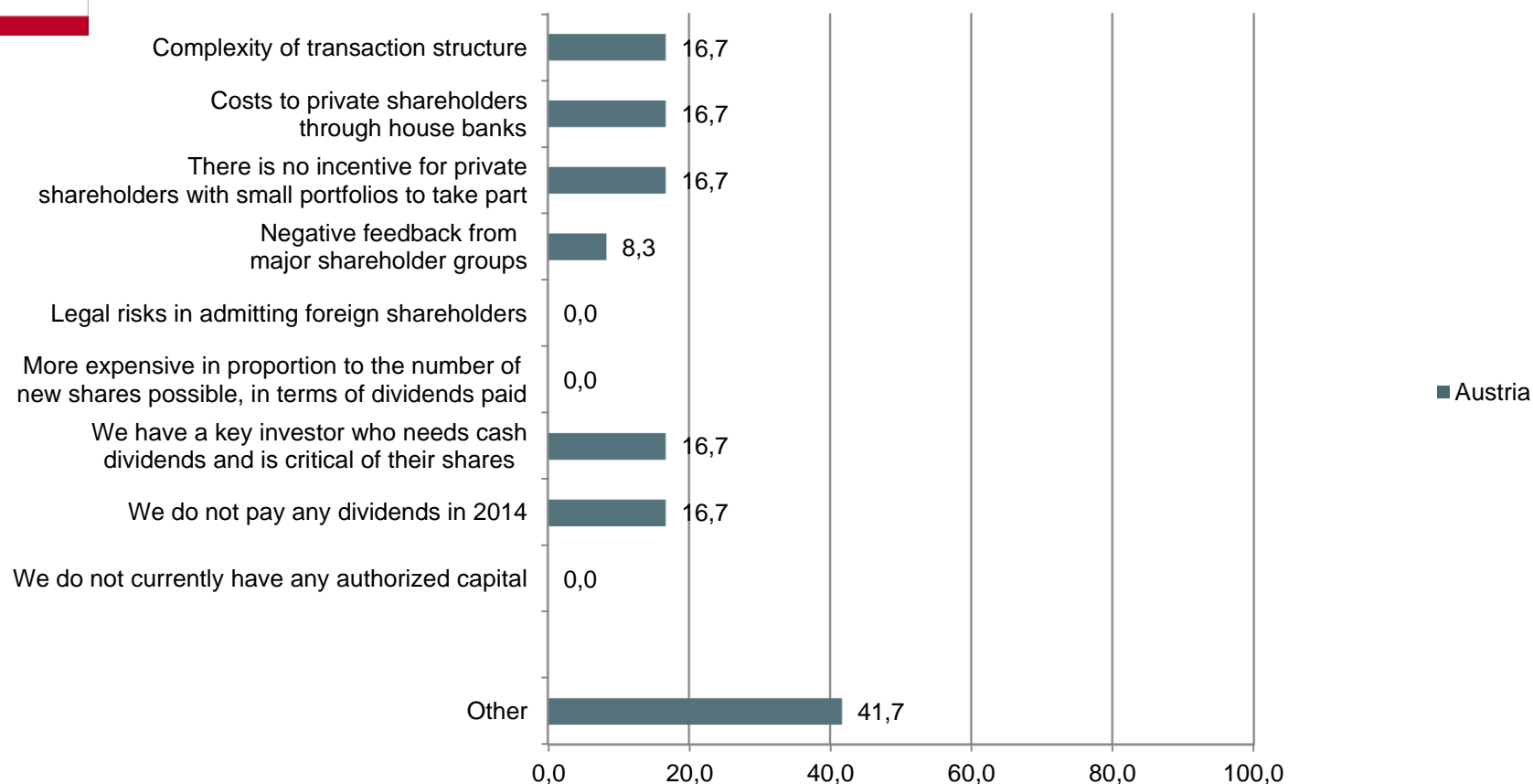
In Austria, there are different drawbacks seen in scrip dividends.



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And what do you yourself see as the main drawbacks for your company as far as scrip dividends are concerned? (Multi Punch)

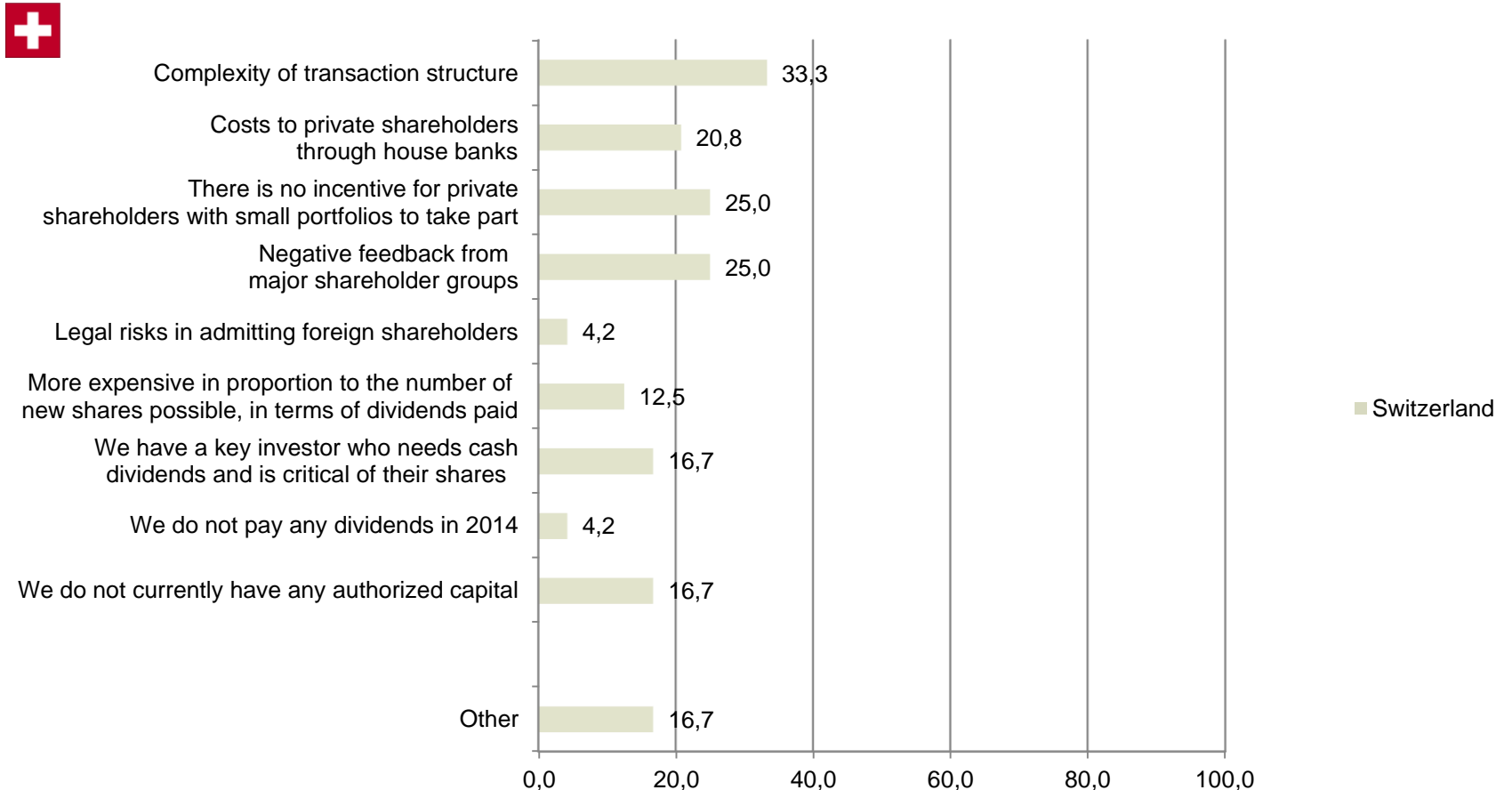


n=12

Complexity of transaction structure, no incentive for private shareholders and negative feedback are seen as main disadvantages of scrip dividends.



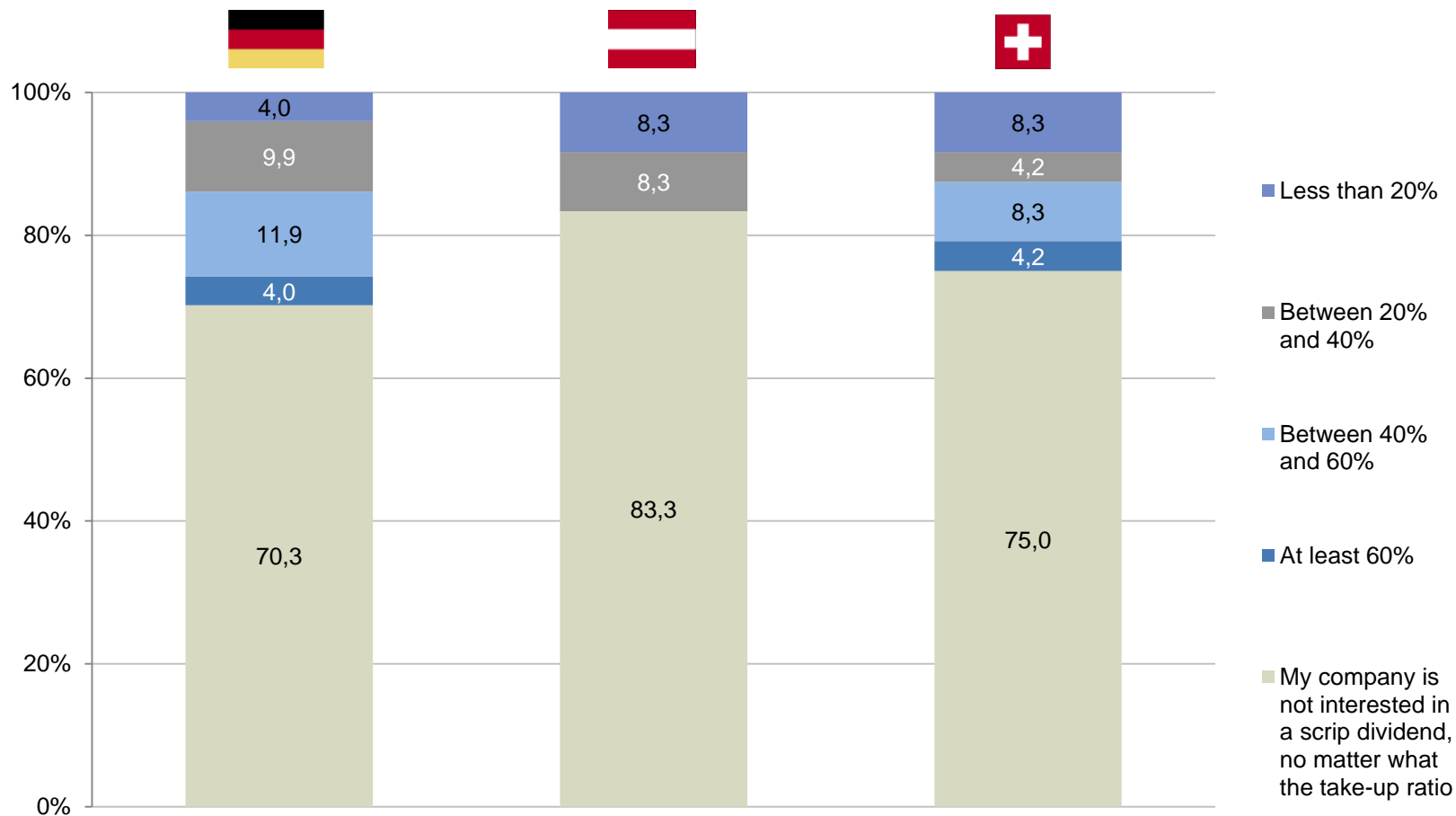
And what do you yourself see as the main drawbacks for your company as far as scrip dividends are concerned? (Multi Punch)



Most companies are not interested in a scrip dividend, no matter what the take-up ratio is.



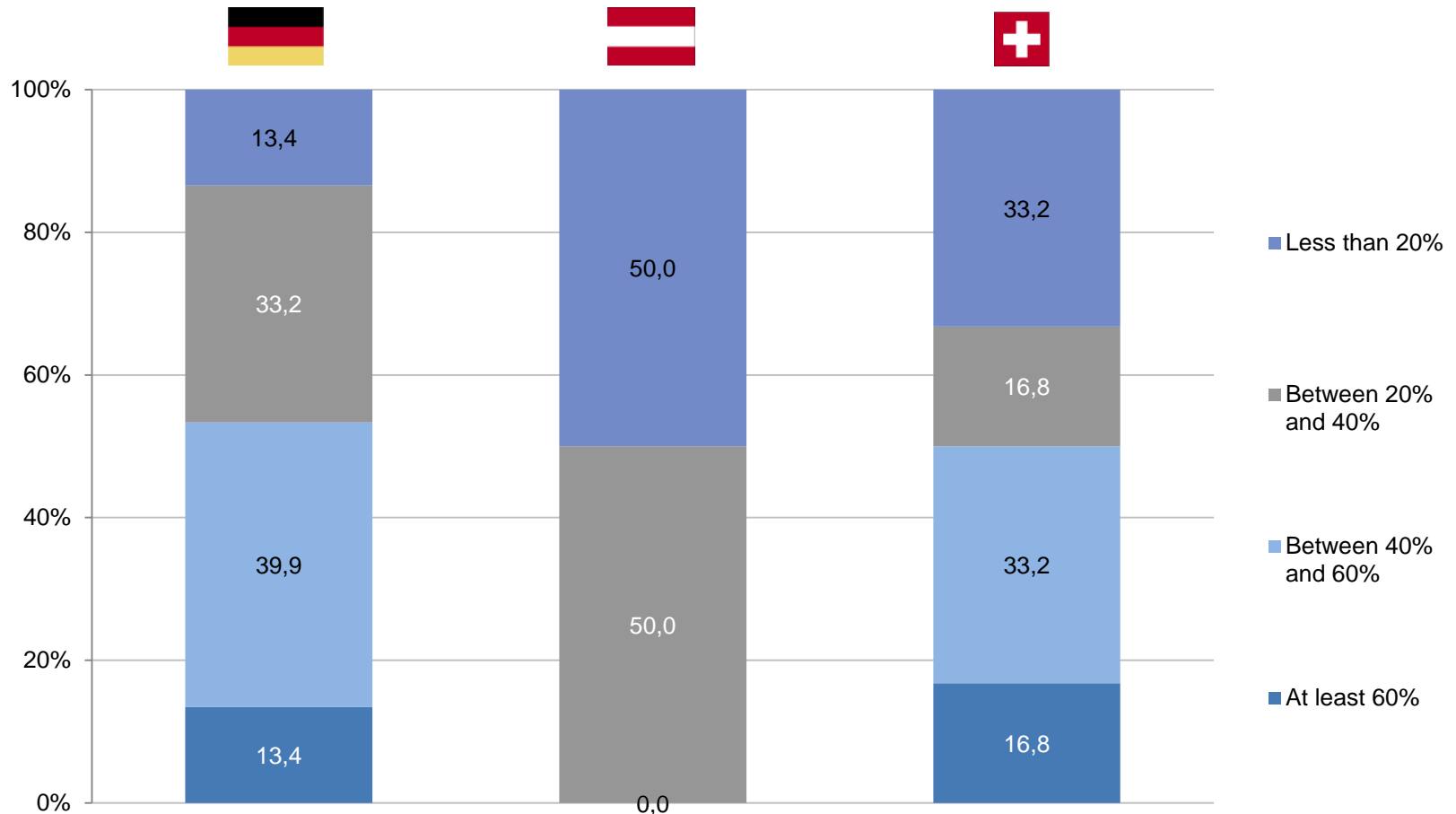
Take-up ratio by country



In Germany, 40% of companies that are interested in scrip dividends require a take-up ratio of 40%-60%.



Take-up ratio by country (Base: Interested companies)

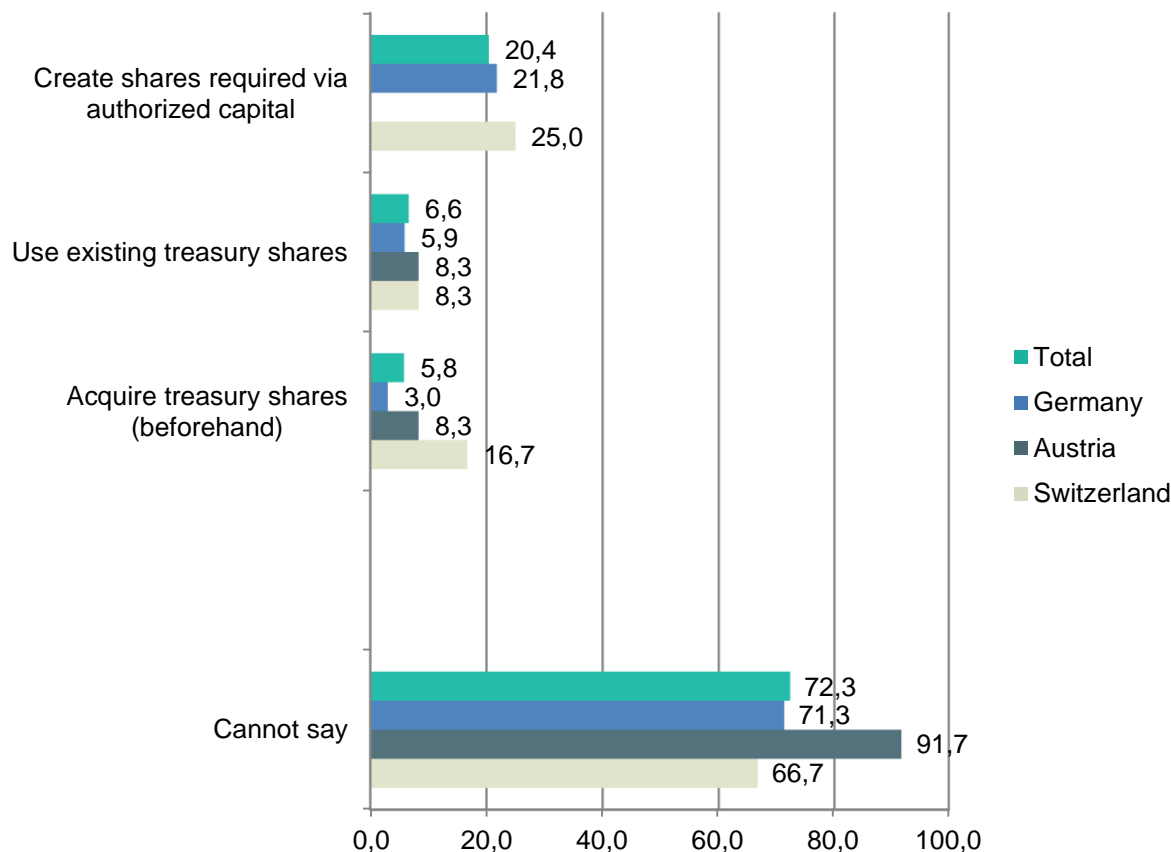


In case they can say, most companies would create shares required via authorized capital to offer a scrip dividend.



Assuming your company were to offer your shareholders a script dividend in 2015:
Which of the following options would it select? (options can be combined)

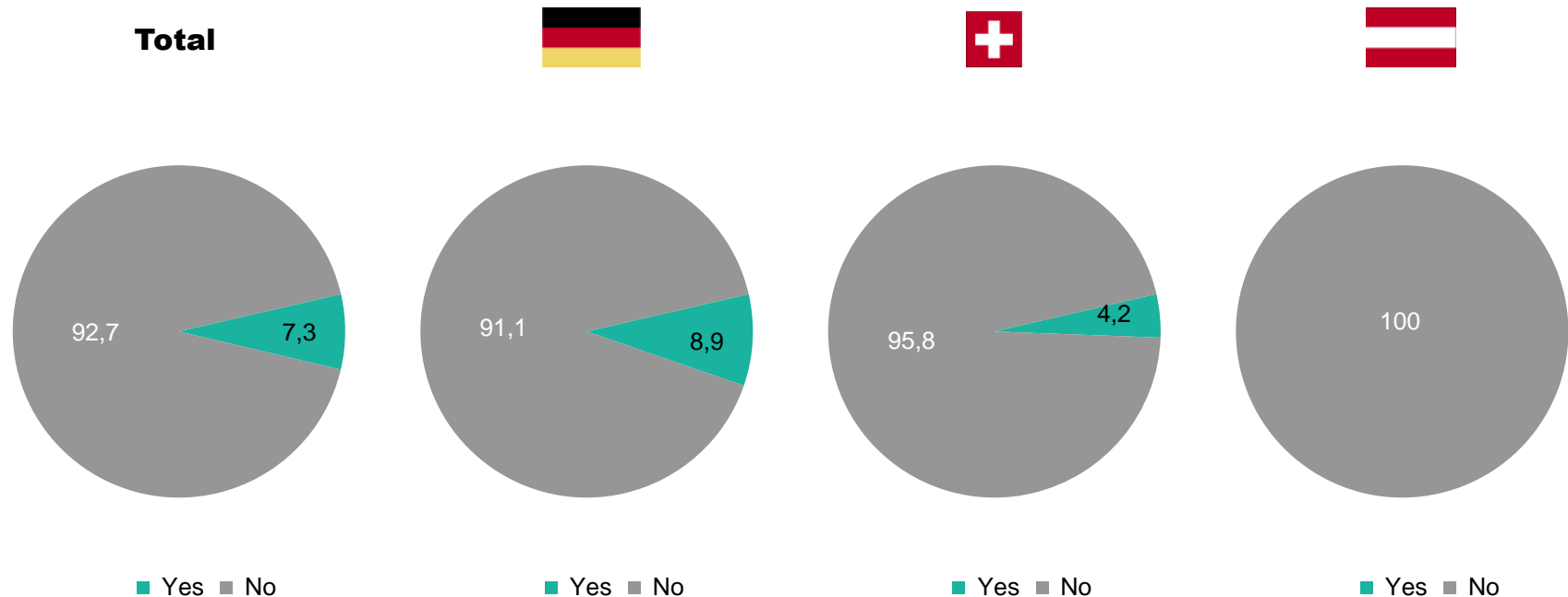
(Multi Punch)



In Austria, the members of CIRA did not discuss the idea of scrip dividends with their shareholders.

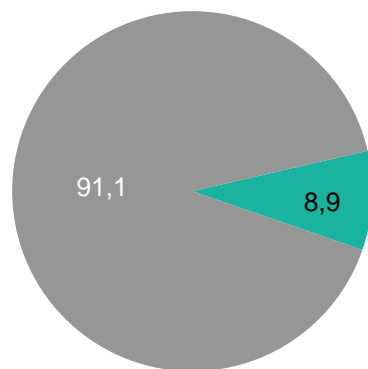


Have you already discussed the idea of scrip dividends with your shareholders?



In Germany, 9% of the DIRK members have discussed the idea of scrip dividends with the shareholders. 44% of the investors like the idea.

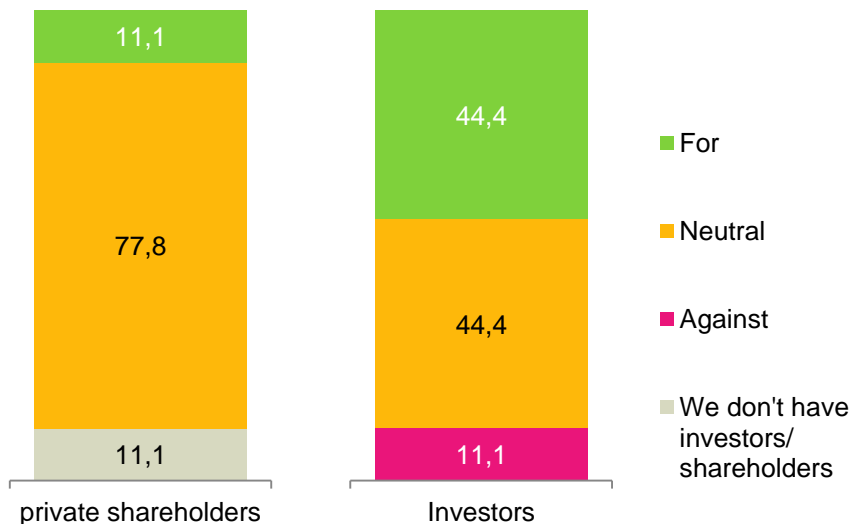
Have you already discussed the idea of scrip dividends with your shareholders?



■ Yes ■ No



How would your private shareholders / institutional investors respond on average?



Contacts regarding the study

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