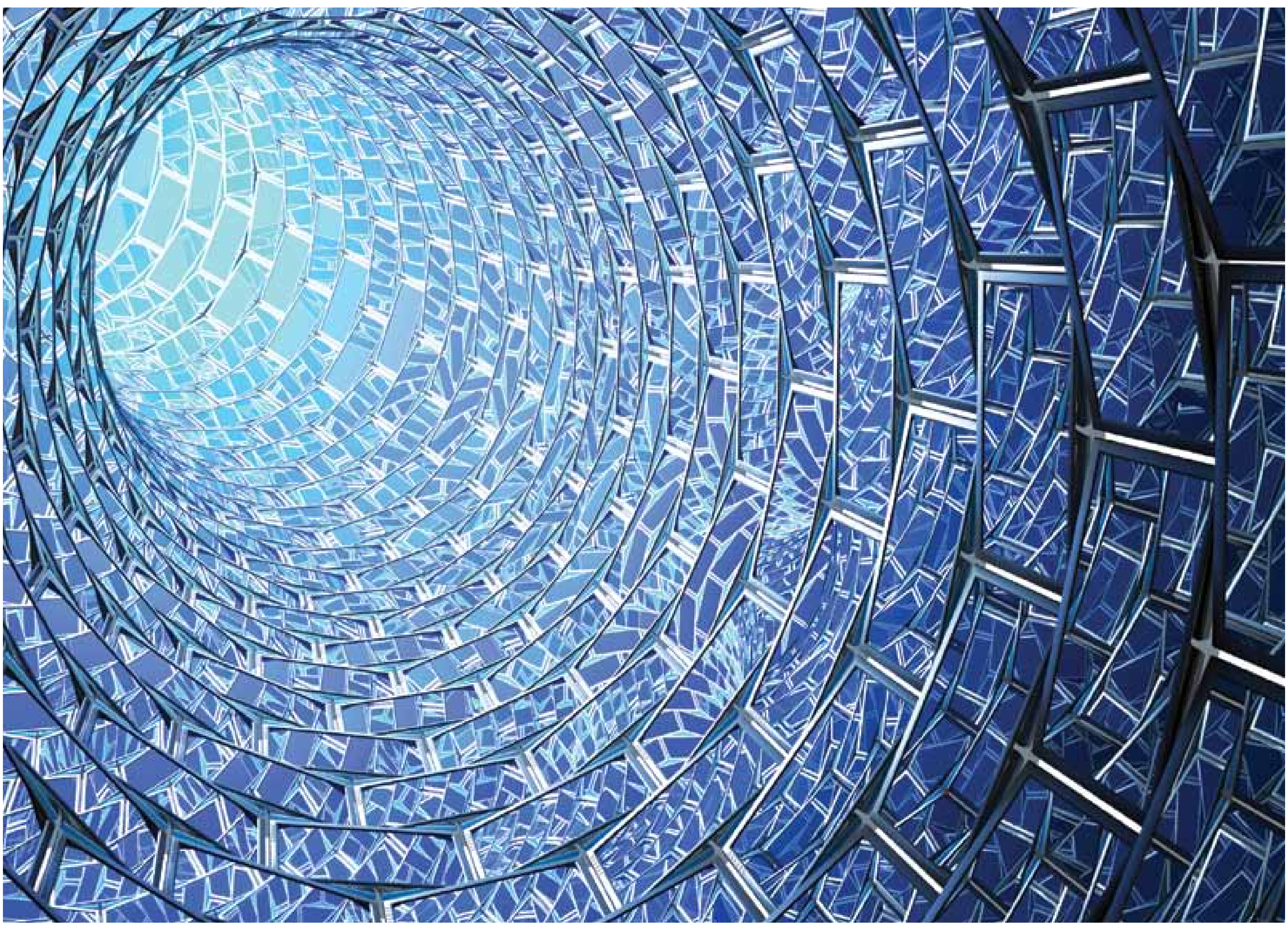
Global Trends In Investor Relations

A Survey Analysis of IR Practices Worldwide - Seventh Edition

October 2011

BNY MELLON



Who's helping you?

Table of Contents

I. Foreword

By Michael Cole-Fontayn,
CEO, Depositary Receipts

BNY MELLON

Michael Cole-Fontayn
Chief Executive Officer,
Depositary Receipts

This year is on track to be a record year for the depositary receipt (DR) markets. There are now more DRs outstanding trading more actively on more stock exchanges and platforms than at any other time in the history of this product. Trading value and volume reached $1.91 trillion and 80.5 billion*, respectively, at the mid-year mark – the highest in the history of DRs – and the number of DR programs has reached 3,453, up from 3,214 last year.**

2011 has been a turbulent year for the global markets with political volatility in the Middle East, European Union financial crisis, and continuing economic uncertainty in the U.S. Issuers around the world face ever-increasing challenges to obtaining their optimal valuation. Strong investor relations (IR) departments that communicate their story are integral to overcoming these challenges. As you will see from our results, companies are reacting by putting more focus on IR, growing IR departments and increasing IR salaries.

Through our extensive experience with global companies, we have found that DR issuers with robust investor relations programs are likely to see greater trading value, volume and closer ties to their investors. This study—BNY Mellon Depositary Receipts' Seventh Annual Survey of Global Investor Relations Trends—takes an in-depth look at companies' areas of concentration and analyzes how they're allocating their IR resources. Our sample includes companies from around the globe, and we've seen a 75% increase in respondents over the 2010 survey. This year we have 650 companies represented.

We are unique among our peers for the depth of our study of investor relations. BNY Mellon remains committed to servicing our global clients and powering their investment success. This survey is an important tool in our efforts to bring intelligence and transparency to what matters most to our clients. It covers:

- Goals and priorities of IR departments
- Scope and frequency of IR outreach activities
- Internal and external resources available to IR departments
- Impact of the latest capital markets developments on the IR function

BNY Mellon has been at the forefront of promoting the importance of global IR. We were the first depositary bank to develop an IR advisory group for our DR issuer clients. That group, the Global Investor Relations Advisory team – that began this survey seven years ago – now has specialists in New York, London and Hong Kong.

We look forward to speaking with you about how your IR program compares to those of your peers and what new approaches you can take. Please contact your BNY Mellon Depositary Receipts Relationship Manager or a member of our Global Investor Relations Advisory team to discuss new ideas.

*Source: Bloomberg

**Source BNY Mellon and other depositaries

BNY Mellon Depositary Receipts: Our Global Investor Relations Advisory Team

We began this survey in 2004 with a modest 34 companies from 14 countries. Only seven years later, this document – now including 650 companies from 53 countries – has become a benchmark for IR officers and practitioners around the world. Our IR specialists in New York, London and Hong Kong, are proud to present you with our Seventh Annual Global Trends in IR Survey.

As our team has expanded, we have been able to supply our growing number of DR issuer clients with even more advice and support to help them achieve their IR goals. BNY Mellon remains committed to working with our issuer clients to communicate their message effectively and develop best practice IR strategies.

This year, we have uncovered interesting new facts and trends that we are excited to share with you. Companies are increasingly looking to list on exchanges in high growth emerging markets and are already reaching out to investors in those markets. We are also seeing IR departments getting a boost in size and salary allocation, an encouraging move. Finally, after a tumultuous year, more companies are implementing written crisis communication policies.

In addition to this global report, we have also been able to capture country-specific data through our close relationships with the IR societies listed below. We will release this information in a series of country and market-specific reports that we will present at events around the world.

We hope the information contained in this survey will help you formulate your 2012 IR strategy. As always, we are happy to discuss these results and their implications with you and your team.

A special thanks to the following IR societies around the world:

- Australia Investor Relations Association (AIRA)
- Brazil Association of Listed Companies (IBRI)
- French Association for Investor Relations
- Hong Kong Investor Relations Association (HKIRA)
- Investor Relations Professionals Association Singapore (IRPAS)
- Investor Relations Society, India
- Israel Investor Relations Forum
- Middle East Investor Relations (ME-IR) Society
- Malaysian Investor Relations Association (MIRA)
- Netherlands IR Society (NEVIR)
- Spanish Association for Investor Relations (AERI)
- Swiss Society of Investor Relations
- Turkish IR Society (TUYID)
- UK Investor Relations Society (IR Society)

II. Methodology

BNY Mellon's **Seventh Global Trends in Investor Relations Survey** ("the Survey") was conducted between June and August 2011. The Survey was distributed to over 3,700 companies and captures 650 online respondents from 53 countries – a 75% increase from last year's sample size of 371 respondents. In addition, the Survey highlights 22 in-depth telephone interviews with senior global investor professionals conducted between July and September 2011.

Participants were sourced using internal and external databases and span all macro sectors and economy types, as defined by GICS and MSCI, respectively. Market cap classifications are defined as follows: Mega (over $25bn), Large ($5-$25bn), Mid ($1-$5bn), Small ($150mm-$1bn) and Micro (under $150mm).

Where applicable, historical references are provided using primarily results from the 2010 and 2009 Surveys. Graphs and tables provided throughout the Survey may not capture the entire respondent pool due to rounding and participant requests for anonymity. All graphs are displayed in the Survey appendix, beginning on page 69. All values are based in U.S. dollars.

Respondent Profiles

The companies that responded to the survey represent a broad cross-section of sizes, regions and sectors.

Figure A: Market Capitalization

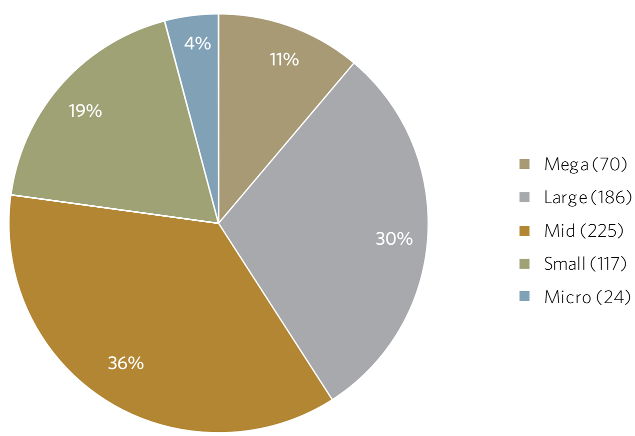


Figure B: Regional Breakdown

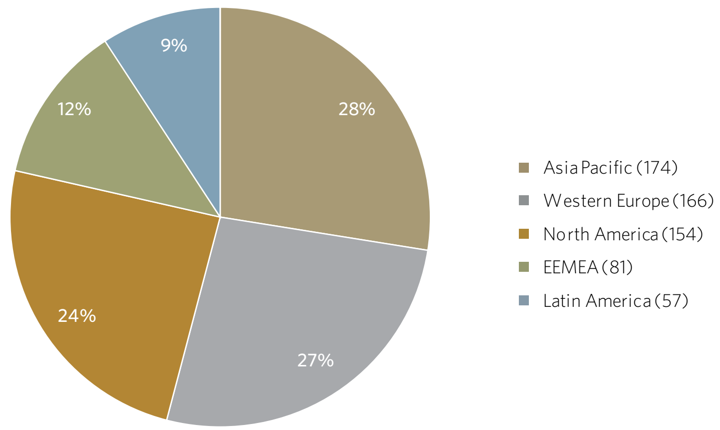


Figure C: Markets Breakdown

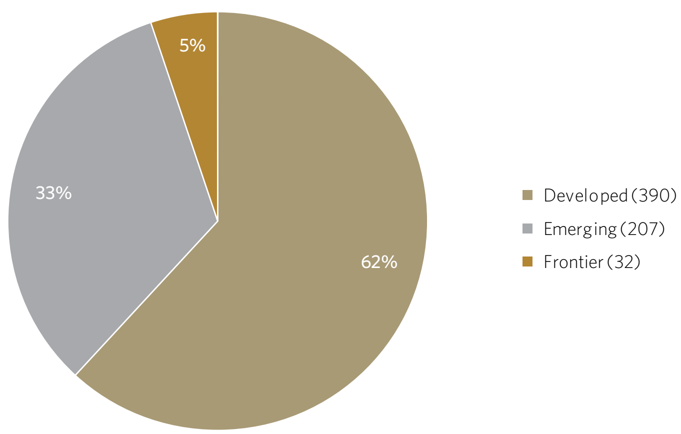
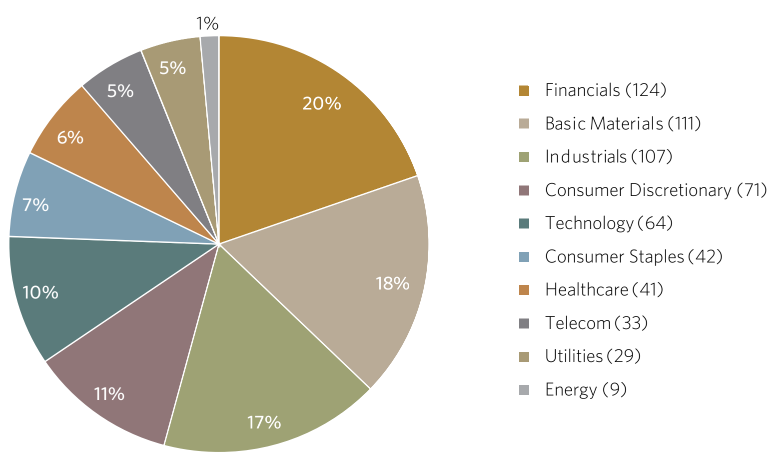
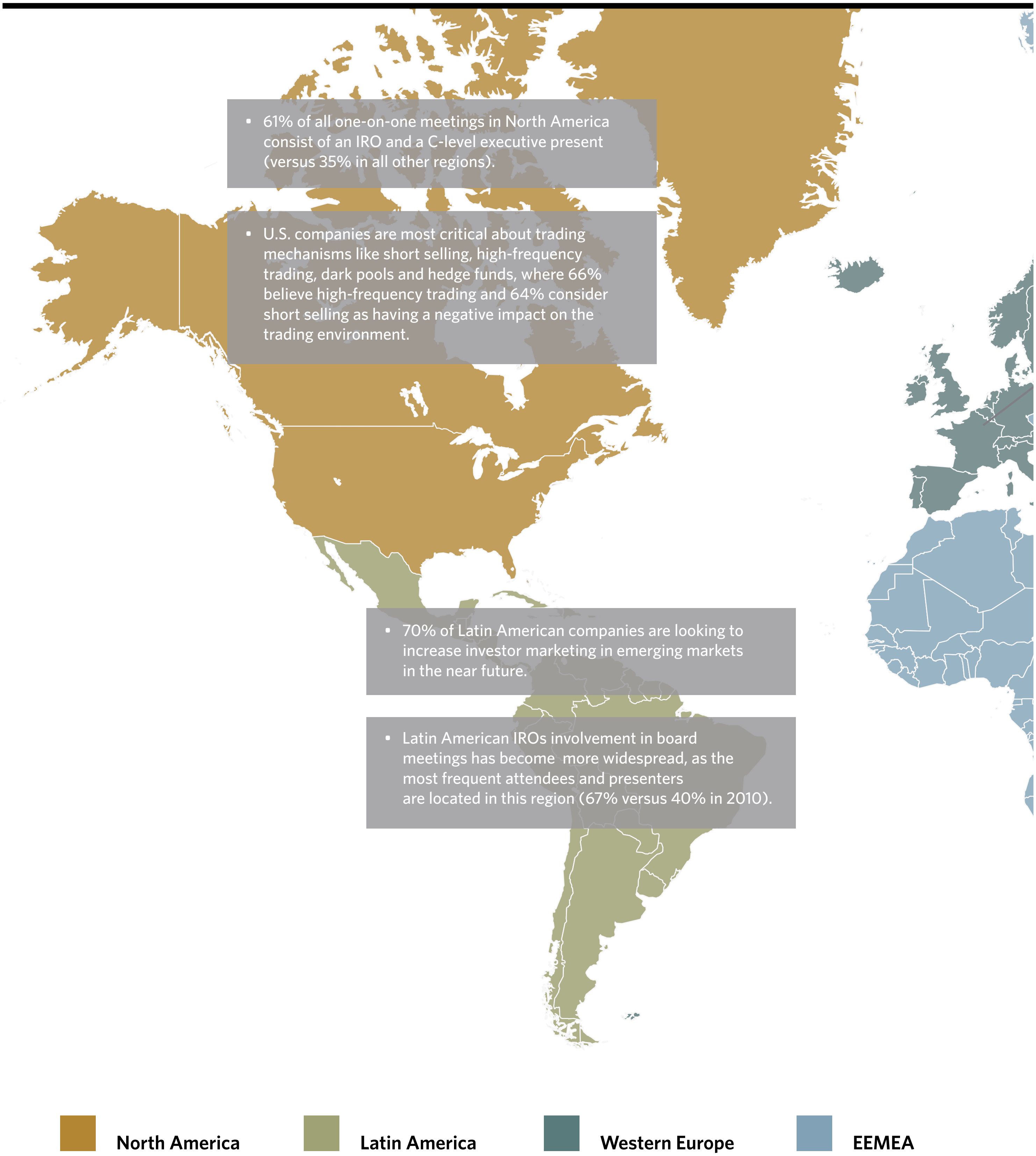


Figure D: Sector Breakdown



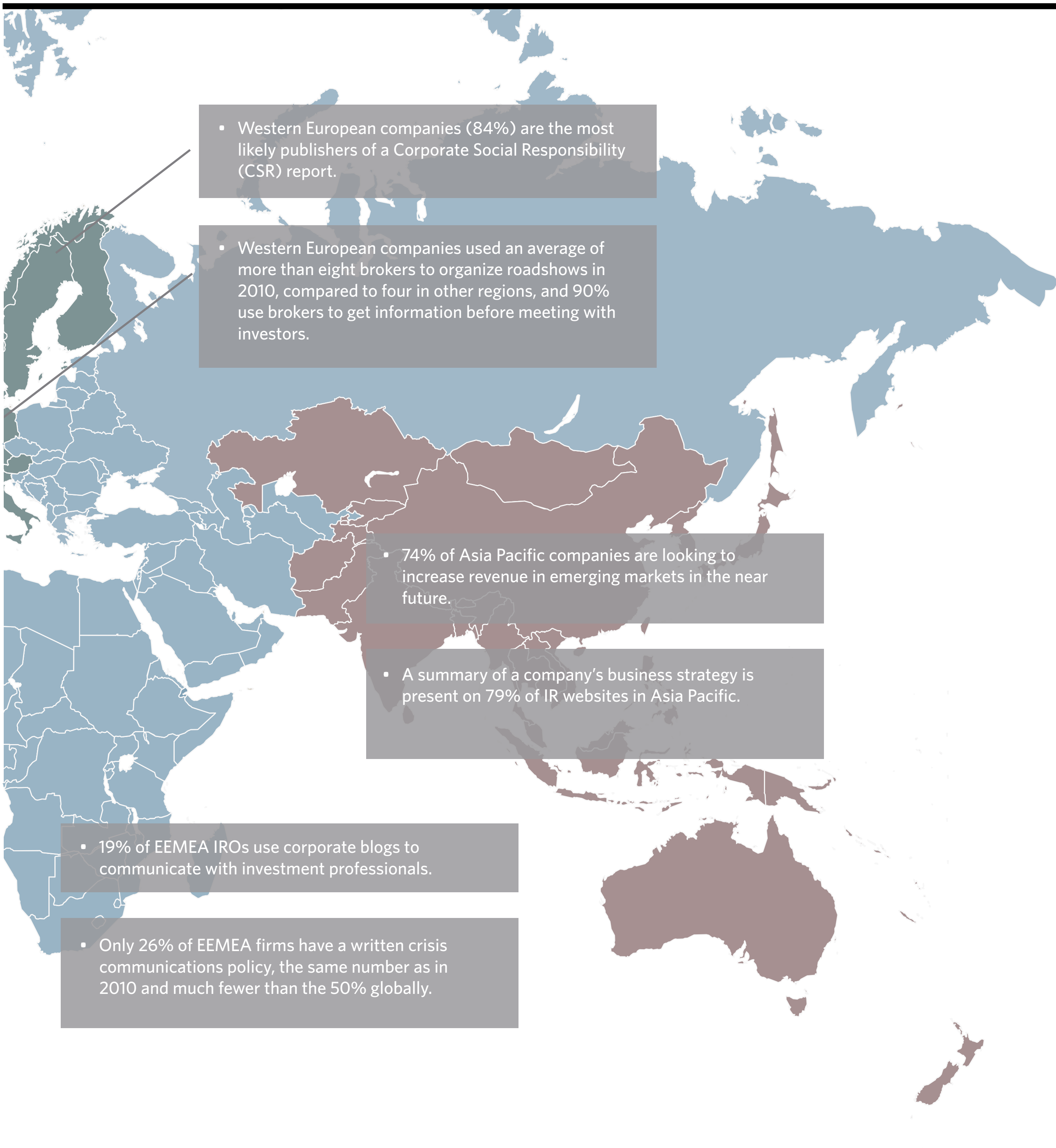
Note: Sectors are classified using the Global Industry Classification Standard (GICS).

World of Investor Relations



- 61% of all one-on-one meetings in North America consist of an IRO and a C-level executive present (versus 35% in all other regions).
- U.S. companies are most critical about trading mechanisms like short selling, high-frequency trading, dark pools and hedge funds, where 66% believe high-frequency trading and 64% consider short selling as having a negative impact on the trading environment.

- 70% of Latin American companies are looking to increase investor marketing in emerging markets in the near future.
- Latin American IROs involvement in board meetings has become more widespread, as the most frequent attendees and presenters are located in this region (67% versus 40% in 2010).



Asia Pacific

III. Key Global Findings

Capital Markets Developments

- The investment potential from high-growth emerging markets is continuing to attract interest from major global corporates with nearly one in three (31%) mega-cap companies from developed markets indicating an interest in an additional listing in Greater China, up from 28% in 2010.

- Approximately a third (32%) of companies considering an additional listing would prefer to use depositary receipts over ordinary shares (21%), of which a significant portion are from Latin America (70%) and the financial sector (46%).

- Fourty percent of companies globally have identified investor marketing in the emerging markets as a strategic goal. In terms of traditional financial centers, New York City remains the most often visited city in the world with companies spending on average 4.3 days there in the last year, followed by London (3.9 days), Boston (1.7) and Hong Kong (1.4).

- A significant majority of U.S. companies (89%) believe additional regulatory oversight is necessary for high-frequency trading, dark pools, short selling, and hedge funds, compared to non-US companies (70%). The practice of short selling is perceived by 50% of the companies worldwide to have a negative impact on equity trading across the globe.

- Despite the recent attention by the U.S. Securities and Exchange Commission (SEC) to "expert networks[1]," three-quarters of companies worldwide are not monitoring information being disseminated by these networks with only 25% of companies globally having a policy pertaining to employees participating in these networks.

- The vast majority of IROs (92%) view transparent financial reporting as the hallmark of corporate governance, ahead of effective financial controls (79%) and Board independence (78%). Reasonable executive compensation is rated by the fewest number of IROs (51%).

Interaction Between Company and Market

- Competition for corporates' time is clear amongst brokers – companies receive an average of 12 conference invitations globally, while on average attend only six.

- Correspondingly, the average number of brokers providing research coverage on a company is 16, with companies only utilizing 5 brokers for investor marketing activities.

- When selecting a broker for roadshows, the top three considerations for companies are geographic presence (71%), insight on current investor demand (70%) and equity sales capabilities (69%).

- Hedge funds remain an integral component of global IR activities with nearly all companies worldwide (92%) meeting with hedge funds. Yet, the percentage of a firm's meetings devoted to hedge funds (21%) has declined slightly since 2010 (24%), but remains above 2009 levels (16%).

- Interaction between companies and sovereign wealth funds (SWFs) has increased globally, with 59% of companies having engaged at least one SWF over the past three years (up from 47% in 2010). The most frequently-engaged SWFs are Government of Singapore Investment Corporation (38%), Norges Bank Investment Management (37%) and Abu Dhabi Investment Authority (32%).

1 Expert networks consist of employees of a company who are paid for providing specialized information and research to the investment community.

- Companies spent an average of 21 days on the road in the last year (2010) and almost half of those days (9.5) were spent in the U.S. Firms from Western Europe spent the most time on the road (26.5 days), and EEMEA companies, the least (18.6).

Investor Relations Personnel and Infrastructure

- Twenty-eight percent of IR departments worldwide are expected to add professional staff over the next 12 months, with a significant number of these IR departments located in the emerging (43%) and frontier (38%) markets compared to departments in the developed markets (20%). On a regional basis, Latin America is the most optimistic with 46% of IROs looking to expand their teams over the next year.

- Globally, IR budgets have seen divergent growth with Asia Pacific, Latin America and North America experiencing increases over the last 12 months in their budgets (67% in Asia Pacific, 30% in Latin America and 20% in North America) and EEMEA and Western Europe contracting (-30% in EEMEA and -13% in Western Europe).

- North American (73%) and Western European (73%) corporates continue to lead companies globally in terms of interaction between investor relations and the board. Notably, Latin American IROs have seen a significant increase in participation, with 77% of IROs attending (compared to 44% in 2010) and 67% presenting at the board meetings (compared to 40% in 2010).

- More companies are using external investor relations firms as 63% devote a portion of their budget to these firms (compared to 40% in 2010).

- Fifty percent of companies have responded to the market's volatility of the past 12 months by implementing written crisis communication policies (compared to 31% in 2010 and 20% in 2009).

- Social media usage by IR departments has more than doubled year over year from 9% to 20%.

Compensation

- Base salaries of IROs in this year's sample increased 16% year-over-year globally (median of $148,600 in 2011 versus $127,800 in 2010).

- Globally, compensation packages (base salary, bonus and stock options) have expanded nearly 20% over the past year to a median of $190,500. A substantial majority (81%) of IR professionals worldwide received a bonus in 2010.

Strategy and IR Development

- Informal feedback from the investment community remains the most relied upon measurement of investor relations effectiveness worldwide (52%).

- Continuing a three-year upward trend, the vast majority (85%) of companies across the globe provide some form of financial guidance (compared to 82% in 2010 and 58% in 2009).

- Corporate social responsibility (CSR) reports are being published in greater numbers than 12 months ago with 65% of companies worldwide producing these reports, compared to 50% in 2010. North American and Asia Pacific companies have increased CSR disclosure, with 54% of North American companies producing a CSR report versus 29% in 2010; and Asia Pacific: 61% in 2011, 36% in 2010.

IV. Summary of Findings

Capital Markets Developments

- Short selling is considered to have negatively impacted equity trading and a push for more regulatory oversight is called for on this strategy.
- A majority of companies believe high-frequency trading has led to increased volatility in the markets.
- Less than a third of survey participants have a policy in place regarding employees communicating to expert networks, with a significant number of IROs not monitoring these alternative research providers altogether.
- There is a high level of uncertainty surrounding exchange consolidation and its effects on trading; however, a third of emerging markets IROs are encouraged by these changes.

Do you believe any of the following trading vehicles have negatively impacted equity trading?

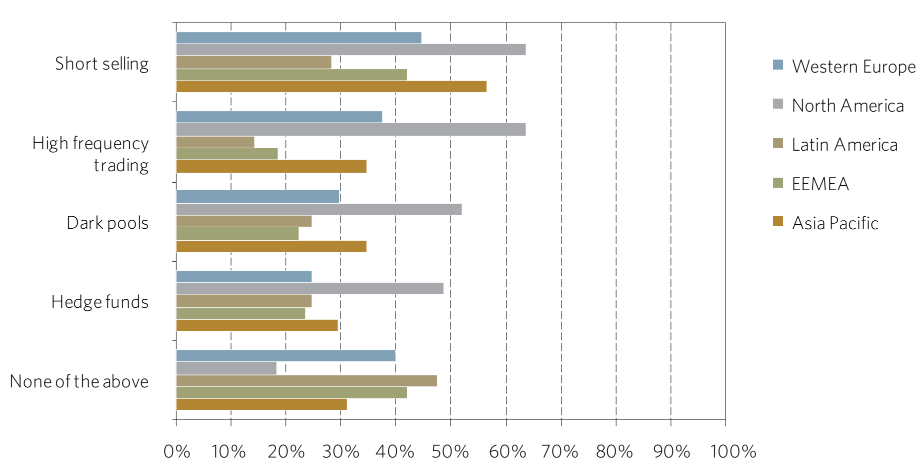
- High-frequency trading
- Dark pools
- Short selling
- Hedge funds

Half of IROs globally (50%) believe short selling has negatively impacted equity trading. In addition, a significant number of companies view high-frequency trading (38%), dark pools (35%) and hedge funds (32%) as adversely affecting the markets. A third (33%) of the IR professionals participating in this research consider these factors to be non-influential in the marketplace.

The most vocal IROs who consider short selling (64%), high-frequency trading (64%), dark pools (52%) and hedge funds (49%) as having negative influences on equity trading are in North America. Although fewer EEMEA (42%) and Western European (45%) IROs share the same view, they are still critical of short selling. However, IR executives in frontier markets are less concerned with the effect short selling (31%) and high-frequency trading (25%) have on equity trading.

From a sector perspective, IROs working at technology firms believe high-frequency trading (50%) and dark pools (47%) exacerbate the volatility in their stocks, more so than the sector averages (38% and 35%, respectively).

Figure 1: Various Trading Vehicles Negatively Impacting Trading (Region)



Interview Comments

"If you take it from our view point, we believe that it [recent developments in trading] definitely [have] reduced the transparency for us, as a company, because we have difficulty seeing who's trading our stock. For us, that definitely not has been an improvement. Rather, the opposite."

Mega (Over $25 billion)/Western Europe/Consumer Discretionary
Peter Kondrup, Carlsberg

"What we see is that the trading volume on the regular stock exchange is decreasing and that OTC trading increasing. I think the volumes—all in all—have not changed, but the volume at the exchanges is going down. The volumes at OTC places are going up. I think it's the dark pool trading is lower cost for the brokers and investors. I think it must be an advantage for the traders and for the investors to do so, so that must be the reason."

Mega (Over $25 billion)/Western Europe/Healthcare
Peter Dahlhoff, Bayer AG

"There is an optimal profile mix. You need high frequency and long only. Because if you have only long only you don't have a float and no trades. Sometimes I know I have to bring more volatility into the shareholder base, if we want more trading in the stock we have to talk to people who trade more. I need to have more long only to anchor our stock perhaps or more traders at other times so I will talk to high-frequency traders."

Mega (Over $25 billion)/Latin America/Basic Materials
Andrea Pereira, EBX

"Negatively in general. I mean, it is good to have the liquidity itself. This could be a factor in effecting liquidity. But as far as short selling as a concern – given the current liquidity that we have and the current size of the market that we operate within, any short selling would really have an impact on the share price."

Mid ($1.0 to 9.9 Billion)/EEMEA/Financials
Samer Soukkarieh, Solidere

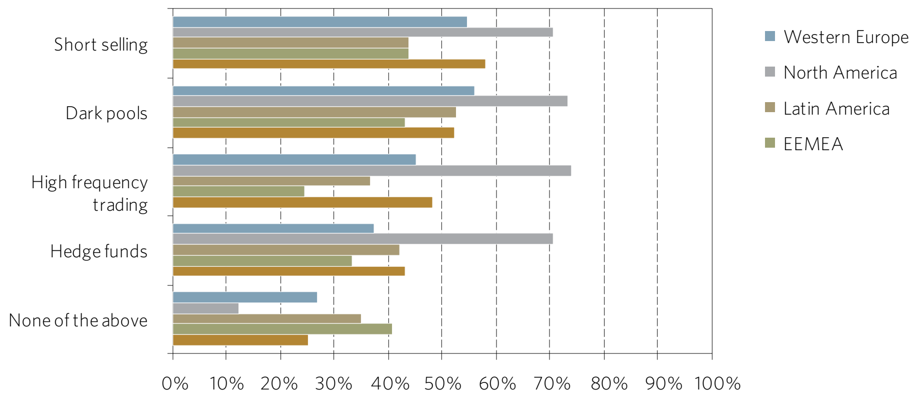
Do you believe there should be more regulatory oversight of the following trading vehicles?

- High-frequency trading
- Dark pool
- Short selling
- Hedge funds

Whether or not IR professionals believe these trading vehicles negatively impact stock trading, there are definitive opinions on the issue of regulatory oversight, particularly dark pools (57%) and short selling (57%). North America is where the highest number of IROs believe there should be more regulatory oversight of these trading vehicles, and on average 72% believe all four facets of market trading should be subjected to oversight. Outside of the US and Canada, the majority of investor relations professionals in Asia Pacific (52%), Western Europe (56%) and Latin America (53%) believe dark pools warrant scrutiny.

On a market cap basis, a considerable majority of large-cap (65%) and mid-cap (60%) IR executives would like to see regulations placed on dark pools while 67% of micro-cap IROs consider the same for short selling.

Figure 2: Trading Vehicles in need of Increased Regulatory Oversight (Region)

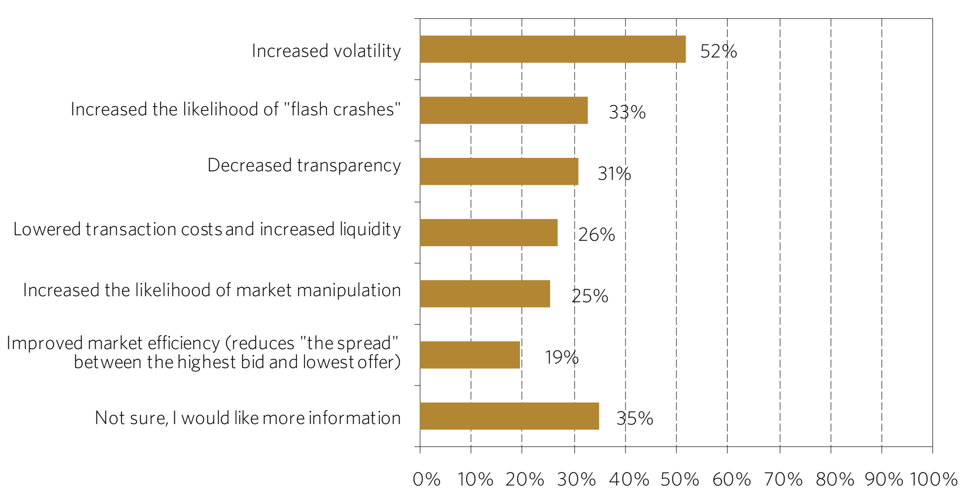


Do you believe the recent development of high-frequency trading has had any of the following effects on the market?

- Increased volatility
- Increased likelihood of 'flash crashes'
- Decreased transparency
- Lowered transaction costs and increased liquidity
- Increased likelihood of market manipulation
- Improved market efficiency

The consensus belief of investor relations professionals worldwide (52%) is that high-frequency trading has increased volatility in the marketplace, a view held predominantly in North America (77%) and to a lesser extent in Asia Pacific (50%). A significant number of IROs in EEMEA (56%), Latin America (46%) and Western Europe (42%) are uncertain of the effect high-frequency trading has on the markets, and are in search of additional information on the topic.

Figure 3: Effects of High-Frequency Trading on the Market



Does your company have a policy prohibiting an employee's participation in expert networks (i.e., employees who are paid for providing specialized information and research to the investment community)?

Only 26% of companies globally have a specific policy in place barring employees from participating in expert networks, a practice that is more common in North America (38%) and Asia Pacific (30%) and among mega-cap (33%) and healthcare (41%) companies.

More than a quarter (28%) of IROs worldwide are unaware of their company's policy towards expert networks, particularly those located in EEMEA (37%) and Western Europe (31%).

A significant number of mega-cap (41%) and micro-cap (38%) IROs are uncertain what their company's policy on these networks are.

Do you monitor expert networks disseminating information about your company and/or sector?

Expert networks are not a concern for a substantial number of IROs as 45% specifically do not monitor these groups and 30% are unfamiliar with expert networks at all. The IR departments most cognizant of expert networks are in EEMEA (31%), Latin America (30%) and Asia Pacific (29%).

North American companies (38%) are the most likely to have a policy regarding expert networks, while only 18% of IROs in the region actually monitor the information originating from such networks.

What effect would exchange consolidation have on trading of your company?

The ongoing trend of consolidations of global stock exchanges has added a notable level of uncertainty to the markets, and more than half of investor relations departments (51%) are indecisive of the impact – positive or negative – that such consolidations will have on their respective companies. Less than a third (31%) believe exchange mergers will have no impact on trading of their shares, while 14% think it will be positive and 3% believe it will be negative.

IROs in EEMEA (27%) and Latin America (26%) are most encouraged by exchange consolidation, while 46% of North American IR executives believe it will have no impact on the trading of their stock.

About half of IROs who work at healthcare companies (49%) think these developments will not impact their stock (compared to a sector average of 32%).

Interview Comments

"We haven't seen any impact on that yet. I think it is always good to have various players to keep the rates of corporates competitive. So it would not be favorable if one company becomes too dominant or controls part of the market that will be too big."

Mid ($1.0 to 9.9 Billion)/EEMEA/Telecom

"It could open the door to new investors more easily. It could also make it more visible to investors. And hopefully more or much higher liquidity."

Mid ($1.0 to 9.9 Billion)/EEMEA/Financials
Samer Soukkarieh, Solidere

"It might increase liquidity and we view it as quite positive. None of these mergers that have happened over the last few years have impacted us in particular because we are not listed in the targeted acquirees or acquirers. But if the Egypt exchange merged with another exchange we might see a lot more liquidity and that can only be positive."

Mid ($1.0 to 9.9 Billion)/EEMEA/Basic Materials

"I think it would be a very good impact – very positive for us. It would be an easy way to be more visible to investors and new investors."

Mid ($1.0 to 9.9 Billion)/Latin America/Utilities
Solange Elizabeth Maueler Gomide, Copel

Interaction between Company and Market

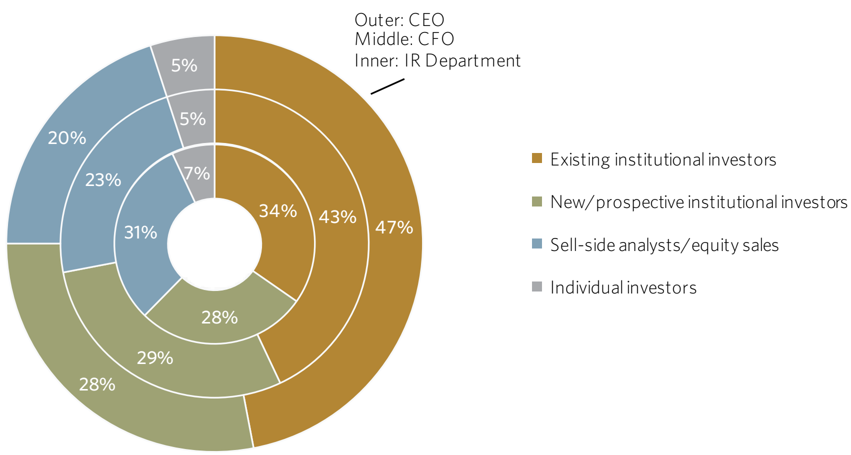
- CEOs devote the majority of their time to existing shareholders and new institutional investors.
- IROs split their time evenly among existing shareholders, new institutional investors and the sell-side.
- CEOs worldwide conduct 46 one-on-one meetings in a typical year, while CFOs and IROs participate in 73 and 164 one-on-ones, repectively.
- On average, senior management meets face-to-face with investors from outside their home market 15 days per quarter.
- Companies worldwide were on the road 21 days last year and nearly half those days were spent in the U.S.

A key aspect of every investor relations program is the company's interaction with the market. The way a company engages various stakeholders is a crucial part of strategic investor relations. In the following section, respondents were questioned on various elements of their market interaction.

What percentage of CEO's, CFO's and IR department's time is spent with the following?

- Existing institutional investors
- New/prospective institutional investors
- Sell-side analysts/equity sales
- Individual investors

Figure 4: Percentage of Time Spent with the Investment Community

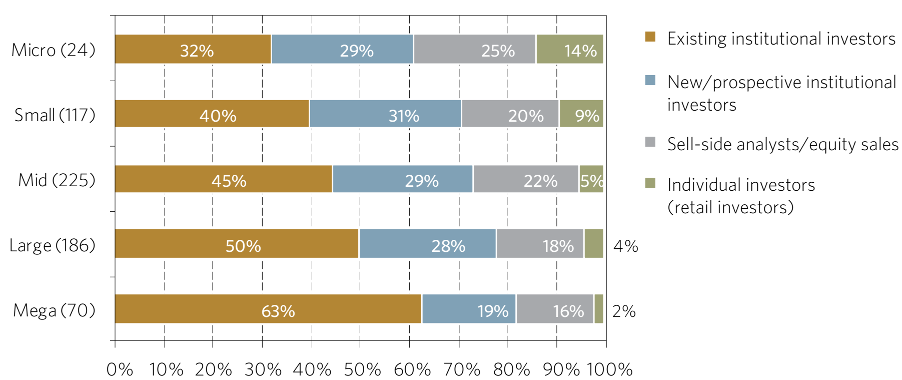


The effective use of management's time is a key performance metric for IR departments. Current findings reveal that senior management is devoting a significant amount of its time to the investment community. Nearly half of a CEO's time is allocated to existing institutional investors (47%), which increased moderately over the last 12 months (42% in 2010). Additionally, the time spent with new/prospective investors has also expanded for senior management. CEOs devote 28% of their time to new investors (compared to 24% in 2010), and a CFO, 29% of their time (up from 25% in 2010).

Corporate management continues to entrust sell-side interactions to the investor relations department. There has been no change in how much time management devotes to the research community (slightly above the 20% level), but an IRO's time with the sell-side has increased incrementally from the prior survey (31% in 2011, 29% in 2010).

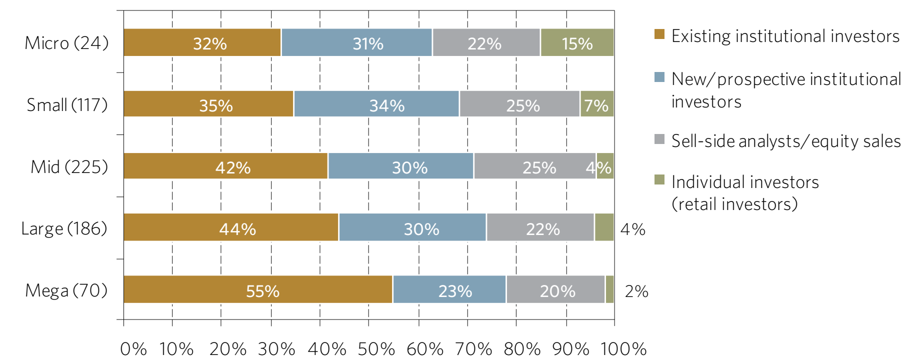
Additionally, while time spent with the investment community does not differ much across the regions, a rather large disparity exists in relation to company size. With respect to mega-cap CEOs, the majority of their time is devoted to existing shareholders (63%) and much less to new investors (19%) or the sell-side (16%). At the other end of the spectrum, a micro-cap CEO's time is more evenly distributed among shareholders (32%), new investors (29%), the research community (25%) and even individual investors (14%).

Figure 5: Percentage of Time a CEO Spends with the Investment Community (Market Cap)



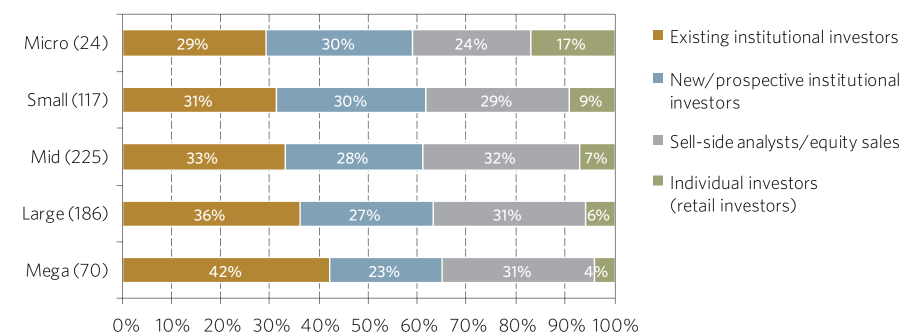
Similarly, mega-cap CFOs place a much greater emphasis on interacting with the current shareholder base, with 55% of their time devoted to this audience compared to 23% for potential investors and 20% with the sell side. Meanwhile, small-cap and micro-cap CFOs spend comparable amounts of time on existing and new investors (small-cap: 35% and 34%, respectively; micro-cap 32% and 31% respectively).

Figure 6: Percentage of Time a CFO Spends with the Investment Community (Market Cap)



IROs in the largest companies worldwide devote 42% of their time to existing shareholders, 31% to the sell-side and 23% to new investors.

Figure 7: Percentage of Time an IRO Spends with the Investment Community (Market Cap)



What is your best estimate as to the number of one-on-one meetings the CEO, CFO, IRO and other senior company representatives have with investment professionals in a typical year?

The number of one-on-one meetings management has with investment professionals has remained the same as in 2010. IROs worldwide have been tasked with conducting more face-to-face meetings with investors and analysts than 12 months ago.

On average, a CEO will hold 46 one-on-one meetings a year with investment professionals (the same number reported in 2010), while the CFO will have 73 one-on-one meetings a year (compared to 72 in 2010). Other senior company representatives have on average 40 one-on-ones with the investment community over the course of a year. An IRO's workload increased 12% over the prior year, as the number of one-on-ones held by IROs averaged 164 in 2011 versus 147 in 2010.

On a regional basis, the amount of one-on-one meetings held by a company varied significantly. In North America and Western Europe, senior representatives held the most one-on-one meetings compared to all other regions. These figures were essentially unchanged from 2010. Meanwhile, IROs in Latin America (225) and Western Europe (190) led all regions in the number of one-on-one meetings held. Other senior executives in Latin America held on average 100 one-on-ones a year, considerably higher than in any other region. IR professionals in developed countries held more one-on-ones in 2011 (173) versus 2010 (151), as are IROs in emerging markets (166 and 142 respectively).

Figure 8: Number of One-on-One Meetings with Investment Professionals in a Typical Year

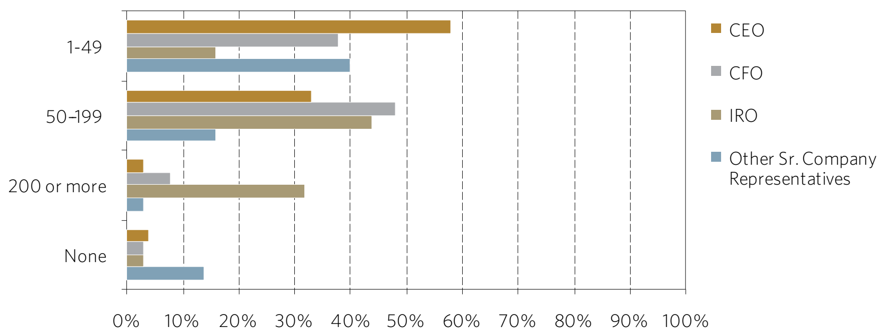


Table 1: Number of One-on-One Meetings with Investment Professionals in a Typical Year (Region)

Most → Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
CEO	46	36	37	34	56	57
CFO	73	57	58	74	89	83
IRO	164	139	126	225	167	190
Other Sr. Company Representatives	40	34	30	100	35	42
Total	323	266	251	433	347	372

Larger-cap companies conduct the most one-on-one meetings, specifically IROs at mega- and large-cap companies average 249 and 229, respectively, above the global average (164). Both market segments experienced a sizable increase in the number of meetings held in 2010; 191 for mega caps and 214 for large caps. However, micro-cap firms have reduced the number of face-to-face meetings conducted with investment professionals over the past 12 months.

Table 2: Number of One-on-One Meetings with Investment Professionals in a Typical Year (Market Cap)

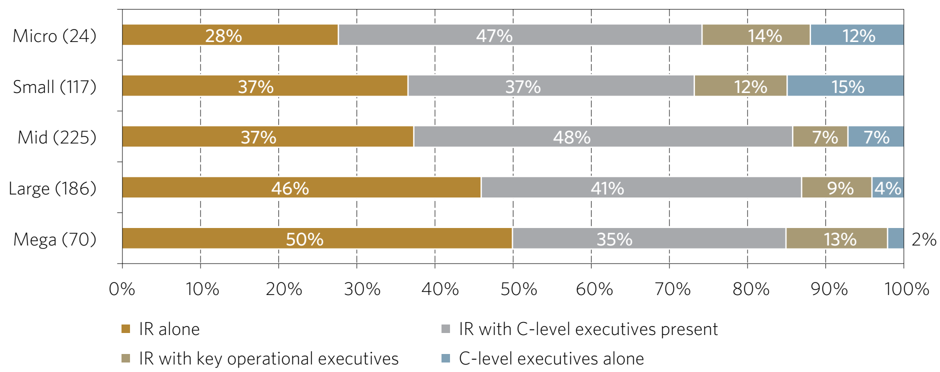
Most → Least	Global	Mega	Large	Mid	Small	Micro
CEO	46	46	57	47	38	17
CFO	73	81	96	72	53	21
IRO	164	249	229	145	93	25
Other Sr. Company Representatives	40	83	52	33	20	6
Total	323	459	434	297	204	69

Among the various sectors, there are disparities regarding the amount of one-on-one meetings held in a given year. IROs in the consumer staples space conduct the most face-to-face meetings of any sector at 227 per year, 38% more than the global average of 164. Moreover, a CFO in consumer staples holds an above-average number of one-on-ones (91). Meanwhile, telecom CEOs and CFOs have 33 and 52 one-on-ones with investment professionals per year, respectively, well below the global average, and telecom IR departments hold the fewest one-on-ones, with 134 over a 12-month timeframe.

What percentage of all these meetings are conducted by IR alone, IR with senior management, IR with key operational executives and C-level executives alone?

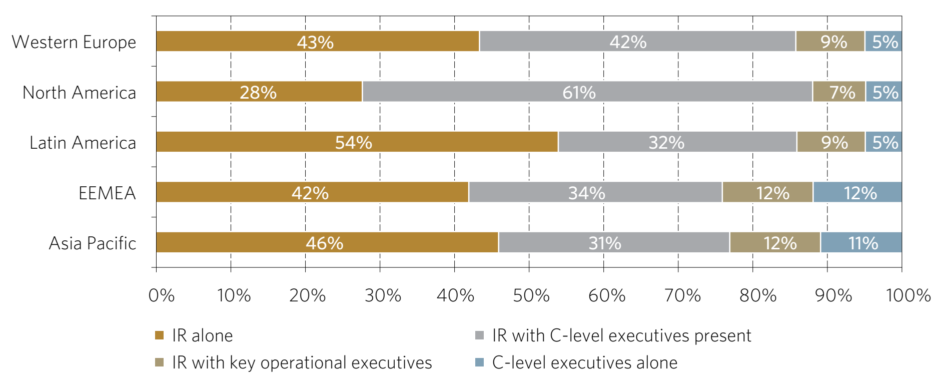
The vast majority of C-level meetings include an investor relations presence, but only 7% of face-to-face meetings are conducted by senior management alone (relatively unchanged from 8% in 2010). There is a slight increase in the number of one-on-ones IR holds with C-level executives present (42% in 2011 versus 38% in 2010). Furthermore, the amount of company one-on-ones run exclusively by the IRO (41%) remains relatively unchanged from what was reported in 2010 (42%) and in 2009 (41%).

Figure 9: Compostion of a One-on-One Meeting (Market Cap)



One-on-ones conducted solely by the IRO (commonly known as "IR Missionary Meetings") are more of a mega-cap (50%) than large-cap (46%) occurrence with no increase over 2010. Meetings held where a C-level executive is the only representative of the company are rare in the larger firms, but do occur in 15% of small-cap and 12% of micro-cap companies (similar to last year). One-on-ones with both the IRO and a C-level executive in attendance most often take place in mid-caps (48%) and micro-caps (47%).

Figure 10: Compostion of a One-on-One Meeting (Region)



The majority of Latin American companies (54%) continue to conduct one-on-one meetings with only the IRO present, while North American firms (28%) hold the fewest IR-only meetings. The disparity in Western Europe with respect to IRO-only presentations (43%) and IR with C-level executives (42%) has narrowed over last year's results (45% and 36% respectively in 2010). North America has the largest percentage (61%) of one-on-ones held with both an IR representative and senior management in attendance.

The majority of emerging market IROs (51%) hold one-on-ones without another company representative present at the meeting; this is in contrast to the developed markets (37%). Meanwhile, the role of IR professional in frontier markets is roughly split between hosting alone (34%) and having an executive present (37%). Notably, one-on-ones with only C-level executives are more prevalent in frontier markets (18% versus the global average of 7%).

To your best estimate, how many days per fiscal year does your company's CEO and CFO usually meet face-to-face with investment professionals outside of your home market?

Senior management around the world meets face-to-face with investment professionals outside their home market on average 15 days per year (six for the CEO and nine for the CFO).

Latin American management teams travel to meet with investors nearly twice as much as their North American peers as Latin American CFOs spend on average 13 days on the road.

Table 3: CEO/CFO Face-to-Face Meetings with Investment Professionals Outside Home Market in a Typical Year (Region)

Most / Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
CEO	6	6	6	6	4	6
CFO	9	10	9	13	6	9

Small-cap management leads all other market segments with an average of 18 meetings per quarter, while micro-caps lag behind their larger peers with an average of eight meetings per quarter.

Table 4: CEO/CFO Face-to-Face Meetings with Investment Professionals Outside Home Market in a Typical Year (Market Cap)

Most / Least	Global	Mega	Large	Mid	Small	Micro
CEO	6	5	6	5	7	5
CFO	9	8	10	8	11	3

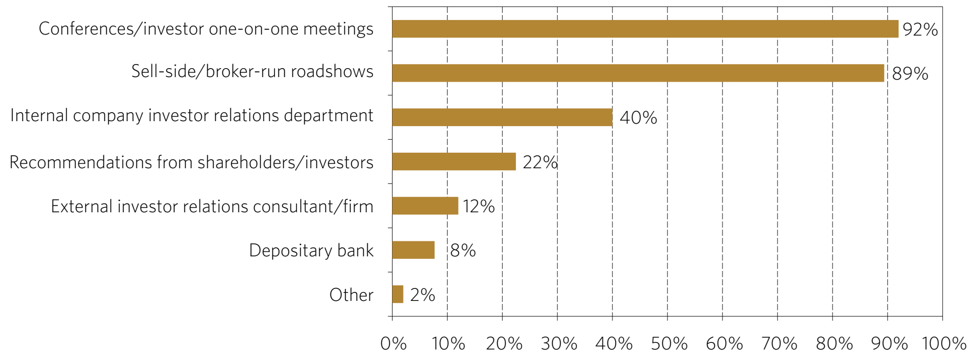
Which of the following are the most important means by which you receive introductions to investment professionals?

- Conference/investor one-on-one meetings
- Sell-side/broker-run roadshows
- Internal company investor relations department
- Recommendations from shareholders/investors
- External investor relations consultant/firm
- Depositary bank

Similar to 2010, companies continue to receive the majority of introductions to the investment community via conferences and conference investor one-on-ones (92%) and sell-side roadshows (89%).

While there are no major differences on a regional basis, from a market cap perspective the smallest companies appear less likely to use conferences or one-on-ones and sell-side roadshows as an introduction vehicle and more likely to solicit recommendations from shareholders and external IR consultants.

Figure 11: Means by which Companies Receive Introductions to Investment Professionals



Interview Comments

"Probably some of the best ways is to get the broker who has the relationship with the investor, the true portfolio manager, which is why I like using the sell-side because I allow their brokers to go with us and I'm able to find out who has the relationships. They often can get me deeper into an organization such that I'll meet more portfolio managers, as opposed to just meeting the industry analysts. If only the industry analysts come to the meeting, then I know that the broker doesn't have good relationships. So then I won't use them again. Another way is I pick up the phone and I call them. I'll go so far as to—I haven't done it recently—just pick up the phone and fish and find out who's the right person that I need to be talking to. I'll call the portfolio manager from another sector that I used to cover and say, 'Who is it in your…' from their peers."

Large ($10 to $25 billion)/United States/Consumer Discretionary
Margaret Nollen, Heinz

"Well, the big investors we know over many years and they participate at our events regularly. They come to our capital markets days and they are dialing into our calls. When it comes to new investors we are quite open if they approach us either directly or via brokers. If they come and visit our offices we always are happy to accommodate, and if it is not in our quiet period we are happy to meet with them. And on the road we usually rely on recommendations from the sell-side."

Mid ($1.0 to 9.9 billion)/EEMEA/Telecom

"So far it has been through the sell-side and also all of our road shows have been arranged by the sell-side. We manage our investor list very carefully. When we do work with the sell-side it is to either have a conference or road show. And it could also be through our research on the banking side that we would get introductions."

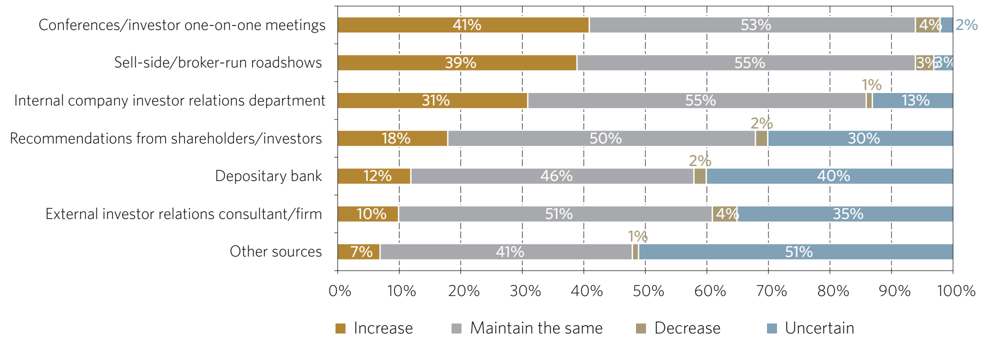
Mega (Over $25 billion)/Asia Pacific/Financials
Feon Lee, AIA

For 2011, please indicate whether you are looking to increase, decrease or maintain the same level of investor introductions through any of the following?

- Conferences/Investor one-on-one meetings
- Sell-side/broker-run roadshows
- Internal company investor relations department
- Recommendations from shareholders/investors
- Depositary bank
- External investor relations consultant/firm

This year, companies worldwide seek to increase or at least maintain the level of investor introductions through conferences (41%), broker-run roadshows (39%) and the internal IR department (31%). This is especially true for Latin American companies (65%, 56%, 42%, respectively) and small-cap firms (62%, 56%, 38%, respectively).

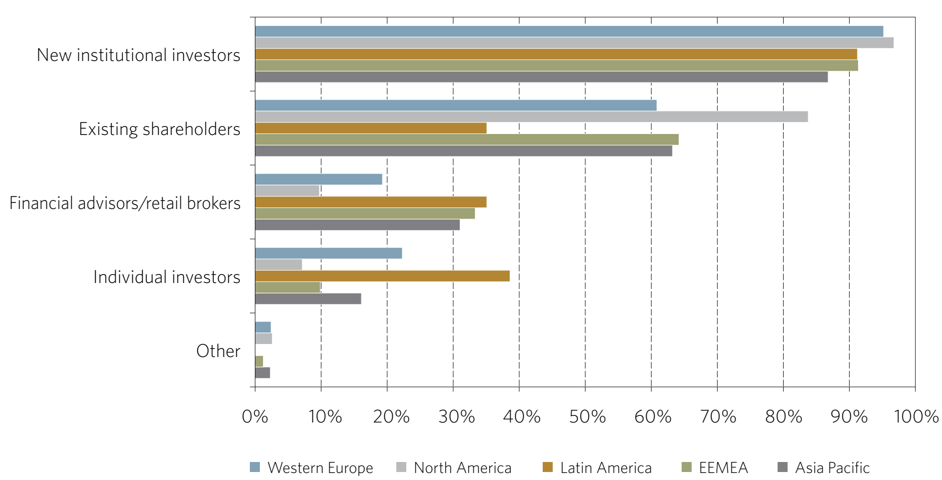
Figure 12: Composition of Investor Introductions for 2011



With additional IR resources, which two investor segments would you increase interaction with in the next 12 months?

Companies worldwide are looking to increase interaction with new institutional investors (93%) over the next year, followed by existing shareholders (65%). However, specific differences across the regions are evident. For instance, Latin American companies (35%) place less emphasis on the existing shareholder base than the overall average, while individual investors (39%) and financial advisors (35%) garnered similar attention from these companies. Asia Pacific (31%) and EEMEA companies (33%) share the same desire to increase introductions to financial advisors/retail brokers, while North American firms put the existing shareholder base (84%) relatively on par with targeted new investors (97%).

Figure 13: Increase Interaction with which Two Investor Segments (Region)

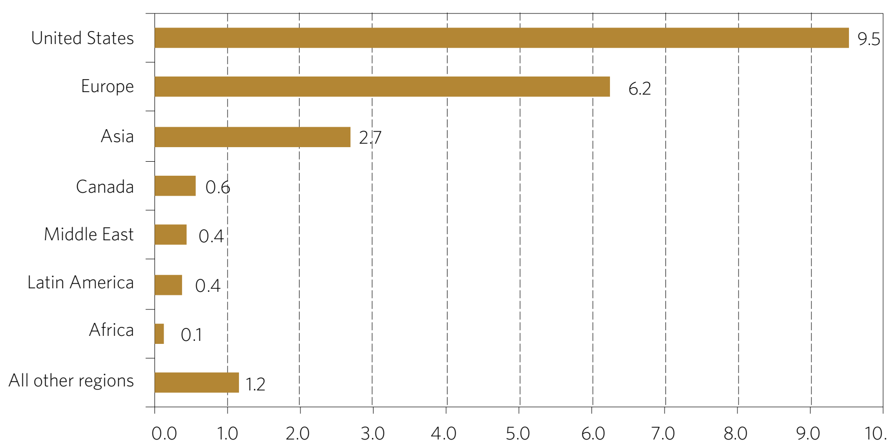


How many days of roadshows did you undertake during last year in each of the following regions?

- United States
- Europe
- Asia
- Canada
- Middle East
- Latin America
- Africa

Globally, companies went on the road an average of 21 days in 2010 and nearly half of those days (9.5) were spent in the United States. The New York City Metro area (4.3 days) was the most frequented investment center followed by Boston (1.7). The average number of days spent in Europe was 6.2, and the majority of those visits were in London (3.9 days), while Asia was visited for 2.7 days, specifically Hong Kong (1.4 days) and Singapore (one day).

Figure 14: Average Number of Days of Roadshows in Various Regions



Top Roadshow Destinations:

1. New York City Metro (4.3 days)
2. London (3.9 days)
3. Boston (1.7 days)
4. Hong Kong (1.4 days)
5. Singapore (1 day)
6. San Francisco (1 day)
7. Paris (1 day)
8. Chicago (1 day)

Regionally, Western European companies are the most visible on the road with an average of 26.5 total days in 2010, followed by Latin America (22). Slightly below the global average are EEMEA firms (18.6 days) and North American companies (18.7). Companies in the frontier markets are on the road the least (13.9 days in 2010) compared to companies in developed countries (22.5) and emerging markets (20.3).

Table 5: Roadshow Days in 2010 (Region)

Most — Least	Asia Pacific	EEMEA	Latin America	North America	Western Europe
United States	6.1	5.7	10.9	15.5	9.7
Europe	3.5	7.5	5.7	1.9	12.8
Asia	8.0	1.3	0.8	0.3	0.7
Canada	0.3	0.3	0.3	0.8	0.9
Middle East	0.3	2.3	0.2	0.0	0.1
Latin America	0.0	0.0	3.8	0.1	0.1
Africa	0.1	0.3	0.0	0.0	0.2
All other regions	1.6	1.1	0.3	0.2	2.0

From a market cap perspective, larger-cap companies go out on the road the most, averaging 28.6 days for mega-caps and 26.3 for large-caps while micro-cap firms spent the least with an average of 9.4 days on the road.

Table 6: Roadshow Days in 2010 (Market Cap)

Most — Least	Mega	Large	Mid	Small	Micro
United States	14.2	12.5	8.3	7.3	3.3
Europe	8.2	8.7	4.9	4.9	2.5
Asia	3.1	2.7	2.4	3.7	1.2
Canada	1.2	0.8	0.4	0.3	0.2
Middle East	0.2	0.5	0.3	0.6	0.8
Latin America	0.2	0.4	0.5	0.2	0.0
Africa	0.0	0.0	0.1	0.2	0.2
All other regions	1.4	0.7	1.3	1.6	1.3

The most active sector by far is healthcare where companies spent more than a month (31.7 days) on the road last year. Consumer discretionary firms spent the least amount of days (14.7) followed by technology (17.1) and industrials (17.3).

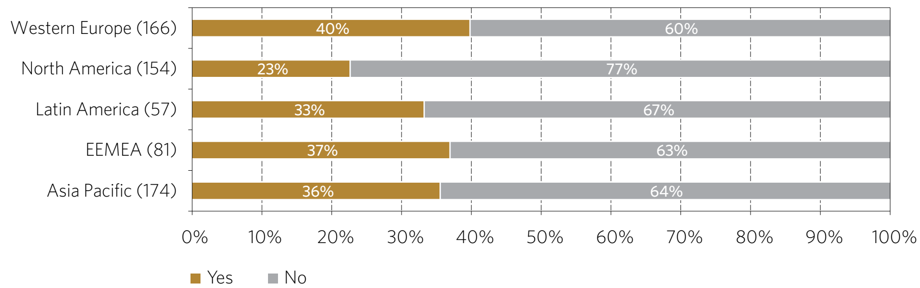
The Sell-side

- A third of IROs believe there is a conflict of interest in sell-side professionals arranging non-deal roadshows.
- When developing a broker-run roadshow, IROs primarily focus on setting the schedule and establishing a list of their own targets.
- The most common criteria for selecting a broker for a non-deal roadshow was geographic presence, insight on current investor demand and equity sales capabilities.

Do you believe there is a conflict of interest in brokers/equity sales professionals arranging non-deal roadshows?

A third of IROs believe there is a conflict of interest in sell-side professionals arranging non-deal roadshows. With that said, this view has diminished compared to the findings in 2010 (45%). Western European IROs hold this view more so than their global peers, while North American IROs are the least likely to perceive a conflict of interest.

Figure 15: Is there a Conflict of Interest in Brokers Arranging Non-deal Roadshows? (Region)

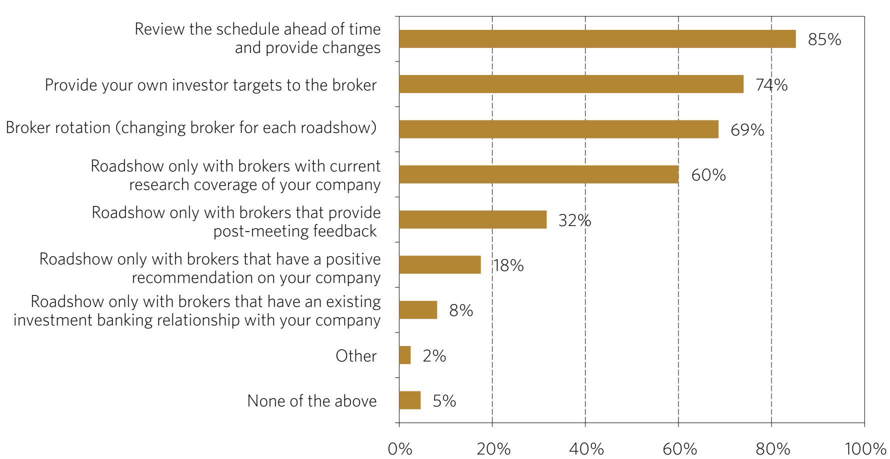


Which considerations are important when developing a broker-run non-deal roadshow?

- Opportunity to review the schedule and offer changes
- Opportunity to provide investor targets to the broker
- Broker rotation
- Roadshow only with brokers with current research coverage of the company
- Roadshow only with brokers that provide post-meeting feedback
- Roadshow only with brokers that have a positive recommendation on the company
- Roadshow only with brokers that have an existing investment relationship with your company

Similar to 2010, development of a broker-run non-deal roadshow more often than not includes the following considerations:

Figure 16: Considerations When Developing a Broker-run Roadshow



While the top four considerations are fairly consistent across all regions and market caps, several differences are apparent. North American IROs and Western European IROs strongly consider the schedule ahead of time (96% and 90%, respectively), the opportunity to provide one's own targets (89% and 84%) and broker rotation (82% and 84%), which has grown in importance to these regions (70% and 78% in 2010).

Developing a roadshow with a broker that provides post-meeting feedback is an important consideration for Western European companies (42%) compared to the global average of 32%. A broker with positive recommendations on the company is important to 30% of Asia Pacific companies as a whole and least important to firms in the EEMEA region (9%). The global average of companies that only roadshow with brokers who have a positive recommendation on the company is 18%.

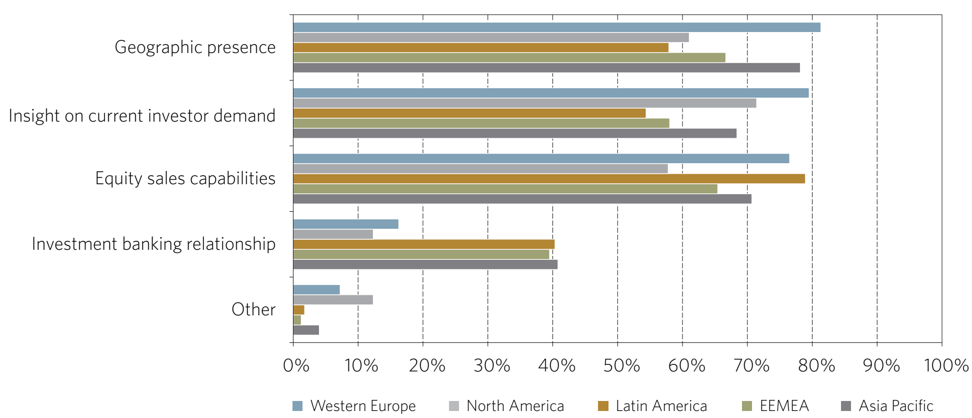
Which criteria do you use to select a broker for a non-deal roadshow?

When it comes time to selecting a broker for a non-deal roadshow, IROs use the following criteria:

- Geographic presence (71%)
- Insight on current investor demand (70%)
- Equity sales capabilities (69%)
- Investment banking relationship (28%)

Notably, an investment banking relationship is rarely considered (28%) on a global basis. However, the investment bank relationship appears to have some regional importance to companies in Asia Pacific (41%), EEMEA (40%) and Latin America (40%). The geographic presence of a broker is imperative for companies in Western Europe (81%) and Asia Pacific (78%), while equity sales capabilities leads the list for 79% of Latin American investor relations programs.

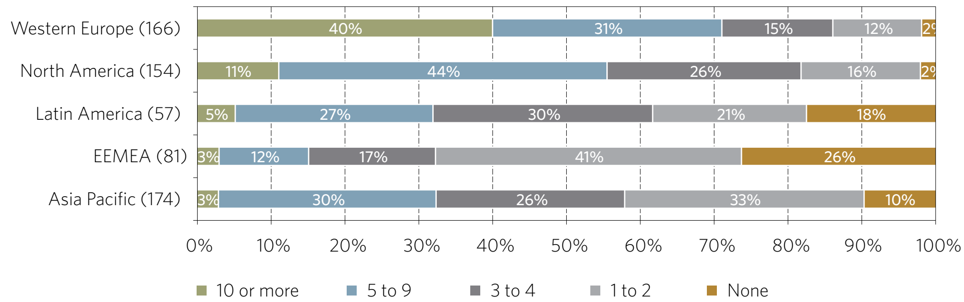
Figure 17: Criteria for Selecting a Broker for a Non-deal Roadshow (Region)



How many different brokers did you use to organize non-deal roadshows in 2010?

The average number of different brokers used for non-deal roadshows last year was 5.2. On a regional basis, Western European companies used the highest number of brokers (8.4), and EEMEA (2.4) and Latin American companies (3.4) used the fewest.

Figure 18: Number of Brokers Used to Organize Non-deal Roadshows in 2010 (Region)



With regard to company size, mega-caps (7.3) and large-caps (7.3) used the most brokers for their non-deal roadshows, while small-cap (3.1) and micro-cap companies (2.1) used the lowest.

On a sector basis, companies in the healthcare sector used the most brokers on average (7.3) and telecom companies the least (3.5).

Interview Comments

"I think the sell-side does pretty well setting up meetings for us, for roadshows. I think they do a decent job—some of them—on the research reports, explaining the company and strategy and everything. They could improve with a better understanding of the industry and better understanding of the company."

Mega (Over $25 billion)/United States/Industrials
Mickey Foster, FedEx

"I don't think they excel anywhere because I think their objectives are different than mine. Their objectives are getting their clients access to corporate management, and I think that when you do meetings or non-deal road shows with them, you have to be very firm to be sure that the company's interests are well represented and the interest of the sell-side firm don't take over the agenda. I mean I do think conferences provide the opportunity to meet with groups of investors. So it's the word in your question that 'excel' that bothers me. They don't really excel in anything because from my perspective their primary objective is different than mine. So what benefits do they provide to company like mine? It's that they provide an avenue through conferences and meetings to further interact with investors, particularly potential investors who may be more inclined to talk to the sell-side as opposed to call the company directly. But I wouldn't say they excel in that."

Mega (Over $25 billion)/United States/Financials
Barbara Gasper, MasterCard

"The biggest problem is 'people' in that people have personal and psychological preferences. The sell-side is sometimes not objective. But they might be doing the best job possible because they have to present an investment idea. However sometimes there is too much emotion. And a problem of the sell-side is that they have to sell the stock. The majority of recommendations are to buy long – that is in general not just relating to my company. But the sell-side sometimes can't stay objective because they are being pushed by their management to present nice investment ideas and if they don't have a nice investment idea it is like they have to invent something."

Mega (Over $25 billion)/Russia/CIS/Basic Materials

Approximately how many broker-sponsored conferences or events per year is your firm invited to outside your home market and participate in outside your home market?

Over the past 12 months, companies worldwide have been invited to, and participated in, the same number of broker-sponsored events as in 2010 – they received 12 invitations and participated in six events.

Western European companies continue to receive the most invitations, with an average of 13.6 a year; however this figure is down compared to 2010 (14.5 invites). Meanwhile, EEMEA companies were the least invited in 2011 (9.1 invites), which is significantly lower than in 2010 (12.8 invites).

The most frequent participants in sponsored conferences are Latin American companies with an average participation rate of 8.8 conferences a year (considerably higher than the average of seven conferences in 2010).

Table 7: Average Number Invited To/Participated in Conference (Region)

Most — Least	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Average number invited to conference	10.5	9.1	12.1	12.3	13.6
Average number participate in conference	4.5	5.3	8.8	6.7	6.8

Larger institutions receive the most invites and participate in the most broker-sponsored conferences. On average, mega-cap firms are invited to 18.8 conferences per year and attend 8.6 (compared to 18.1 and 7.2 respectively in 2010); large-caps receive 16.5 invites and attend 8.1 conferences in a given year (up from 15.4 and 7.6 in 2010). However, in contrast to larger firms, smaller companies still attend a greater percentage of the conferences to which they are invited as they continually strive to increase their exposure to the investment community.

Table 8: Average Number Invited To/Participated in Conference (Market Cap)

Most — Least	Mega	Large	Mid	Small	Micro
Average number of invited to conference	18.8	16.5	9.9	5.9	3.8
Average number participate in conference	8.6	8.1	5.5	4.1	1.8

From a sector perspective, healthcare (14.9) has received the most invites a year to a broker conference followed by basic materials (12.8) and consumer staples (11.5). Among the industries, participation is most frequent within healthcare (8.6), utilities (7.4) and basic materials (6.5).

Table 9: Average Number Invited To/Participated in Conference (Sector)

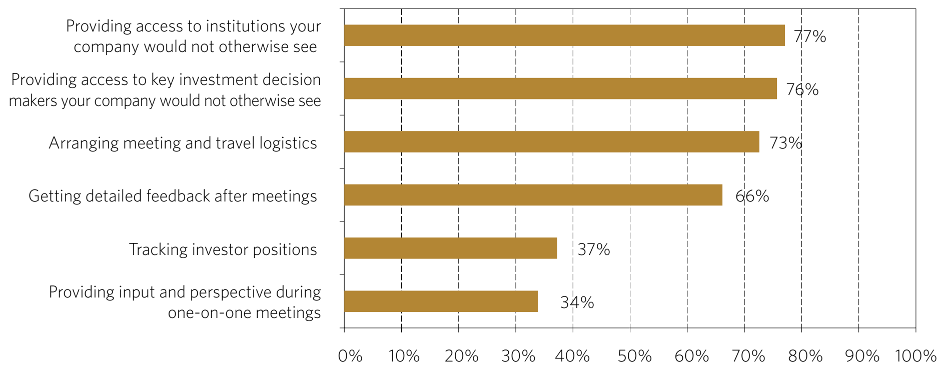
Most — Least	Basic Materials	Consumer Discretionaly	Consumer Staples	Financials	Healthcare	Industrials	Technology	Telecom	Utilities
Average number of invited to conference	12.8	9.8	11.5	11.3	14.9	10.9	11.3	9.6	11.1
Average number participate in conference	6.5	4.6	6.1	6.1	8.6	5.9	5.6	5.0	7.4

Please rate how important each of the following is for brokers to provide in non-deal roadshows:

- Providing access to institutions your company would not otherwise see
- Providing access to key investment decision makers your company would not otherwise see
- Arranging meeting and traveling logistics
- Getting detailed feedback after meeting
- Tracking investor positions
- Providing input and perspective during one-on-one meetings

On a six-point scale of importance, investor relations professionals believe it is highly important (a five or six rating) for a broker to provide: access to institutions (77%) and key investment decision makers (76%) that the company may not otherwise see and logistical assistance with meeting and travel arrangements (73%). A solid majority of respondents (66%) cited feedback after the event as important. Such viewpoints are consistent across all subgroups, however, one key difference is apparent – the majority of micro-cap IROs (54%) view the tracking of investor positions as a more important component to the services brokers provide, compared to IROs overall (37%).

Figure 19: Importance of Brokers Providing Various Services in Non-deal Roadshows



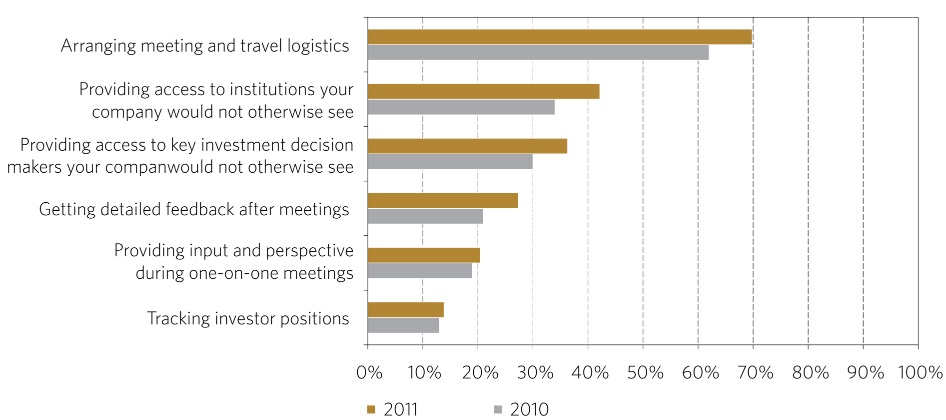
Please rate the quality/performance of the services that brokers provide.

IR professionals see brokers as being particularly good at arranging meetings and assisting with travel logistics. Sell-side broker performance in this area has improved (70% in 2011 versus 62% in 2010). Other slight improvements are seen in the access to institutions (42% versus 34%) and investment decision makers (36% versus 30%) that companies would not otherwise see.

Interview Comments

> *"They're trying – but it is a matter of resources and resource allocation. But I do think they could be widening their horizons more. Let me give you an example: we are a frontiers market – we don't get a lot of interest out of the international or even the regional research houses. And this is something that they could do better. They could expand their coverage to include more countries, so to speak. We are one of the last countries any*

Figure 20: Rating Quality/Performance of Services Brokers Provide



research house in the world would think about covering. There are only about three companies in Lebanon that have had coverage in the past – most of which would be our company itself. But that is also due to the fact that we have been engaging the investment community more than ever before. But on their own they could do better."

Mid ($1.0 to 9.9 billion)/EEMEA/Financials
Samer Soukkarieh, Solidere

"A lot of the sell-side can sharpen their industry knowledge and have industry specific people to look at certain elements of the business. We are in construction and fertilizers, which are two very unrelated businesses. So instead of having a generalist, a sector-specific analyst can be assigned and in that way they ensure the two parts of the company are covered. In our experience we have had certain investment banks where they have improved their research through assigning specific analysts and then getting to know the company better."

Mid ($1.0 to 9.9 billion)/EEMEA/Basic Materials

Interview Comments

"I think mostly I would say that the sell-side in terms of their analysis is actually mostly pretty good. And they benchmark us with other companies, which I think is very good. The negative thing I would say is that some sell-side analysts don't always get their facts correct on us – so we have to be watching them carefully."

Mega (Over $25 billion)/Asia Pacific/Telecom

How many sell-side analysts cover your company?

Globally, research coverage has remained constant over the past 12 months with an average of 16 sell-side analysts covering a company, compared to 15 analysts as reported in 2010. Western European companies continue to be the most heavily followed with 22 analysts on average, while EEMEA and Latin American companies are the least covered worldwide. Notable gains can be seen in North America and Asia Pacific, where the average number of research analysts covering a company is 16 for both regions, a gain of three analysts over 2010's average of 13.

Table 10: Number of Sell-side Analysts that Cover a Company (Region)

Most — Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Average number sell-side analysts 2011	16	16	11	12	16	22
Average number sell-side analysts 2010	15	13	12	12	13	22

Research coverage in emerging markets has picked up over the last year's sample with an average of 16 analysts currently versus 13 in 2010, and this year's measurement shows firms in frontier markets averaging eight analysts per company.

Slight changes are evident in research coverage by market cap, with the exception of micro-cap firms, which have doubled their covering analysts from three to six in 2011. Mega-cap analyst coverage fell slightly from 30 to 28.

Table 11: Number of Sell-side Analysts that Cover a Company (Market Cap)

Most — Least	Global	Mega	Large	Mid	Small	Micro
Average number sell-side analysts 2011	16	28	22	14	7	6
Average number sell-side analysts 2010	15	30	21	15	7	3

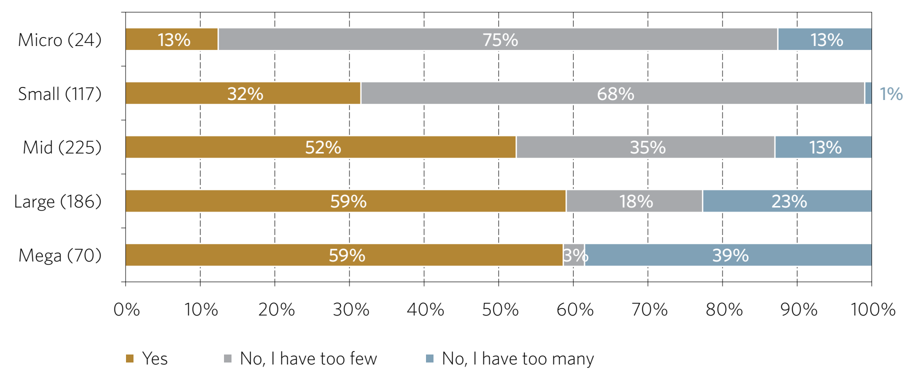
Several sectors receive greater than average sell-side treatment, with utilities garnering the most coverage (20 analysts), then healthcare (18), consumer staples (17), and financials (17).

Do you think you have an optimal level of analyst coverage currently?

In 2011 sample, half the IROs of public companies worldwide are satisfied with the amount of analyst coverage their firms receive, comparable to 2010. More than a third (35%) believe too few analysts cover them. While those who feel they are covered by too many analysts experienced an increase in this sentiment with 16% (compared to 10% in 2010).

Smaller companies consider their current coverage levels to be less than optimal. Micro-cap (75%) and small-caps (68%) companies believe they are too narrowly followed by the research community, which is similar to the findings in 2010 (83% and 66%, respectively). On the other hand, 39% of mega-cap companies feel they are too widely covered, compared to 34% the previous year.

Figure 21: Does Company Have Optimal Level of Analyst Coverage? (Market Cap)



Interview Comments

"I think the coverage we have is already very good. Of course there is always room for more discussion and spending more time on individual companies. But on the other hand, there is more and more pressure on the sell-side analysts to cover a very wide area of corporates, and that makes it difficult for them to spend more time on individual companies. But overall we are quite pleased with the coverage that we have."

Mid ($1.0 to 9.9 billion)/EEMEA/Telecom

What do you consider as the most valuable service sell-side analysts provide?

When asked to select the single-most valuable service sell-side analysts offer, no consensus is reached on any standout facet of the research community by IROs worldwide. Instead, just over a third (35%) of IR professionals consider the sell-side's best offering is when it acts as an information resource, providing in-depth and differentiated research, industry data and a unique perspective.

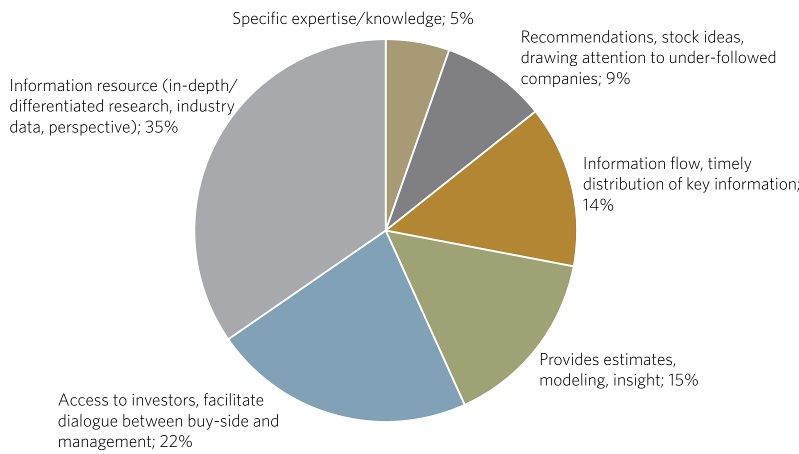
Interview Comments

"I think the best sell-side analysts are the ones who follow us closely and our job is to give them the best information possible. That way they can write better about our company and do the best analysis. The weakness of the sell-side is that there are not enough analysts and each analyst has lots of companies to follow and consequently they are not always available."

Mega (Over $25 billion)/Latin America/Basic Materials
Andrea Pereira, EBX

"For us obviously the sell-side is the medium to help us get the message out to investors. One thing that we expect is we need more input and advice from the sell-side in terms of our investor targeting. Obviously it is unavoidable that there is a conflict of interest sometimes, between their high commission-paying clients versus

Figure 22: Most Valuable Service Research Analysts Provide



what would be appropriate long-term investors for us. Just helping us filter through and get information on who to meet and why we would want to meet them and what their real interest is – that would be helpful."

Mega (Over $25 billion)/Asia Pacific/Financials
Feon Lee, AIA

"The sell-side is doing well. They are arranging good meetings with good buy-side investors. And the sell-side is providing knowledge to the buy-side. That is the thing – that is the main way they are helping investor relations. We provide them with the knowledge first and they can write reports and give knowledge to the buy-side. Frankly the way they could do better is to have more in-depth knowledge about our company. But the sell-side is under a lot of pressure with their time. They have to increasingly follow more companies. Each sell-side analyst is challenged. And it is hard for each to have the kind of in-depth knowledge about our company that we would like."

Large ($10 to $25 billion)/Latin America/Basic Materials

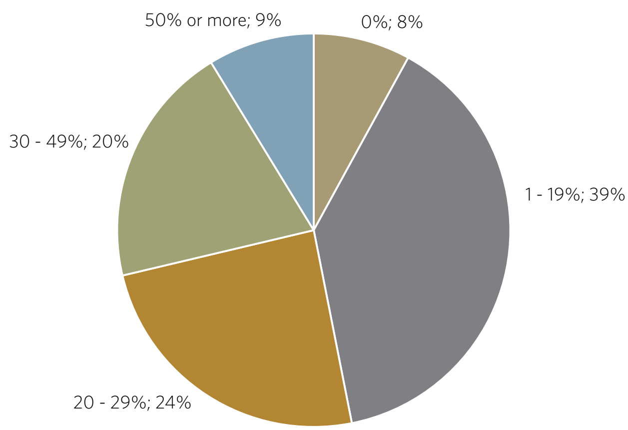
The Buy-side

- Virtually all companies worldwide meet with hedge funds and this makes up 21% of a firm's investor meetings.
- The majority of companies hold an investor/analyst day at least once a year; this is most common among Latin American firms.
- On average, approximately 52 investors traveled to a company's corporate offices to meet management over the course of last year.
- The majority of investor relations programs engage with sovereign wealth funds and these meetings are being set up by the sell-side (55%).
- Companies are looking to capitalize on the growth in emerging markets by increasing revenue (68%), operations (63%) and investor marketing (40%) in these locations.
- A number of companies are considering a secondary listing and indicate they will do so using depositary receipts over ordinary shares.

What percentage of your company's investor meetings are with hedge funds?

Similar to 2010, most companies worldwide (92%) are meeting with hedge funds, albeit the percentage of the time allocated to these meetings declined from 24% in 2010 to 21% in 2011 with respect to all other meetings. North American companies are devoting the highest percentage of investor meetings to hedge funds at 29%, while for Asia Pacific and EEMEA firms such meetings represent the smallest percentage (18%). Institutions within frontier markets dedicate 17% of their meeting to hedge funds, slightly below that of developed (23%) and emerging (18%) markets.

Figure 23: Percentage of Investor Meetings are with Hedge Funds



From a market cap standpoint, there are very slight differences with the exception of micro-caps, which allocate only 12% of their meetings to hedge funds. Above-average percentages are seen in the utilities (28%), consumer discretionary (25%) and technology (24%) sectors.

Interview Comments

"We do meet with hedge funds – it is from time to time. But from our point of view there is not much of a difference because we follow fair disclosure rules. We put out the same information for everyone and hedge funds aren't getting any different treatment by us than any other funds."

Mid ($1.0 to 9.9 billion)/EEMEA/Telecom

"Yes, we occasionally meet with hedge funds. But honestly we don't have any additional considerations in meeting with them. We treat them the same as we would treat everybody else. We don't meet with them much, though, probably because of our perception that hedge funds are usually much more short term than everybody else. So although we need to see more day trades, hedge funds can sometimes be a tricky bunch of people to deal with in this regard."

Mid ($1.0 to 9.9 billion)/EEMEA/Financials
Samer Soukkarieh, Solidere

"Yes, we meet with everybody. We are not thinking of that kind of distinction because it is not a one-way street. You always get some information back from investors. The only thing I would add is that in the case of a hedge fund if I sense that they are not really interested in our equity story, then I might be a bit more reserved and more formal."

Mega (Over $25 billion)/Russia/CIS/Basic Materials

"Yes. I sort of have to be cautious in the information I communicate to hedge funds, given that they have obviously exacerbated volatility in markets because a lot of them are long/short and that means if they walk out of the meeting thinking the stock is overvalued they will short the stock. That can put selling pressure on the company's valuation. So I obviously tend to discuss positive developments with them."

Mid ($1.0 to 9.9 billion)/EEMEA/Basic Materials

"Yes. In many instances there are some hedge funds that clearly are interested in owning shares. And I know that some hedge funds are thought of as not being friendly investors, but generally the hedge funds are helping us to make the market more liquid."

Mega (Over $25 billion)/Asia Pacific/Telecom

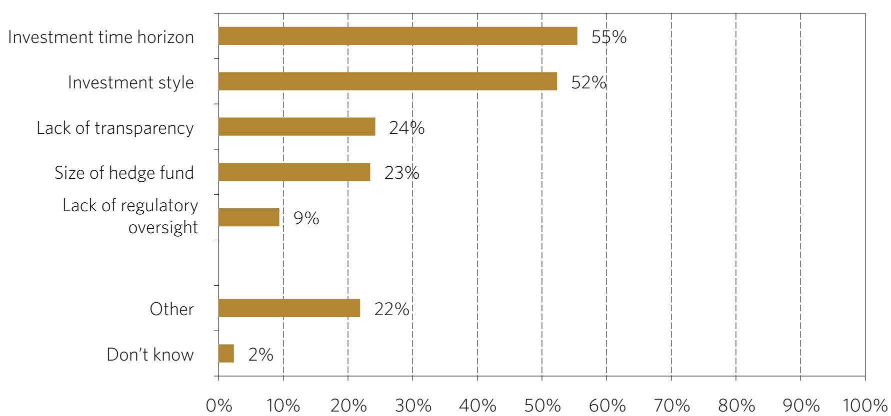
"Yes. They are very short term so the approach is different. The hedge funds are looking for milestones or catalysts to trigger the stock. They aren't necessarily looking to hold for the long term, like a long term growth or value investor. So we are aware of how they operate and keep that in mind when talking to them."

Mega (Over $25 billion)/Latin America/Basic Materials
Andrea Pereira, EBX

During last year, did you request a hedge fund to be removed from your roadshow schedule? If yes, please specify why.

Twenty percent (20%) of IROs requested that at least one hedge fund be removed from a company's roadshow schedule in 2010. The primary reasons were the fund's investment time horizon and/or its investment style.

Figure 24: Reason to Request a Hedge Fund to be Removed from a Roadshow Schedule



In general, how often does your company hold analyst/investor days?

Analyst/investor days are held by 82% of public companies across the globe in varying degrees of frequency. More than half (53%) hold the event at least once a year, an increase over 2010 findings of 46%. The prevalence of an analyst/investor event being held at least once a year is greatest in Latin America (67%, up from 53% in 2010) and frontier markets (62%), and lowest in North America (39%, higher than the 34% in 2010), where 25% of companies hold the event every other year. Meanwhile, the number of firms holding two events per year is growing (19% in 2011, 14% in 2010). Twice-a-year analyst days are more common in the Asia Pacific (30%), EEMEA (28%) and Latin America (26%) regions, compared to North America (6%) and Western Europe (11%).

Does your company host onsite visits for investors and analysts and how many investors traveled to your corporate offices to meet with the management in the last 12 months?

The vast majority of companies worldwide (84%) hold onsite visits for the investment community, irrespective of region and market cap. Firms in Latin America and Asia Pacific have hosted the most investors over the past year, while companies in North America welcomed the fewest.

Table 12: Number of Investors Traveled to Corporate Offices to Meet with Management in last 12 Months (Region)

Most → Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Number of investors	52	65	50	65	39	49

On a market basis, institutions in the frontier markets have hosted the smallest number of investors over the last 12 months (38), in contrast to emerging markets (68) and developed countries (45).

The number of investors traveling to corporate offices to meet senior leadership directly correlates to company size, especially for a mega-cap where an average of 105 investors were hosted onsite, compared to 12 at a micro-cap.

Table 13: Number of Investors Traveled to Corporate Offices to Meet with Management in last 12 Months (Market Cap)

Most → Least	Global	Mega	Large	Mid	Small	Micro
Number of investors	52	105	68	43	25	12

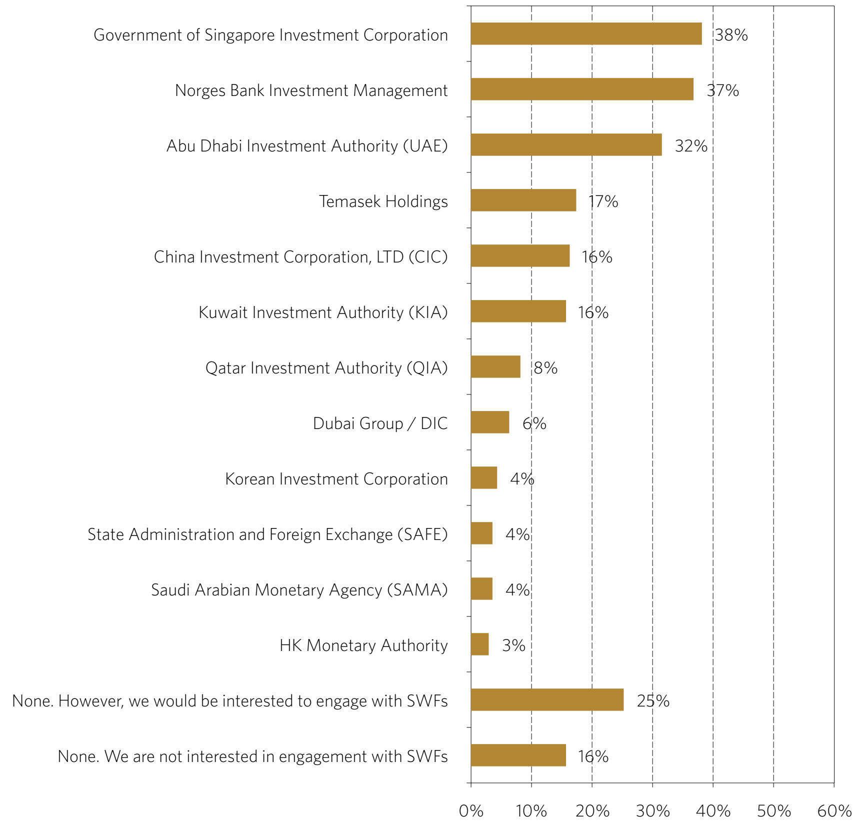
Companies within the financial (70) and consumer staple (67) sectors had the greatest number of investment professionals travel to their offices, while consumer discretionary (33), telecom (36) and the utilities (35) had the fewest.

Which sovereign wealth funds (SWFs) has your IR department engaged with over the last three years?

Companies appear to be increasing outreach to SWFs and the majority of investor relations departments globally (59%) have engaged with at least one sovereign wealth fund over the past 36 months. This is a considerable shift from 2010, when 47% had engaged a SWF. Of those IR departments not interacting with SWFs, one in four (25%) are interested in doing so. On a market-cap basis, small- (44%) and micro-cap (42%) appear the most interested in initiating interaction with these funds going forward.

The most frequently engaged wealth funds are Government of Singapore Investment Corporation (38%), Norges Bank Investment Management (37%) and Abu Dhabi Investment Authority (32%).

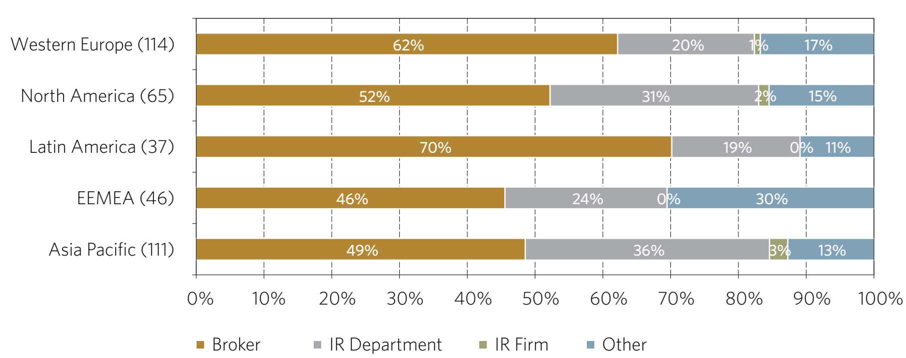
Figure 25: SWF Engagement Over Last Three Years



How were these meetings with SWFs facilitated?

For companies meeting with sovereign wealth funds, more than half (55%) of the meetings were set up by brokers and 27% by the IR department. Latin American (70%) and Western European (62%) investor relations programs are the most reliant on brokers to facilitate these meetings.

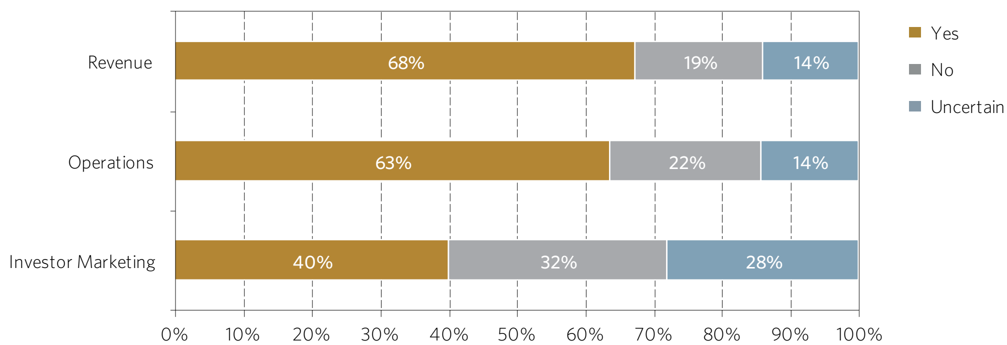
Figure 26: How Meetings with SWFs are Facilitated Annually (Region)



Strategically, is your company looking to gain or increase the revenue, operations and investor marketing in emerging markets in the near future?

The favorable prospects of growth in various emerging markets have companies worldwide looking to increase revenue (68%) and operations (63%) in these regions, with investor marketing (40%) a secondary strategic goal.

Figure 27: Whether Companies are Looking to Increase Exposure in Emerging Markets



Revenue and operational growth in emerging markets is especially important for Latin American (81% and 74%, respectively), Asia Pacific (74%, 71%) and Western European (72%, 67%) firms as well as mega-cap (74%, 70%) and large-cap (70%, 66%) companies.

Interview Comments

"We're definitely looking to increase revenue in developing markets. I mean based on the nature of our business."

Mega (Over $25 billion)/United States/Financials
Barbara Gasper, MasterCard

"Yes. Brazil is a developing market. So China would be another developing market. Perhaps in Shanghai or Hong Kong – those areas. We haven't yet thought of India however. I think the way things will develop for us is through our doing some work in learning about these other markets. However I have also gotten calls from people. As an example just this week I got a call from London from an institution that is promoting an event in November in Qatar. So that sounds exciting and we are going to be discussing that here next week to understand if it would be something for us to participate in."

Mid ($1.0 to 9.9 billion)/Latin America/Utilities
Solange Elizabeth Maueler Gomide, Copel

"Yes, we are trying to increase our visibility in developing markets and we are doing that by covering it more onsite and arranging more road shows in that area."

Mid ($1.0 to 9.9 billion)/EEMEA/Telecom

"Absolutely, we are using all kinds of investor relations instruments to increase visibility for our stock – everything from one-on-one contact to conferences to road shows to meetings. The only thing we haven't done is advertise."

Micro (Under $350 million)/EEMEA/Financials

"Of course we are closer to Asian markets – Singapore and China. We go to Hong Kong conferences. That region is quite promising but the liquidity is still mostly to be found here."

Mega (Over $25 billion)/Russia/CIS/Basic Materials

"Yes. We are looking mainly to increase visibility in Asia. In the future we will be doing non-deal road shows and things like that. Also by attending conferences in Asia."

Large ($10 to $25 billion)/Latin America/Basic Materials

"Yes. We are looking to do this in developed and developing markets. If you look at the new funds coming out of China, for example, some of the larger wealth funds coming out of Asia. We like to target them and we do target them."

Mega (Over $25 billion)/Asia Pacific/Energy
Robinder Singh, Reliance Industries

Would you consider an additional listing in any of the following markets in the future?

- Hong Kong
- China
- Brazil
- India
- Africa
- Russia
- Other

Secondary listings are of interest to one in five companies around the world as 19% are considering an additional listing in another location. Hong Kong and China appear to be the most popular destinations to list a secondary offering. Not surprisingly, those companies considering an additional listing are more often located in emerging regions (30%) and frontier markets (25%).

Nearly one in three (31%) mega-cap companies from developed markets indicate an interest in an additional listing in Greater China. More than one in five (22%) large-/mega-cap companies from developed markets show interest in an additional listing in an emerging market.

Interview Comments

"We have a GDR and an ADR. In our case the only thing that makes sense is Europe because we have a very European-based business in one part of our business so it makes sense to be listed in England. But for us in the US we don't have enough in North America to be a US-based company."

Mid ($1.0 to 9.9 billion)/EEMEA/Basic Materials

"Either China or Hong Kong."

Mega (Over $25 billion)/United States/Industrials
Mickey Foster, FedEx

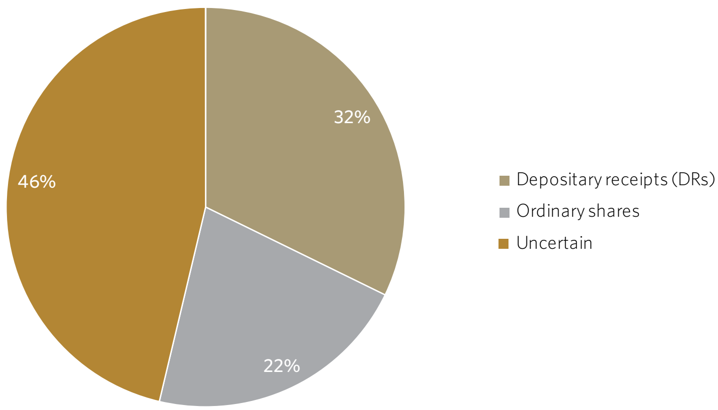
"We are considering GDRs in London."

Micro (Under $350 million)/EEMEA/Financials

If you are considering an additional listing, are you planning to use depositary receipts (DRs) or ordinary shares?

Nearly a third (32%) of those companies considering an additional listing plan to use depositary receipts over ordinary shares (21%) while nearly half (46%) have yet to make a decision. Depositary receipts are a more attractive means by which to list in an additional market for 71% of Latin American institutions and 46% of financial companies.

Figure 28: Use of Depositary Receipts or Ordinary Shares for Additional Listing



Interview Comments

> *"Liquidity is most important. The main thing, especially for is, is liquidity. And at the moment we are looking at a GDR program – getting an additional listing in London. For us that is a tool to create liquidity. It is an access tool for some of the investors that have difficulty buying in the market. And it is also a good tool to increase visibility and awareness."*
>
> Micro (Under $350 million)/EEMEA/Financials

> *"What has been important for me was having a GDR that was available 24 hours a day. And with the revolution in Egypt our local markets were closed for 40 days and we were surviving on GDRs."*
>
> Mid ($1.0 to 9.9 billion)/EEMEA/Financials

Investor Relations Personnel and Infrastructure

- Investor relations departments around the world employ on average 3.5 people.
- IR professionals report an average of over 7 years experience in the industry.
- The IRO is typically the primary contact within the company for the investment community.
- The median investor relations budget is $500,000 per annum.

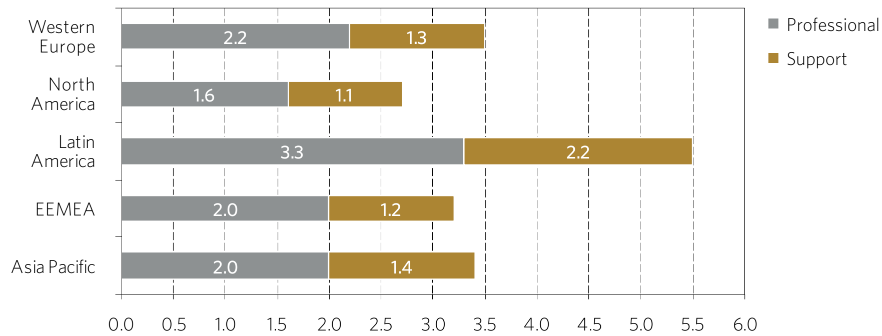
How many employees are in your IR department: professional versus support personnel? Has your company downsized its IR department in the last 3 years?

Staff numbers in investor relations departments have largely remained the same over the course of the past year with the global average at 3.5 employees per department (compared with 3.7 in 2010). A typical IR function consists of two professional employees (i.e., those who have direct contact with the investment community) and one support staff.

Notably, investor relations departments within emerging markets typically employ one more full-time person than those in developed regions (4.1 versus 3.1, respectively) and considerably more than frontier markets (2.7 total employees). This is consistent with the trend seen in 2010, where developed markets employed 3.2 staff on average versus 4.5 in emerging markets.

Similar to previous years, Latin American firms employ the highest number of staff with an average of 5.5 employees in a team (5.2 in 2010). North American IR departments continue to be staffed with the fewest number of employees (2.7 versus 2.4 in 2010).

Figure 29: Total Number of Employees in an IR Department



While overall averages remained constant, mega-cap companies in this year's sample have expanded their teams to an average of 6.8 (from 5.8 in 2010), compared to mid-cap companies which have reduced their IR departments to 2.7 from 3.6 last year.

Companies in the financial sector have the largest IR departments with an average of 4.4 employees, up from 3.9 in 2010, while technology firms, which in 2010 employed the smallest number of IR staff (2.3 total staff versus 2.9 in 2010).

Are you looking to add professional IR staff to your IR department in the next 12 months?

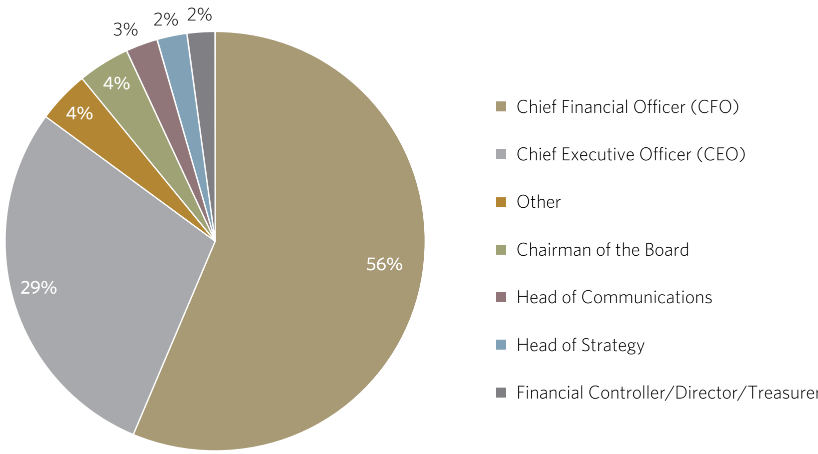
While many sectors have experienced a retrenchment, the vast majority of IR departments around the world (90%) have not downsized in the last three years. This trend is expected to continue over the next 12 months with 28% of IR departments worldwide planning to add professional staff.

This trend is particularly notable in Latin America as 46% of IR departments in the region are looking to expand their department over the next year. This is considerably more than in any other region in the world. Furthermore, a significant number of IR departments in the emerging (43%) and frontier (38%) markets look to add professional investor relations staff, compared to programs in the developed markets (20%).

To whom does the most senior investor relations executive report?

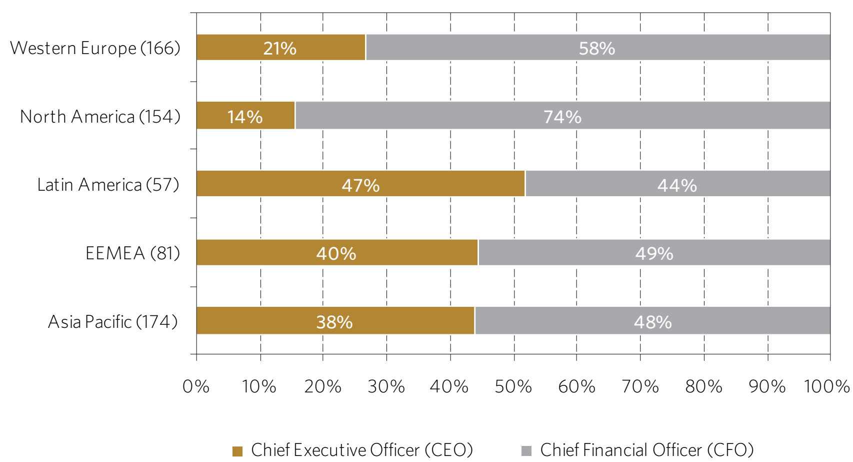
The majority of senior-most IR executives globally (56%) report to the Chief Financial Officer and nearly a third (29%) have a direct reporting line to the Chief Executive Officer (both in line with 2010 results: 57% and 29%, respectively).

Figure 30: To Whom the Senior-Most IR Executive Reports to



Outside of North America and Western Europe the reporting gap between the two senior officers narrows considerably. In Latin America, IROs are just as likely to report to the CEO (47%) as they are to the CFO (44%). In the EEMEA region, reporting relationships are more evenly dispersed between the two officers than the global average – CFO (49%) and the CEO (40%).

Figure 31: To Whom the Senior-Most IR Executive Reports to



Who is the primary contact for the investment community?

The responsibility of acting as the lead contact for the investment community continues to rest with the Investor Relations Officer or the head of the department, a trend that has been consistent since 2007. This year, 84% of IROs globally act as the primary contact for the investment audience compared to 85% in 2010, 81% in 2009 and 91% in 2007.

Similar to last year, CFOs in the Asia Pacific region play a more visible role in managing relationships with the investment community than the global norm. They act as the main contact for the market/investment community 18% of the time (20% last year), nearly double the global norm of 10%.

CFOs are also the primary contacts for the investment community for smaller companies with fewer resources (21% small-cap and 29% micro-cap).

How many years experience do you have in investor relations?

The average reported experience in the industry worldwide is at 7.7 years, unchanged from 2010. North American IR professionals report the longest average number of years in the industry (10), while IROs in the EEMEA regions report the shortest (5.8).

Length of experience within the various marketplaces around the globe varies considerably with IROs in developed countries averaging 8.5 years (8.0 in 2010) compared to 6.1 in emerging market (6.4 in 2010) and 6.2 in frontier countries. Within the emerging markets, the fewest number of years experience is reported by IROs in Emerging Europe, Middle East & Africa (5.5 years).

Micro-cap firms employ IR professionals with the lengthiest experience in the industry (9.7 years), while the average length of experience within IR professionals in mega-cap companies stands at 5.8 years.

IROs with the longest experience in the industry work in the telecom sector (9.8 years), followed by technology (8.1), healthcare (8.0) and utilities (8.0), while IR executives in the financial services space have the shortest experience (6.6 years).

What is the total annual budget in U.S. dollars for your company's investor relations program?

On a global basis average budgets available to IROs have remained virtually unchanged from last year ($500,000 median, compared to $494,000 in 2010), there has also been no consistent trend seen in this area in different regions.

IR budget increases were most significant in Latin America ($650,000 median versus $500,000 last year) and in North America ($750,000 vs. $625,000). At the same time, IR budgets declined in both EEMEA and Western Europe.

Table 14: Total Annual Budget for Investor Relations Department (Region)

	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Average budget 2011	$514,000	$498,000	$988,000	$958,000	$1,015,000
Average budget 2010	$413,000	$501,000	$676,000	$766,000	$1,069,000
Median budget 2011	$200,000	$175,000	$650,000	$750,000	$675,000
Median budget 2010	$120,000	$250,000	$500,000	$625,000	$775,000

The resources available to IR departments in the developed world have increased over last year (median of $675,000 in 2011, $500,000 in 2010) substantially more than what IR departments in emerging and frontier markets have at their disposal ($200,000).

Yearly budget figures vary widely by company size, and the disparity between a large firm and a smaller company has grown over the past 12 months. For instance, budgets have grown considerably for mega-cap and large-cap IR departments, while the amount of capital devoted to mid-cap investor relations has constricted. Small and micro-cap budgets remain at the median seen in 2010.

On a sector basis, IR departments within the utility sector have the largest budgets ($1 million median) whereas technology firms the smallest ($300,000 median).

Table 15: Total Annual Budget for Investor Relations Department (Market Cap)

	Mega	Large	Mid	Small	Micro
Average budget 2011	$1,840,000	$1,093,000	$577,000	$347,000	$359,000
Average budget 2010	$1,076,000	$1,125,000	$612,000	$392,000	$253,000
Median budget 2011	$1,220,000	$1,000,000	$400,000	$250,000	$112,500
Median budget 2010	$800,000	$800,000	$500,000	$250,000	$100,000

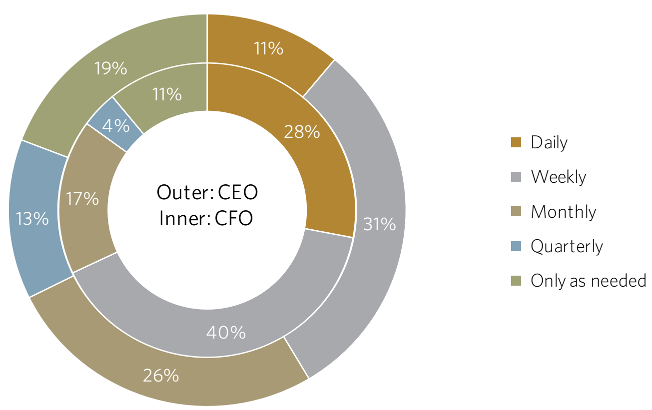
Use of Internal Resources

- At a minimum, IR departments are in contact with senior management at least on a weekly basis.
- Sell-side opinions and feedback from the investment community are the primary types of information IR provides to management.
- The majority of IROs worldwide provide market intelligence to the board of directors.
- Most IROs participate in board meetings in some capacity and nearly half present at least some of the time.

How often does the investor relations department give counsel to your company's Chief Executive Officer and Chief Financial Officer?

Globally, investor relations departments maintain regular contact with senior management on, at the least, a weekly basis, with more interaction between the IRO and CFO rather than the CEO. Communication with the CEO is confined to a weekly or monthly basis, and daily contact remains rare. This trend has not changed from 2010.

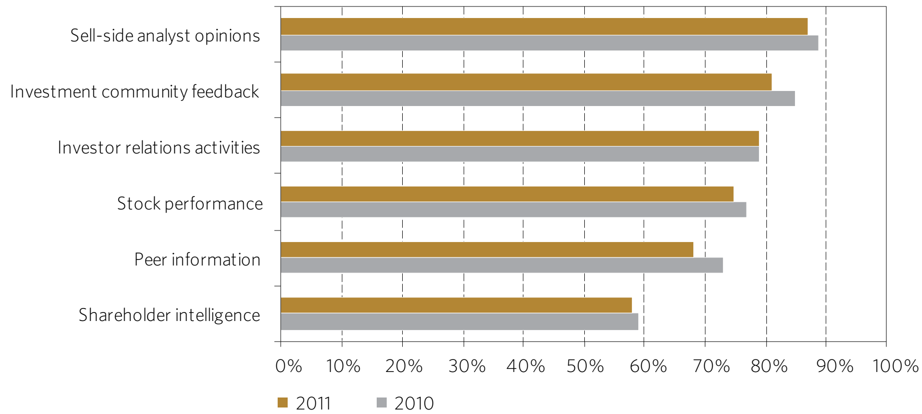
Figure 32: How Often IR Department Provides Counsel to CEO or CFO



What type(s) of information does the investor relations department provide to senior management?

Regardless of frequency of interaction, the type of data provided by IRO to senior management is consistent with that seen last year. The sell-side's opinions, investment community feedback, an update on internal IR activities, and stock performance data is provided most frequently.

Figure 33: Types of Information IR Department Provides to Senior Management



Consistently across all regions, the opinion of the research community is the insight most often provided to management. Feedback from the investment community is shared with similar frequency in North America, Western Europe and EEMEA, whereas IR teams in Latin America and Asia Pacific provide information on company stock performance more often than investor feedback.

Table 16: Types of Information IR Department Provides to Senior Management (Region)

Most — Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Sell-side analyst opinions	1	1	1	1	1	1
Investment community feedback	2	4	2	3	2	2
Investor relations activities	3	3	3	4	3	3
Stock performance	4	2	4	2	5	4
Peer information	5	5	5	5	4	5
Shareholder intelligence	6	7	7	7	6	6
Industry trends	7	6	8	9	7	7
Financial performance	8	9	6	6	8	8
Media mentions	9	8	8	8	9	9

Consistent with the global trend, IROs of larger-cap companies regularly supply management with information on sell-side opinions and investment community feedback, whereas smaller-cap IR teams are more likely to focus on internal IR activities before discussing feedback from outside audiences. In addition, media mentions is a top-five issue communicated to management by micro-cap IR departments, in contrast to the larger companies where such issues are of lower priority.

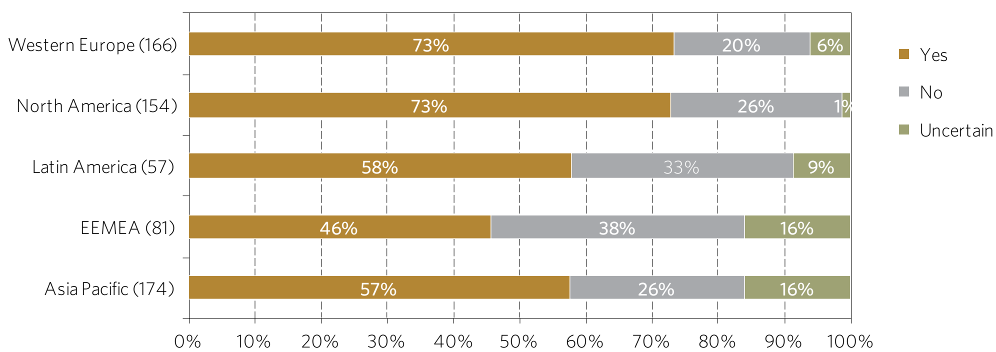
Table 17: Types of Information IR Department Provides to Senior Management (Market Cap)

Most — Least	Global	Mega	Large	Mid	Small	Micro
Sell-side analyst opinions	1	1	1	1	2	3
Investment community feedback	2	2	2	2	3	4
Investor relations activities	3	3	4	3	1	2
Stock performance	4	5	3	4	4	1
Peer information	5	6	5	5	5	8
Shareholder intelligence	6	4	6	6	7	6
Industry trends	7	7	7	7	8	8
Financial performance	8	8	8	8	9	7
Media mentions	9	9	9	9	6	5

What type(s) of market intelligence does the investor relations department provide to the board of directors?

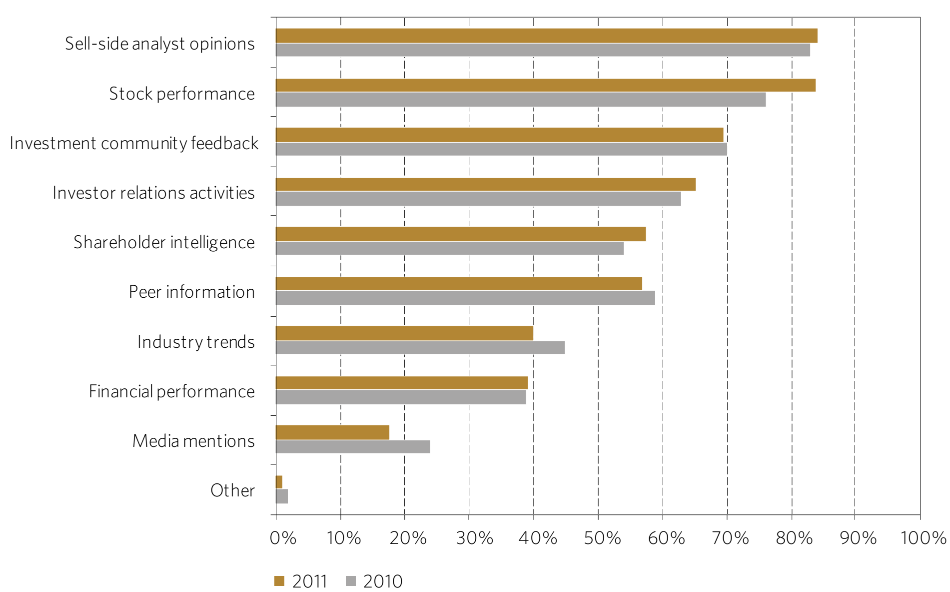
Providing market intelligence to the board of directors remains a wide-spread practice for the majority of IROs worldwide (64%), once again confirming the strategic value of IR. However, this trend has slowed slightly since 2010 (69%) and 2009 (67%), and is still largely confined to the Western Hemisphere. While the vast majority of North American (73%) and Western European IROs (73%) continue to provide market intelligence to the board, the practice appears to be decreasing in EEMEA (46% in 2011 versus 59% in 2010) and, to a lesser extent, in Asia Pacific (62% in 2010; 57% in 2011). More broadly, half (51%) of IROs in emerging markets have contact with the board, down from 60% in 2010, while 47% of IR executives in frontier markets do the same.

Figure 34: Does IR Department Give Market Intelligence to the Board?



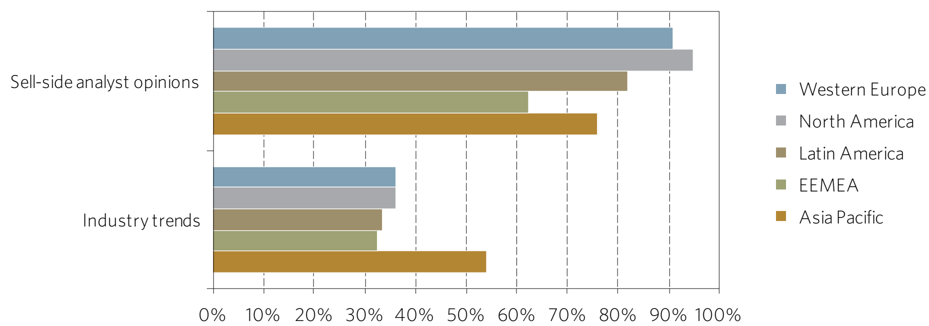
While analyst opinions remain the primary intelligence investor relations provided to the board (unchanged from 2010 and 2009), information on stock performance has grown in importance over the last year, and now 84% of IROs provide such information, compared to 76% in 2010. Media mentions have become less important over the last year and are provided to the board infrequently.

Figure 35: Types of Market Intelligence Provided to the Board



The importance attributed to different types of information presented to the board varies considerably from region to region. In comparison to other regions, IROs in the EMEA regions provide information to the board on sell-side opinions and feedback from the investment community less consistently. Asian Pacific IROs provide information on industry trends more often than in any other region.

Figure 36: Types of Market Intelligence Provided to the Board (Region)

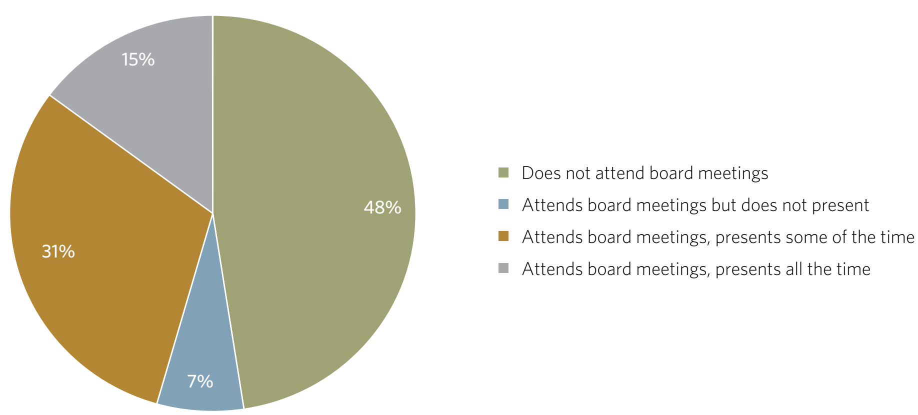


On a market cap basis, small-cap (69%) and micro-cap (55%) companies provide sell-side analyst opinions less frequently than larger companies (mega: 87%; large: 90%; mid: 91%). Instead, IROs within the micro-cap space provide their boards with data on internal IR activities (82% compared to the overall norm of 65%) and media mentions (36% versus 18% globally).

What is the senior-most investor relations executive's involvement at board meetings?

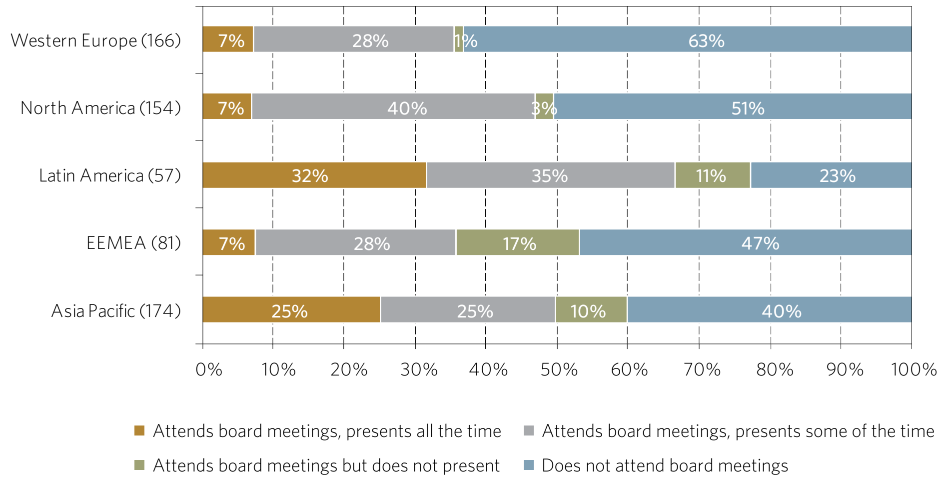
IROs are becoming increasingly involved with the board. More than half (52%) of IROs globally are involved in board meetings in some capacity and nearly half (46%) present at least some of the time. By comparison, 47% of IROs attended these meetings and 40% presented at least some of the time in 2010. The prevalence of an IRO that attends the meeting and presents at least some of the time does not vary with company size.

Figure 37: IRO's Involvement in a Board Meeting



On a regional basis, Latin American IROs attend and present to the Board most frequently (67%). Meanwhile, Western European and EEMEA IROs are the less involved with the Board meeting (both at 36%).

Figure 38: IRO's Involvement in a Board Meeting (Region)



IROs within the emerging and frontier markets are most involved with the Board with 62% and 56% of IR professionals, respectively, attending the meetings in some capacity, compared to 46% in developed markets.

Use of External Resources

- Globally, 15% of IR departments' budgets are devoted specifically to external IR firms/ services, and used primarily for conference call/event logistics.
- Investment style, peer ownership and industry focus are main considerations in targeting new investors worldwide.
- Before an investor meeting, IROs most often consult external analytics databases and brokers.
- Written disclosure policies are commonplace in companies worldwide.
- Half of the firms globally have a written crisis communication policy in place
- The majority of companies around the world publish corporate responsibility reports.
- One in five IR departments globally uses a form of social media to communicate with the investment community.

What percentage of your investor relations budget is explicitly allocated to external investor relations/ consulting firms?

The use of external providers has expanded significantly over the last year, with 63% of IR departments now explicitly allocating a portion of their budgets to these services, compared to 40% in 2010. Latin American companies continue to lead this trend (84%), once again showing another meaningful increase over 2010 (60%).

Another trend continuing from last year is the role company resources played in determining whether an IR department employed outside assistance, with 39% to 48% of larger-cap companies using external services in 2010 versus 29% of micro-caps. This year saw a highly significant reversal as 79% of micro-cap companies now devote a portion of their budget to external resources (compared to a mid-60s average for the larger firms).

Currently, an average of 15% of an overall IR budget is devoted to external firms. From a market cap viewpoint, 29% of a micro-cap's budget is devoted to these services, compared to between 11% and 16% for the larger market cap groups.

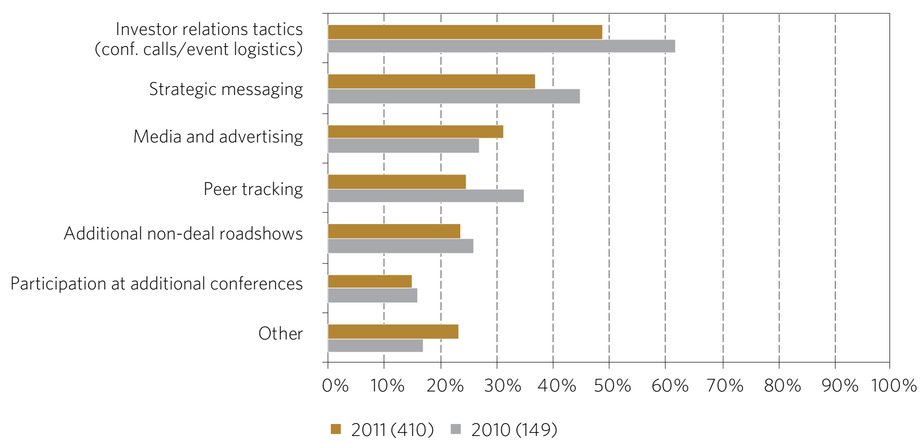
On a regional basis, external IR services account for 18% of an Asia Pacific IR department's budget and 17% of EEMEA IR budgets. Similarly, the current average percentage of a budget devoted to external IR functions in the developed markets is 12% and in the emerging markets 19%.

Firms with smaller staffs devote roughly the same percentage of budget to external firms, and what they use these firms for is fairly consistent across all size staffs.

For which of the following functions does your company typically use an external investor relations firm?

An external IR company is mainly used to assist with logistics and strategic messaging. However, the frequency with which these services are being utilized has diminished somewhat due to the smaller proportion of IR budget devoted to these activities. On the other hand, investor relations' use of media and advertising services via an outside company has replaced peer tracking as the third most utilized service.

Figure 39: Functions Companies Typically use an External IR Firm for



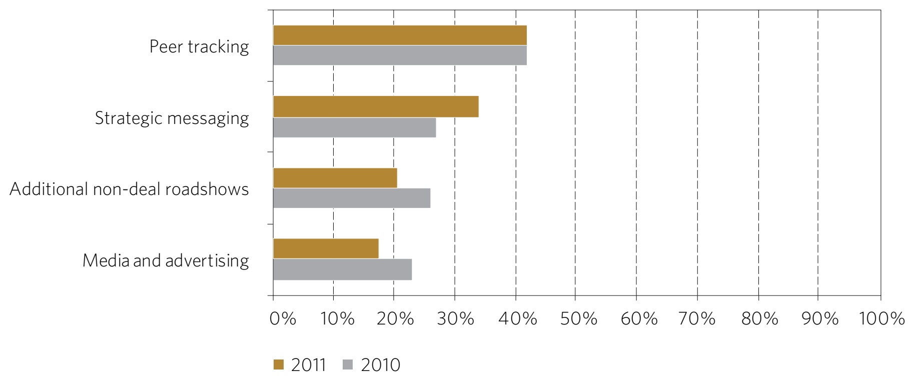
Latin American institutions (69%) are most likely to use external services for IR tactics followed by EEMEA companies (55%). Involving external advice for strategic messaging is heavily used by investor relations programs in Western Europe (44%) and Asia Pacific (41%).

Micro-cap companies (74% versus 37% globally) rely on external support in formulating the strategy message.

Assuming budget were no issue, which functions not already outsourced would you add to your "wish list" for an external investor relations firm to perform?

With the assumption that there were no budgetary restrictions, 42% of IROs worldwide would consult an external IR company to perform peer tracking, which is identical to the trend seen in 2010. Yet, assistance with the strategic message has increased on the IRO wish list as the investment community now places more stringent demands on investor relations to provide additional transparency on management's strategic agenda.

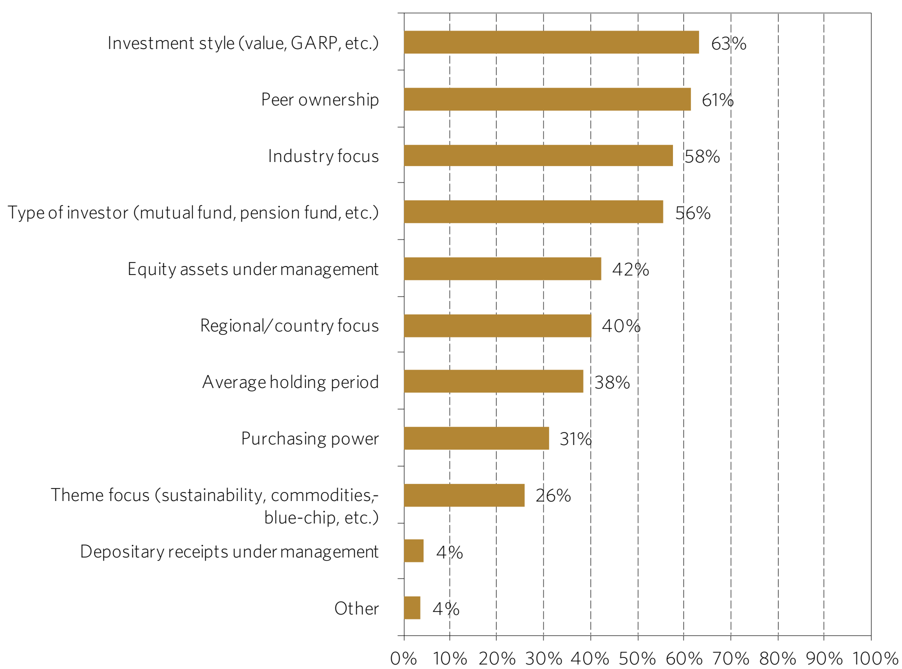
Figure 40: Functions IROs Would Add to "Wish List" for an External IR to Perform if Budget was not an Issue



What criteria does the investor relations department use to target new equity investors?

Similar to 2010, investment style 63%, peer ownership 61%, industry focus 58%, and the type of investor (mutual, pension) 56%, all continue to be the dominant considerations for IROs in their efforts to target new equity investors.

Figure 41: Criteria IR Department Uses to Target New Equity Investors



The importance attributed by IROs to each of these criteria, however, varies significantly on a region-by-region basis – an observation also seen in 2010. Asian Pacific (73%) and Latin American (58%) IROs focus on the type of investor, whereas industry focus is the most prevalent for IROs in EEMEA (60%), investment style in North America (82%) and peer ownership in Western Europe (71%). Moreover, in seeking out new investors, companies within the EEMEA region (59%) place a great deal of emphasis on the regional or country focus of an institution (a factor of much less importance for other regions).

Table 18: Criteria IR Department Uses To Target New Equity Investors (Region)

Most → Least

	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Investment style	1	2	4	5	1	2
Peer ownership	2	4	4	2	2	1
Industry focus	3	3	1	3	3	3
Type of investor	4	1	3	1	7	4
Equity assets under management	5	7	4	6	6	6
Regional/country focus	6	5	2	3	8	5
Average holding period	7	6	7	8	4	8
Purchasing power	8	9	8	7	5	9
Theme focus	9	8	8	9	8	7
Depositary receipts under management	10	10	10	10	10	10

Targeting criteria within the developed markets differ from those in emerging and frontier markets with regard to investment style (72%, 50%, 41%, respectively), peer ownership (70%, 49%, 34%) and the type of investor (50%, 64%, 66%). Regional/country focus is considered by 63% of companies within the frontier markets compared to 35% of companies in developed and 46% in emerging markets.

Mega-cap companies target new investors by considering investors' equity assets under management (79%), and purchasing power. In contrast, large-cap companies place the strongest emphasis on peer ownership (67%), mid-caps on investment style (64%) and the small-caps on industry focus (small-cap: 68%; micro-cap: 63%).

Table 19: Criteria IR Department Uses To Target New Equity Investors (Market Cap)

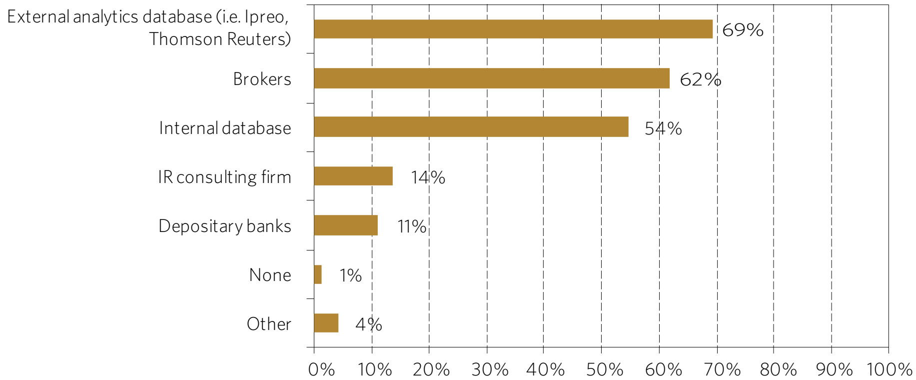
Most → Least

	Global	Mega	Large	Mid	Small	Micro
Investment style	1	2	2	1	2	4
Peer ownership	2	3	1	2	4	4
Industry focus	3	7	4	3	1	1
Type of investor	4	4	3	4	3	2
Equity assets under management	5	1	5	7	7	7
Regional/country focus	6	6	7	6	5	3
Average holding period	7	8	6	5	6	6
Purchasing power	8	5	8	8	9	9
Theme focus	9	9	9	9	8	7
Depositary receipts under management	10	10	10	10	10	10

What sources do you utilize to get information before meeting with investors?

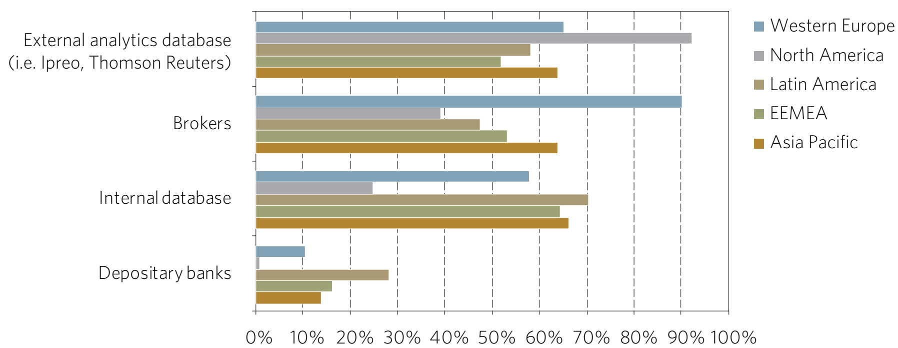
The large majority of IR professionals (69%) consult an external analytics database (for example those provided by Ipreo and Thomson Reuters) before meeting with an investor. Other sources of information on institutional investors are brokers (62%) and internal IR databases (54%).

Figure 42: Sources Utilized to Receive Information Before Meeting with Investors



Nearly all North American IR departments (92%) consult external databases before an investor meeting while consulting a broker is a common practice in Western Europe (90%). Internal IR databases are relied upon by IROs across the world with the exception of North America, where only 25% of IR departments use such a system. Continuing the theme of extensive reliance on external services, companies in Latin America identify depositary banks and IR consulting firms as important sources of information in preparation for investor meetings.

Figure 43: Sources Utilized to Receive Information Before Meeting with Investors (Region)



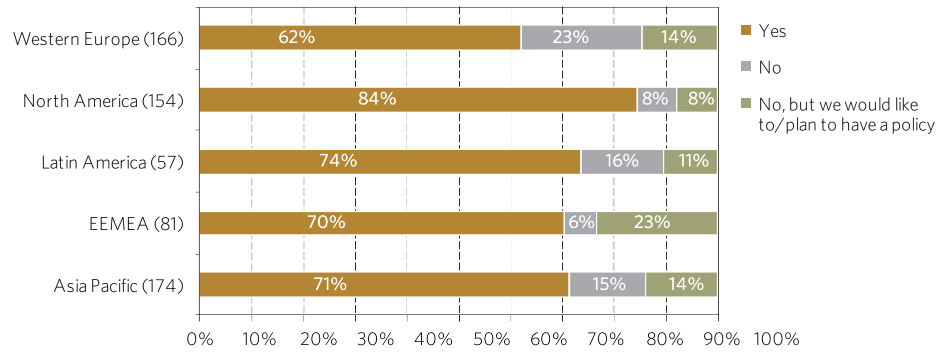
Does your company have a written disclosure policy?

Having a written disclosure policy in place is the norm for IR departments worldwide, a trend which has increased over the last year. Currently, 72% of companies globally have a written disclosure policy, compared to 62% in the previous year. Moreover, 14% of the firms globally that do not have a written disclosure policy are considering introducing one, in the future.

On a market cap basis, there is no significant difference between a large company and a small firm – the majority of companies have a written policy on the release of price sensitive information.

One noteworthy observation on a regional analysis is that Western Europe is behind the rest of the world on implementing this procedure (62% versus 72% globally) and is less inclined to consider introducing one (23% say they have no policy outright while 14% plan to have one in the future).

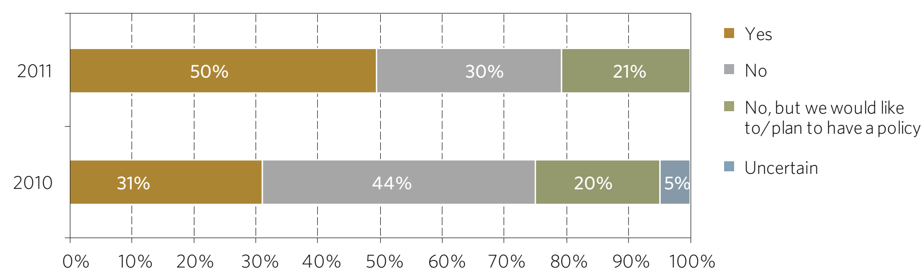
Figure 44: Does Your Company Have a Written Disclosure Policy? (Region)



Does the investor relations department have a written crisis communications policy?

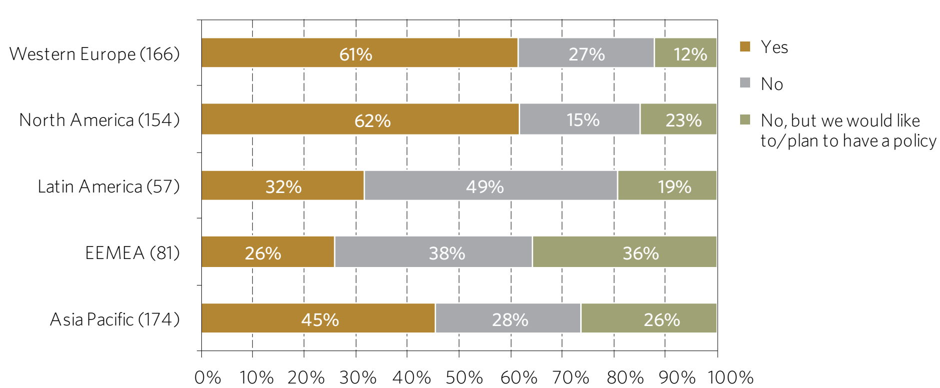
A new trend observed this year is the introduction of written crisis communications policies by IR departments worldwide. Exactly half of the IR professionals interviewed now have some form of crisis policy in place, substantially higher than 31% in 2010.

Figure 45: Does Your Company Have a Written Crisis Communications Policy?



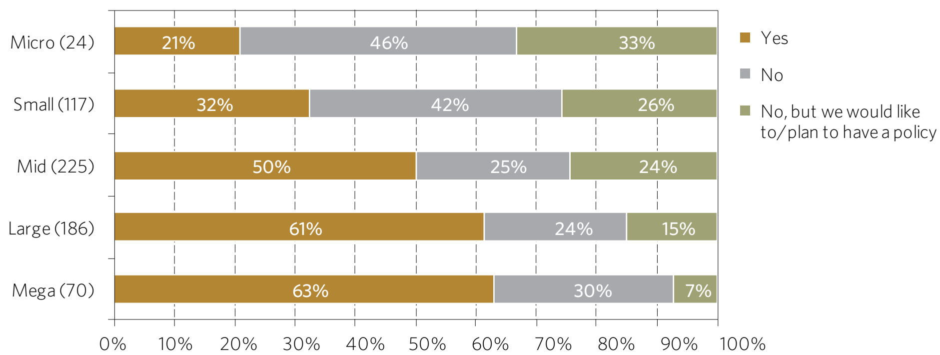
However, this trend is largely confined to the Western hemisphere, where 62% of IR departments are likely to have written crisis procedures (62% in North America and 61% in Western Europe). By contrast, emerging markets (31%) and frontier markets (31%) are less likely, with Latin America (32%) and EEMEA (26%), to have a written crisis communications policy in place. Yet, 36% of EEMEA firms are considering implementing such a policy, compared to 19% in Latin America and 30% in emerging countries.

Figure 46: Does Your Company Have a Written Crisis Communications Policy? (Region)



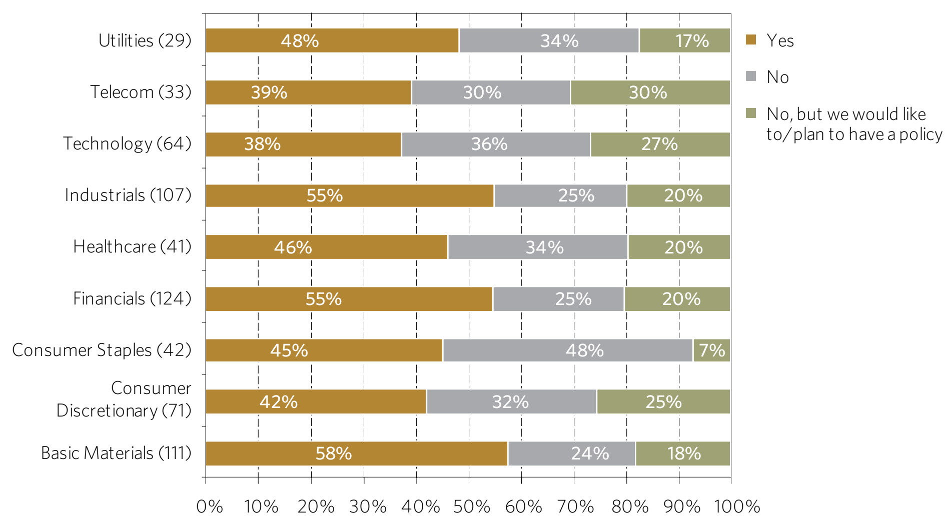
Mega-cap firms (63%) and large-caps (61%) are more likely to have written crisis policies in place than small-cap companies (32%) and micro-caps (21%).

Figure 47: Does Your Company Have a Written Crisis Communications Policy? (Market Cap)



Sector-wise, basic materials companies (58%), financials (55%) and industrials (55%) are the only industries where a majority of IROs have a drafted crisis communications policy in place.

Figure 48: Does Your Company Have a Written Crisis Communications Policy? (Sector)

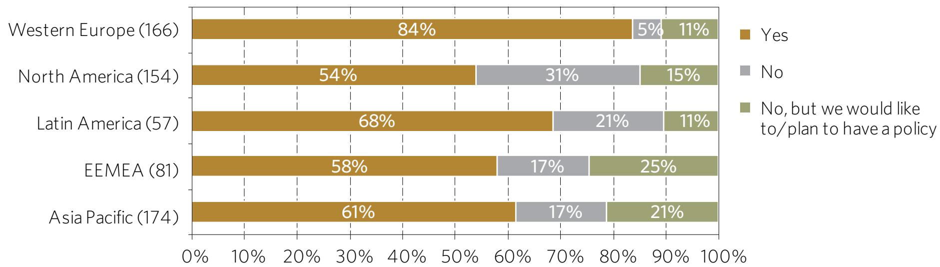


Does your company publish a corporate social responsibility report?

Corporate social responsibility (CSR) reports are being published in greater numbers than 12 months ago as 65% of companies worldwide released or plan to release such reports this year compared to 50% in 2010. The number of companies not publishing a CSR report but who are considering it have increased slightly to 17% from 14%.

As was the case in 2010, Western European (84%) and Latin American (68%) companies publish CSR reports most often. 2011 has also seen a considerable increase in the number of North American and Asian Pacific companies releasing CSR reports (North America: 54% versus 29% in 2010; Asia Pacific: 61% versus 36% in 2010). Similarly, firms in developed countries (68%) versus emerging markets (62%) publish a CSR report.

Figure 49: Does Your Company Publish a CSR Report? (Region)



While CSR reports are being published by the majority of companies regardless of market cap and sector, larger firms are more likely to disclose their CSR practices (mega-cap: 89%; large-cap:77%), as are consumer staples (79%), basic materials (72%) and telecoms (76%).

Figure 50: Does Your Company Publish a CSR Report? (Market Cap)

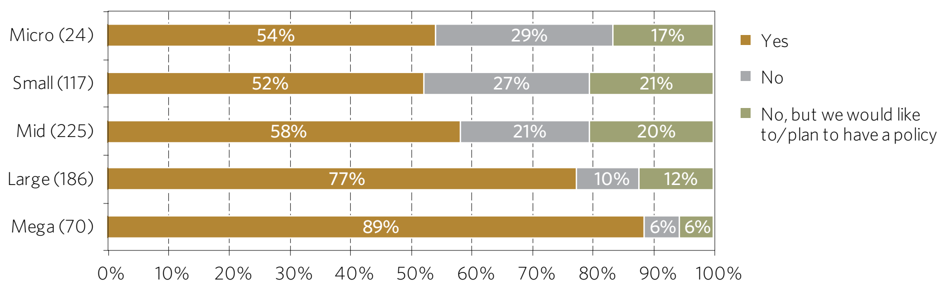
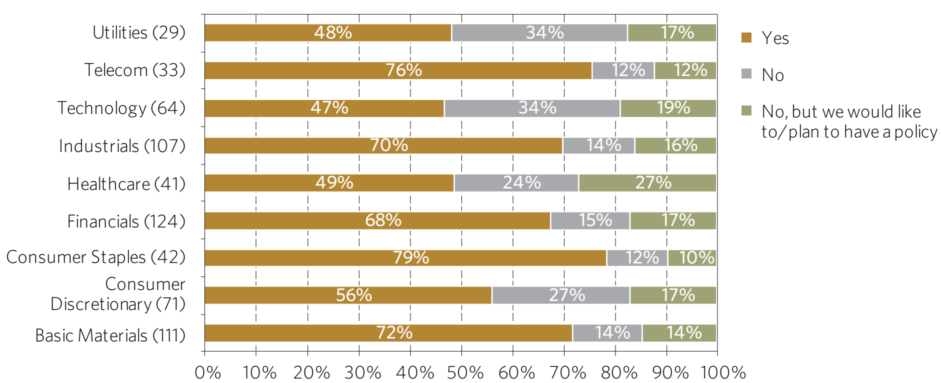


Figure 51: Does Your Company Publish a CSR Report? (Sector)



Does the investor relations department have a written transactional/M&A communications policy (i.e., written procedures of what information the company is required to release with the announcement of a merger, acquisition or other transaction)?

With only a small number of companies introducing written transactional communications policies, this practice remains relatively nascent; however, there has been a moderate change over 2010 (28% versus 20%). Mega cap firms are the only ones by market cap size where introduction of such policies is notable (41%).

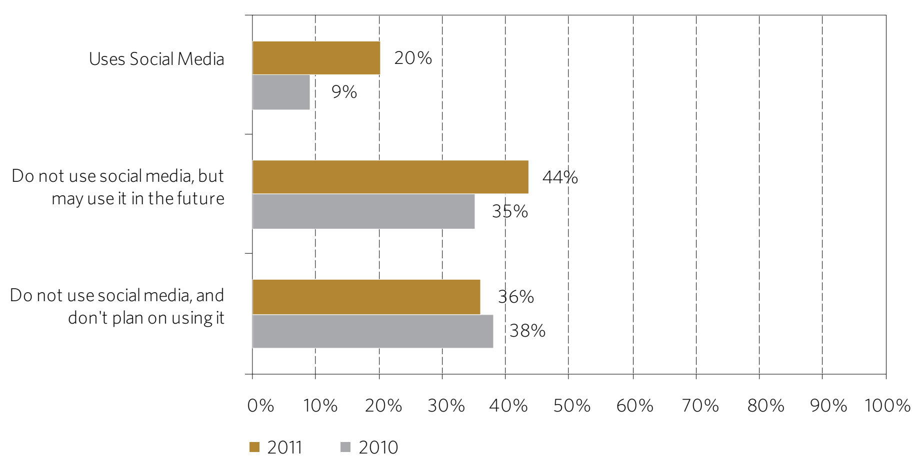
On a regional basis, Western Europe is the region with the highest number of companies with transactional policies in place (37%). Yet, a high number of Asia Pacific (28%) and EEMEA (28%) companies that currently don't have a policy in place indicate that they are open to introducing one in the future (compared to the global 2011 norm of 19%).

Which social media does your company use to communicate with investment professionals?

The popularity of social media as a communication tool has not yet gained widespread following in the field of investor relations. However, while this trend appears to be still in the early stages of development, usage of social media as a communications medium has increased notably over 2010. Currently, 20% of IR professionals use some form of social media to provide information to the investment community, which is more than double the 9% in 2010.

When drilling down into the specific outlets in social media, the percentage of users of each remains quite small but growing. Twelve percent (12%) of companies worldwide use Twitter for investor communications, compared to 6% in 2010, and similar growth is seen in the use of corporate blogs (11% in 2011, 4% in 2010) and Facebook (10% in 2011, 4% in 2010). Growth is evident and the 44% of companies that do not use social media may do so in the future

Figure 52: Is Social Media Used to Communicate with Investors?



Interview Comments

"Eventually, but not now. [Social media] just hasn't taken off yet, for us. Our investors have not been tweeting or been asking about it or anything. We have not gone on Facebook or Twitter. The company has, but not investor relations."

Mega (Over $25 billion)/United States/Industrials
Mickey Foster, FedEx

"We don't dare to use it because with everything we do, it is important that it is consistent with what we say elsewhere. If we suddenly happen to say something in social media that turns out to be share-price sensitive, we may end up in big trouble. So we're not going to use it for IR purposes."

Mega (Over $25 billion)/Western Europe/Consumer Discretionary
Peter Kondrup, Carlsberg

"Not in the near term because I don't think fundamental investors are going to make their investment decisions based on what they read or hear in the social media. I think the social media could add more volatility to stocks because I think more hedge fund and momentum traders will pay attention to it."

Mega (Over $25 billion)/United States/Financials
Barbara Gasper, MasterCard

"Not in the short term, no. This may depend on sector. So from a financial services sector as a whole, social media's had little impact. It has impact from a press side, but not an investor perspective. I think that's because it doesn't give the detailed analysis that people require to make effective decisions."

Large ($10 to $25 billion)/Western Europe/Financials
Douglas Radcliffe, Lloyds

"Generally social media I don't think will have any revolutionary effect. That would be more relevant for consumer industries and retail chains where each person is using their service on a daily basis and they have a wide distribution network and people are staying connected because they are using the services and goods of that company – so they would have to have a direct link. But we are a metals and mining company and not a lot of people understand the specifics of this industry."

Mega (Over $25 billion)/Russia/CIS/Basic Materials

"Certainly not to any great extent – at least in my opinion. And I am saying that because investor relations is a very profound study of companies. And social media networks do not go very profound in analysis of companies."

Large ($10 to $25 billion)/Latin America/Basic Materials
Jerry O'Callaghan, JBS

"Yes. Eventually yes. However now things like Facebook and Twitter, although they are big, are not used by investor relations. We have rules in place in my country that are very strict – more strict than other countries. We can't disclose anything material before we disclose it to the stock market. So although in other countries they may say that they also can't disclose anything material before disclosing it to the stock market – I think that – without getting specific – small things are deemed material – and that is the issue we face."

Mid ($1.0 to 9.9 billion)/EEMEA/Financials

Mediums for Information Disclosure

- Annual reports, earnings releases and general contact information are included on virtually all websites around the world.
- Links to social media outlets typically are NOT included on IR websites.
- Direct IR contact information is made available on the majority of websites globally.
- The common practice is to make copies or replays of investor presentations or earnings calls available on the website for a minimum of one year.

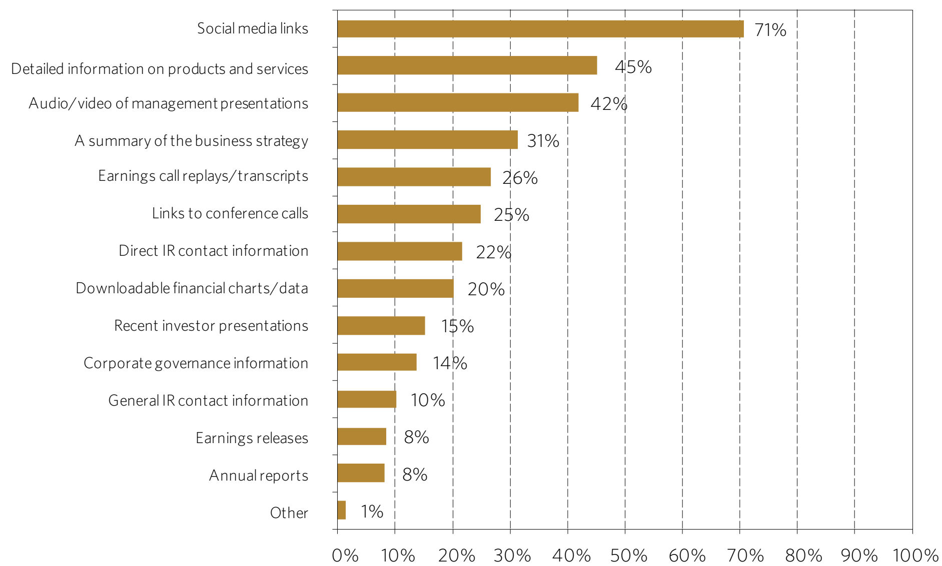
Is management of the investor relations section of your company's website done by an internal department or outsourced to an external firm?

Regardless of a company's size or sector, internal departments are responsible for managing a firm's investor relations website in three-fourths (74%) of the companies globally. Yet, this is primarily seen outside of the United States and Canada as the majority of websites (58%) in North America are administered externally.

Which of the following do you not include in the IR section of your company's website?

With the majortiy of companies still considering using social media in the future, links to social media outlets are by far the number one omission on 71% of IR sites around the world. Secondary exclusions include detailed information on products/services (45%), audio/video of management presentations (42%), and summaries of the business strategy (31%).

Figure 53: Items NOT Included on IR Section of Company Website



Among the many approaches taken by investor relations departments around the world in managing their corporate websites, several regional differences are evident:

- Management audiovisual presentations are more commonly omitted in Asia Pacific, EEMEA and Latin America.
- A summary of the business strategy is present on the majority of IR websites in Asia Pacific.
- Direct IRO contact information is commonly excluded from Latin American and North American investor relations sites.

Table 20: Items NOT Included on IR Section of Company Website (Region)

Most … Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Social media links	1	1	1	1	1	1
Detailed information on products and services	2	4	5	3	2	2
Audio/video of management presentations	3	2	2	2	4	4
A summary of the business strategy	4	7	6	4	3	3
Earnings call replays/transcripts	5	5	4	6	7	5
Links to conference calls	6	3	3	6	12	6
Direct IR contact information	7	6	10	5	5	6
Downloadable financial charts/data	8	7	8	8	6	9
Recent investor presentations	9	7	7	10	8	10
Corporate governance information	10	10	9	11	8	6
General IR contact information	11	10	12	8	10	11
Earnings releases	12	12	12	12	12	12
Annual reports	12	13	11	13	10	13

Moreover, emerging market and frontier market IR websites do not generally include an audio or video of a management presentation (58%, 63%, respectively), compared to only 31% of websites in developed countries. The majority of companies in the frontier markets also do not provide earnings call replays/transcripts (59%) or links to conference calls (56%).

Contrary to the trend, majority of micro-cap firms (78%) provide detailed information on their products and services. Micro-cap and small-cap firms are more likely to not provide links to conference calls on the IR website.

Table 21: Items NOT Included on IR Section of Company Website (Market Cap)

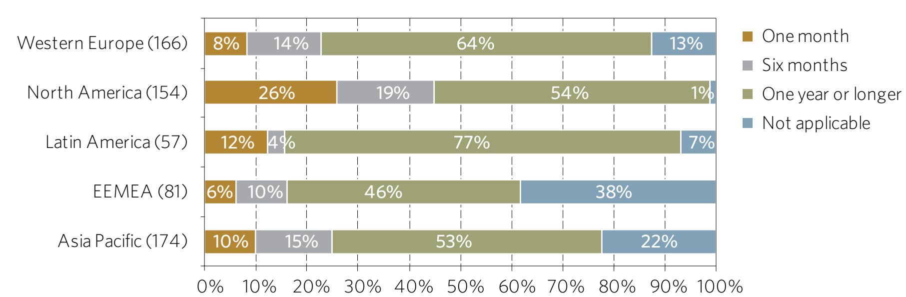
Most → Least	Global	Mega	Large	Mid	Small	Micro
Social media links	1	1	1	1	1	1
Detailed information on products and services	2	2	2	2	5	6
Audio/video of management presentations	3	3	3	3	2	3
A summary of the business strategy	4	4	4	4	6	4
Earnings call replays/transcripts	5	6	5	4	3	4
Links to conference calls	6	9	8	7	4	2
Direct IR contact information	7	5	5	6	9	13
Downloadable financial charts/data	8	8	5	8	7	7
Recent investor presentations	9	10	9	9	8	7
Corporate governance information	10	7	9	9	10	11
General IR contact information	11	13	13	11	11	10
Earnings releases	12	11	11	12	13	7
Annual reports	12	11	11	13	12	11

While the sectors are in alignment with regard to what is most often not included on the IR website – social media links and product/service information – the majority of utility companies (55%) also do not offer audio or video of management's presentations, compared to the sector average of 42%.

For how long are copies or replays of investor presentations or earnings calls made available on your company's website?

The norm is to keep copies or replays of investor presentation or earnings conference calls available on the corporate IR website longer than 12 months. The longer-than-a-year timeframe is most prevalent in Latin American (77%) and telecom companies (73%), and least prevalent in EEMEA and micro-cap firms (both 46%). Twenty-six percent of North American IR departments keep a presentation or call replay on the website for only a month.

Figure 54: Length of Time Investor Presentations/Earnings Calls Available on Website



Compensation

- Average base salaries have grown 16% globally over the last year.
- The global median bonus is $24,800, and the most common criteria used in determining a bonus is interaction with management and the quality of investor meetings.
- Total compensation (including stock options) has grown 20% in the past 12 months.
- Corporate senior management is the most often cited career goal for IROs worldwide.

What is your base salary (U.S. dollars)?

Capital allocated to investor relations budgets is being devoted in part to rising base salaries across the world (median of $148,700 in 2011 versus $127,800 in 2010). North American IROs remain the highest paid in the world with a median base salary of $197,300 and have seen their take-home pay increase considerably over 2010. Meanwhile, IR professionals in Asia Pacific and EEMEA remain the lowest paid ($78,600 and $106,200, respectively), though average salaries in these regions have also increased in the past year.

Table 22: Base Salary (Region)

	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Average base salary 2011	$133,000	$130,100	$165,100	$206,000	$180,900
Average base salary 2010	$116,100	$108,300	$108,900	$162,400	$169,800
Median base salary 2011	$78,600	$106,200	$134,300	$197,300	$166,000
Median base salary 2010	$87,500	$82,100	$111,100	$157,900	$161,600

Median base salaries for IROs in developed countries have increased from $157,700 in 2010 to $174,900 in 2011 while the medians in emerging regions have remained virtually the same ($74,600 in 2011 versus $80,900 in 2010). Frontier markets have a median base salary of $116,600.

As seen in 2010, company size is a highly influential factor on base pay, and that trend remains in force in 2011. Investor relations officers at mega-cap companies are the highest compensated with base salaries growing by roughly $50,000 (median) over the last year. Salary increases are also seen in large-cap IR departments (+$25,000 median) and mid-cap firms (+$18,000 median). However, average base salaries for small-cap IROs have remained at 2010 levels and the median base salary has actually dropped for this group.

Table 23: Base Salary (Market Cap)

	Mega	Large	Mid	Small	Micro
Average base salary 2011	$207,700	$172,400	$169,100	$133,800	$155,700
Average base salary 2010	$165,600	$149,300	$133,600	$134,000	$100,400
Median base salary 2011	$187,400	$170,700	$149,400	$116,200	$100,000
Median base salary 2010	$137,400	$146,300	$131,800	$126,100	$92,400

Base salaries of IROs within the healthcare market have also remained unchanged over the past 12 months (median of $168,700), yet, along with basic materials IROs ($170,500), healthcare IROs remained the highest paid across all the sectors.

If you received a bonus in 2010, what was the total amount (U.S. dollars)?[2]

A fair number of IR professionals globally (19%) did not receive a bonus as part of their compensation package in 2010. The majority of those IROs not awarded a bonus are located in EEMEA or Asia Pacific. Fifty percent of micro-cap IROs and 29% of small-cap IROs did not receive a bonus in 2010. For those given bonuses, the median is $24,800 globally, and North American IROs receive the highest amount ($62,500 median) and Asia Pacific and EEMEA the smallest ($9,900 and $9,600 respectively).

Table 24: Total Bonus Amount (Region)

	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Average bonus	$24,900	$40,600	$63,800	$80,800	$50,900
Median bonus	$9,900	$9,600	$32,500	$62,500	$34,800

The median bonus for IR professionals in developed countries is $39,900, substantially higher than in emerging countries ($10,500) and frontier markets ($8,200).

Much like salaries, bonuses for IROs at mega-cap and large-cap companies are substantial and considerably higher than the global median ($24,800) and dwarf that of the smaller firms. Consumer staples companies award the highest median bonus ($52,500) and technology firms the smallest ($16,000).

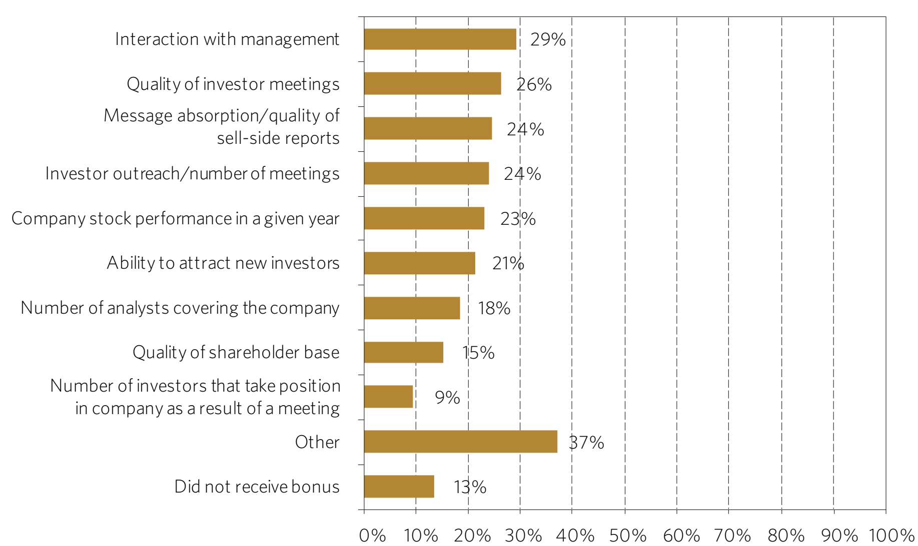
Table 25: Total Bonus Amount (Market Cap)

	Mega	Large	Mid	Small	Micro
Average bonus	$89,400	$61,600	$44,800	$29,300	$20,000
Median bonus	$62,500	$48,000	$23,600	$13,900	$0

Which of the following criteria is used to determine your bonus?

While there is no consensus criterion for determining an IRO's bonus, interaction with management and the quality of investor meetings are the most cited factors across all regions and market caps.

Figure 55: Criteria Used to Determine an IRO's Bonus



What is your total compensation (base salary + bonus + stock options - U.S. dollars)?[3]

Over the past year, compensation packages around the world have grown nearly 20% from a median of $159,700 in 2010 to $190,500 in 2011. Experiencing the most growth in compensation are Latin American

2 Based on the number paid out in 2010.

3 Based on the number paid out in 2010.

IROs, where the median rose by over $100,000 over the 12-month timeframe, followed by North America IROs with a nearly $100,000 increase. IR professionals within the EEMEA region also saw a considerable increase in their compensation packages while pay in Asia Pacific is slightly down compared to 2010.

Table 26: Total Compensation (base salary + bonus + stock options) (Region)

	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Average total compensation 2011	$172,800	$195,700	$248,900	$352,700	$255,000
Average total compensation 2010	$160,300	$137,500	$144,300	$228,100	$228,100
Median total compensation 2011	$102,300	$131,200	$245,700	$302,100	$215,800
Median total compensation 2010	$108,900	$94,900	$139,900	$204,500	$195,700

The difference in total compensation in the developed world versus emerging markets is significant with medians of $243,300 and $94,400, respectively, while companies within the frontier markets are in the middle ($174,900).

When analyzing the data from a market cap perspective, mega-cap companies pay median compensation packages ($280,000) that are well above the global norm ($190,500), and growth in pay is evident among the other market classes, with the exception of small-caps where the median total compensation is unchanged from 2010.

Table 27: Total Compensation (base salary + bonus + stock options) (Market Cap)

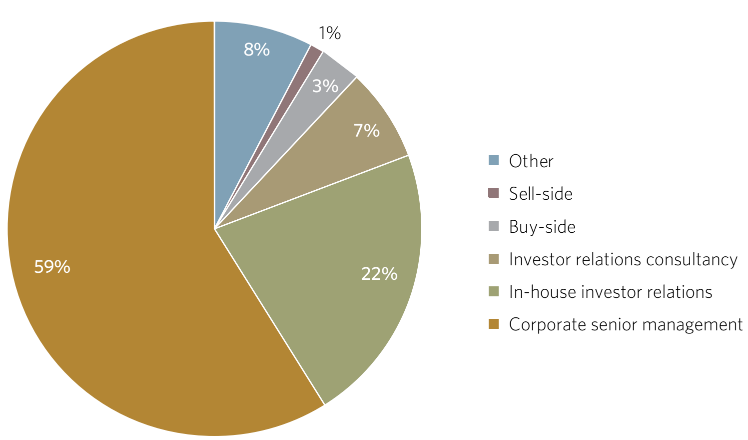
	Mega	Large	Mid	Small	Micro
Average total compensation 2011	$366,300	$269,400	$235,600	$188,900	$181,300
Average total compensation 2010	$247,800	$202,000	$184,500	$172,200	$126,800
Median total compensation 2011	$280,000	$242,200	$181,000	$151,600	$125,000
Median total compensation 2010	$187,400	$168,700	$168,700	$153,700	$107,500

From a sector viewpoint, the largest compensation packages are offered among utility companies ($237,400 median), basic materials firms ($230,300) and healthcare ($218,700). Total compensation in the technology sector is the least robust at a median of $149,900.

What is your desired future career path/development?

A solid majority (59%) of investor relations professionals cite corporate senior management as their desired career path, with current positions as in-house investor relations being the career goal for only 22%. On a regional basis, a significant number of Latin American IROs (72%) have corporate senior management as their career goal.

Figure 56: Desired Future Career Path



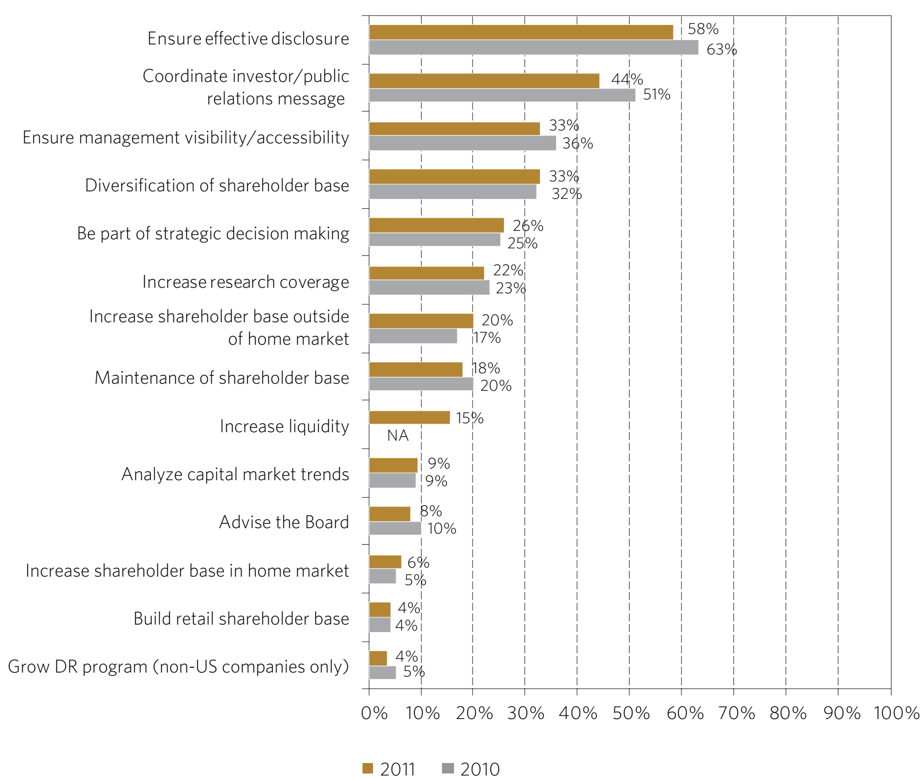
Strategy and IR Development

- Worldwide, top IR goals for 2012 are ensuring effective disclosure practices, managing the investor/public relations message and providing ample management access.
- Informal feedback from the investment community is the most common means by which IR effectiveness is gauged.
- The vast majority of companies globally provide guidance, most commonly in the form of revenues and capital expenditures.
- IROs most often use IR organization conferences and seminars to gain insight into current trends in the investor relations industry.

What are your top three goals for the investor relations function/program for 2011/2012?

As in the past year, 58% of IROs worldwide place effective disclosure practices as the top goal for this year as well. Following that is coordinating the investor and PR message a company sends out to the marketplace (44%) and ensuring senior management is visible and accessible (33%). These three goals were similarly cited in 2010 as the most important goals.

Figure 57: Top Goals for IR Function in 2011/2012



The top priority does not change from region to region as ensuring effective disclosure is the most important goal across the global marketplace, which was the same as in 2010. However, secondary goals are adjusted in Latin America and EEMEA where increasing a company's liquidity and research coverage is key to IR departments. On the other end of the spectrum, IROs in Asia Pacific and North America are thinking internally and seeking entry into the strategic decision-making loop as a top-five goal for the next year or two.

Note: Please note that the goal to increase liquidity was added this year only.

Table 28: Top Goals for the Investor Relations Function for 2011/2012 (Region)

Most — Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Ensure effective disclosure	1	1	1	1	1	1
Coordinate investor/public relations message	2	2	2	4	2	2
Ensure management visibility/accessibility	3	3	4	7	4	3
Diversification of shareholder base	3	5	6	2	3	4
Be part of strategic decision making	5	4	7	6	5	6
Increase research coverage	6	6	5	4	7	7
Increase shareholder base outside of home market	7	8	8	8	8	5
Maintenance of shareholder base	8	6	8	9	6	8
Increase liquidity	9	9	3	2	9	9

Notably, the size of a company determines the order of an IR department's priorities outside of the ever-important practice of effective disclosure. Small-cap firms place heavy importance on increasing the company's coverage within the research community and have an eye on increasing their liquidity. Having management be more visible and accessible is somewhat less important to this audience, as was seen in 2010. Meanwhile, larger-cap IROs focus on being a part of the strategic decision making more often than mid- or small-cap IROs

Table 29: Top Goals for the Investor Relations Function for 2011/2012 (Market Cap)

Most — Least	Global	Mega	Large	Mid	Small	Micro
Ensure effective disclosure	1	1	1	1	1	1
Coordinate investor/public relations message	2	2	2	2	3	3
Ensure management visibility/accessibility	3	3	4	4	5	2
Diversification of shareholder base	3	4	3	3	6	6
Be part of strategic decision making	5	4	5	6	8	3
Increase research coverage	6	9	8	5	2	7
Increase shareholder base outside of home market	7	6	7	7	7	9
Maintenance of shareholder base	8	6	6	8	9	8
Increase liquidity	9	8	9	8	4	3

Interview Comments

"Continue to target institutions that should own our company. Number two, continue to educate the sell-side analysts about the company. Number three would probably be to accelerate the dialogue between Wall Street and the company."

Mega (Over $25 billion)/United States/Industrials
Mickey Foster, FedEx

"We want to increase IR activities in Asia. We want to broaden our shareholder base also there and worldwide. We want to expand our equity story line potential of our company. I think we have a little bit of potential to expand that regarding our story from healthcare, especially."

Mega (Over $25 billion)/Western Europe/Healthcare
Peter Dahlhoff, Bayer AG

"We have goals in a personal sense and goals that are being set on a corporate level. I would say our goals on the corporate level would be to achieve as accurate as possible transparency of delivery of information to all concerned parties – so that the company is being presented in the most favorable way. But that is quite qualitative – and not quantitative.."

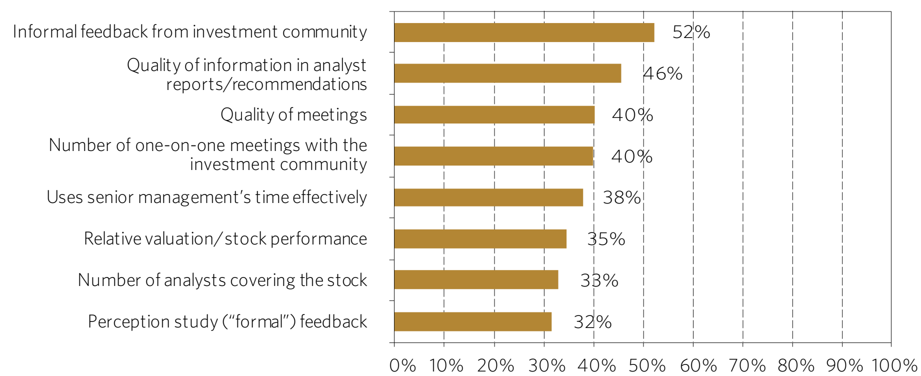
Mega (Over $25 billion)/Russia/CIS/Basic Materials

How is investor relations effectiveness measured at your company?

As of last year, these are the top three metrics for measuring IR effectiveness: informal feedback from investment community, quality of information in analyst/recommendations, and quality of meetings.

The practice of informal feedback is employed by 52% of companies globally, lower than in 2010 when this tactic was utilized by 65%. Moreover, while there has been a pullback in the use of analyst reports (46% in 2011; 57% in 2010) and the quality of meetings (40% in 2011; 50% in 2010) to measure IR effectiveness, these metrics are still widespread and often-utilized tools for management to determine the value of its investor relations function.

Figure 58: How IR Effectiveness is Measured at a Company



On the regional basis, with the exception of Asia Pacific where it ranks first, informal investor feedback is the most often used metric (as is the case on a global basis). Yet, the secondary factors that come into play for management in this exercise are the number of analysts covering the stock for Latin America, the effective use of management's time in North America, perception studies for Western Europe, and the quality of meetings for EEMEA.

Table 30: How IR Effectiveness is Measured at a Company (Region)

Most — Least	Global	Asia Pacific	EEMEA	Latin America	North America	Western Europe
Informal feedback from investment community	1	1	1	1	1	1
Quality of information in analyst reports/recommendations	2	4	2	2	2	6
Quality of meetings	3	2	3	3	6	7
Number of one-on-one meetings	4	6	5	4	2	2
Uses senior management's time effectively	5	5	4	7	6	3
Relative valuation/stock performance	6	8	7	6	5	3
Number of analysts covering the stock	7	10	8	5	2	3
Perception study ("formal") feedback	8	3	5	8	9	8
Shareholder composition	9	7	8	9	8	10
Influence of IRO's insights on management and Board decisions	10	9	10	9	10	8

Secondary factors used to calculate IR effectiveness among companies in emerging markets are more quantitative than in developed countries, 50% of firms in emerging countries use the number of one-on-ones, and 44% the number of analysts covering the stock, as a way to measure how effective IR is, compared to 35% and 26% respectively in developed countries.

Regardless of a company's market capitalization, informal feedback from the marketplace is the most used metric for measuring an IR department's effectiveness. Large and mid-cap management review the quality of information in reports out of the research community as a secondary approach, while small and micro-cap firms rely on the more tangible number of meetings with the investment community. Furthermore, the quality of meetings as a predictor of IR effectiveness is more of a larger company phenomenon.

Table 31: How IR Effectiveness is Measured at a Company (Market Cap)

Most — Least

	Global	Mega	Large	Mid	Small	Micro
Informal feedback from investment community	1	2	1	1	1	1
Quality of information in analyst reports/recommendations	2	1	3	4	4	3
Quality of meetings	3	6	2	7	2	6
Number of one-on-one meetings with the investment community	4	3	4	3	7	4
Uses senior management's time effectively	5	7	7	9	2	5
Relative valuation/stock performance	6	4	6	6	5	7
Number of analysts covering the stock	7	5	5	2	9	8
Perception study ("formal") feedback	8	10	8	5	10	2
Shareholder composition	9	8	9	8	8	9
Influence of IRO's insights on management and Board decisions	10	9	10	10	6	10

Interview Comments

"Whether the message gets repeated back to us. So we have certain messages for our earnings calls or our analyst meeting, and when we survey or read the reports we look at if the message coming back to us. That's pretty much the biggest one."

Mega (Over $25 billion)/United States/Consumer Discretionary
Diane Dayhoff, Home Depot

"How investor relations is measured here is it is a mixture of quantitative and qualitative factors. For example, we look at the events we are participating in and the number of meetings that we are doing. But we also look at the feedback that we are getting from our counterparts from fund managers as well as financial analysts."

Mid ($1.0 to 9.9 billion)/EEMEA/Telecom

"I have come up with a measurement tool. We basically come up with hard facts – for example, the ranking of our stock in terms of trading activity, and we monitor that on a monthly basis. We have various IR metrics that we look at – so trading volume – trading value and we look at relatively speaking whether that goes up or down. We also do an annual perception study where we gather detailed feedback on a whole number of things that we want to bring across, such as is our strategy clear, do investors and analysts understand our financials? Are we transparent enough? Are we credible enough? We go into a lot of detail and reach out to several hundred investors to try to gather that information."

Micro (Under $350 million)/EEMEA/Financials

"Well, we do some studies. We have an institute here that we use to conduct studies. They do the research and then give us the report. They are conducting these interviews with our major shareholders. Then we have the results back which we can study and we can see what we can do to improve in our reporting and in our conference calls, and so on. We do these studies twice a year – we call them perception studies."

Mid ($1.0 to 9.9 billion)/Latin America/Utilities
Solange Elizabeth Maueler Gomide, Copel

"We are analyzing our contacts. What we do is we have a grade for each investor. That grade is based on our contact with them. If we have met with them within the last month, then it is a certain grade – that would be the highest grade. And if we have met with them two months ago, it is a lower grade. That is how we evaluate. We want to see the maximum grade."

Large ($10 to $25 billion)/Latin America/Basic Materials

"Well, that unfortunately is not really scientific. We don't have a formal feedback program. But we have wanted to institutionalize a formal feedback mechanism using buy-side and sell-side annual research that would cover investor relations and other issues like transparency and strategy. That is one way to go about it. For us it is more subjective in terms of ratings and coverage quality – coverage consistency – feedback from investors and the sell-side – and what the boss says!"

Mega (Over $25 billion)/Asia Pacific/Energy
Robinder Singh, Reliance Industries

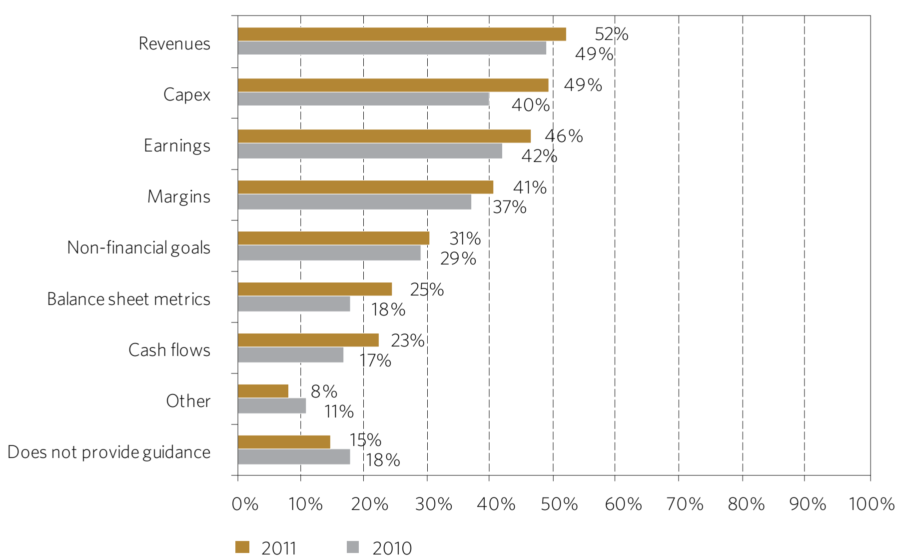
"I would say IR effectiveness is measured with the sell-side analysts reducing the disparity in their target earnings range – among the various analysts there is a wide disparity in what they think our earnings will be. And it is measured in terms of mapping out who the right targets are and our ability to bring them into our shareholder base. And always being efficient in communications."

Mega (Over $25 billion)/Latin America/Basic Materials
Andrea Pereira, EBX

For which of the following does your company provide guidance?

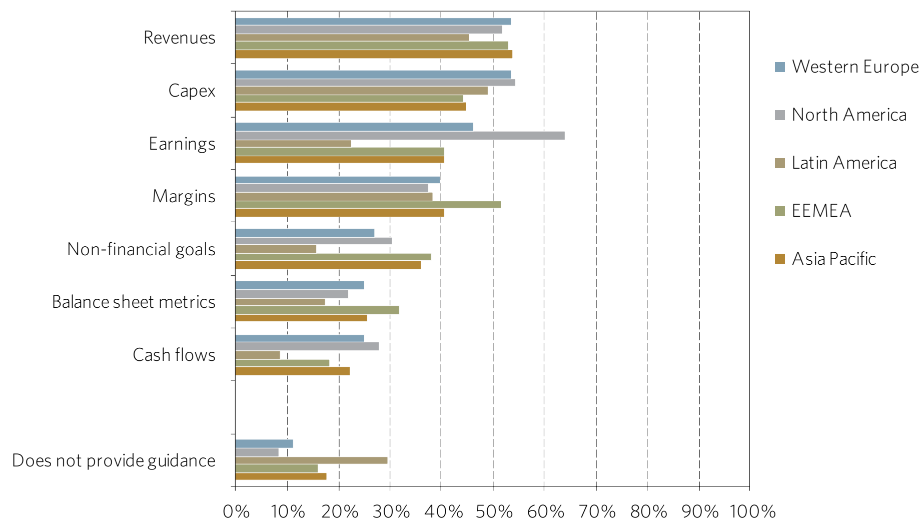
The vast majority of companies worldwide (85%) offer the investment community guidance on its business in any form (up slightly from 82% in 2010). The most common composition of guidance is made up of revenue (52%), capex (49%), earnings (46%) and margins (41%), which are the same four metrics highlighted the most in 2010. Furthermore, the prevalence of companies offering this data increased on virtually every metric measured, most notably on a capex basis in 2010, 40% of firms globally released data on capex compared to roughly half in 2011 (49%).

Figure 59: Types of Guidance Provided



Once again, North America is seen as the most frequent provider of earnings guidance (64%), while information on a company's margins is key to an EEMEA company's guidance practices (52%). Meanwhile, non-financial goals, balance sheet metrics and cash flows remain a rarity in Latin America, where the highest percentage of companies do not give guidance at all (30% in both 2011 and 2010 and compared to the current global norm of 15%).

Figure 60: Types of Guidance Provided (Region)



Differences between guidance practices in the developed world and the emerging markets are few, with the notable exception of earnings. While a majority of companies in developed regions (54%) offer guidance on earnings, only a third (33%) of firms in emerging markets and 41% in frontier markets give the same.

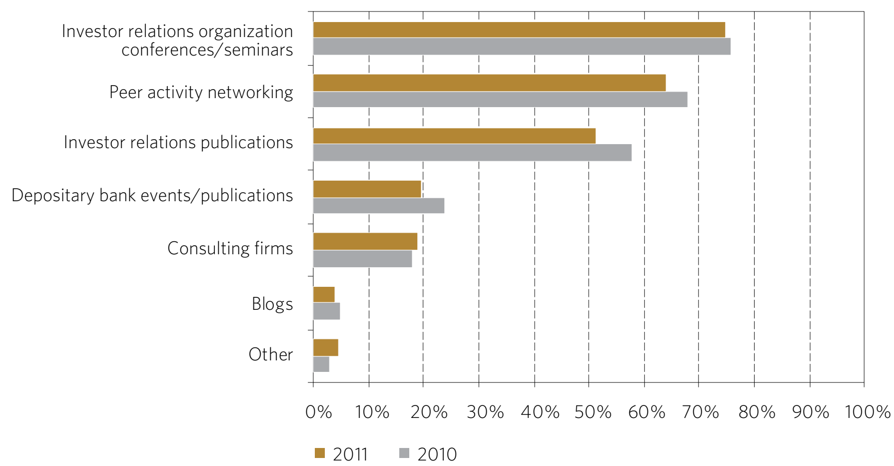
The number of mega-cap companies worldwide providing revenue metrics has contracted, down to 43% from 59% in 2010. Similarly, small-caps are pulling back on releasing top line (50% in 2011; 67% in 2010) and bottom line data (38% and 55%).

The prevalence of a company releasing specific data points is directly correlated with how that company is analyzed by the investment community. In other words, a firm in the utility sector is the least likely to release data on margins, with only 17% offering this typically irrelevant information (for utilities) compared to 59% of healthcare companies, where margins are often an important facet of an institution's financial performance.

In your opinion, which mediums are most effective for finding information on investor relations trends?

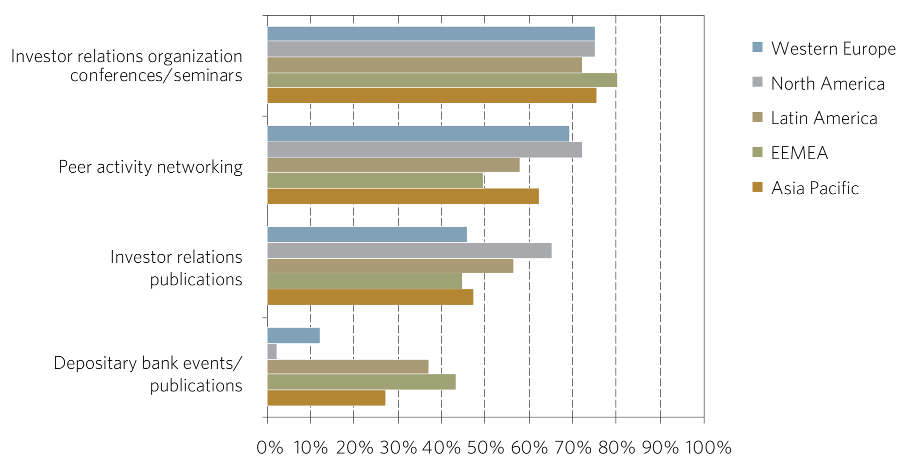
Investor relations organization events continue to be the go-to outlets for IR professionals in search of relevant information on industry trends. Secondary mediums include peer activity networking (64%) and IR publications (52%); however, the popularity of these has decreased over the course of the last year (68% and 58%, respectively).

Figure 61: Most Effective Mediums for Finding Information on IR Trends



IR conferences and seminars are most often attended by IROs in the EEMEA region, where peer activity networking is less frequent. Publications authored by investor relations firms are consulted the most by North American IR professionals, while depositary bank events/ publications are a prime source of industry information for Latin American and EEMEA IROs.

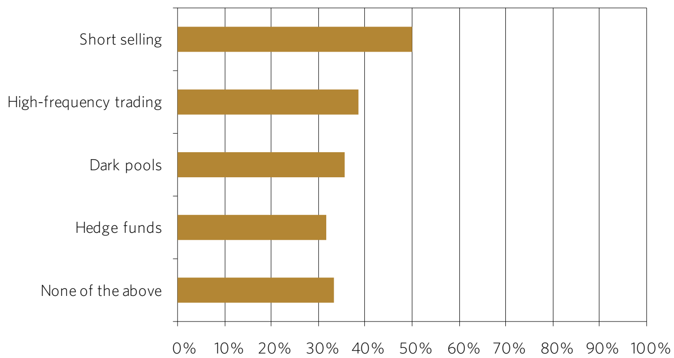
Figure 62: Most Effective Mediums for Finding Information on IR Trends (Region)



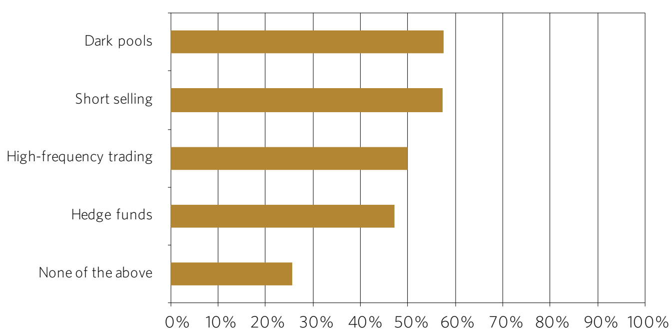
V. Appendix

Capital Markets Developments

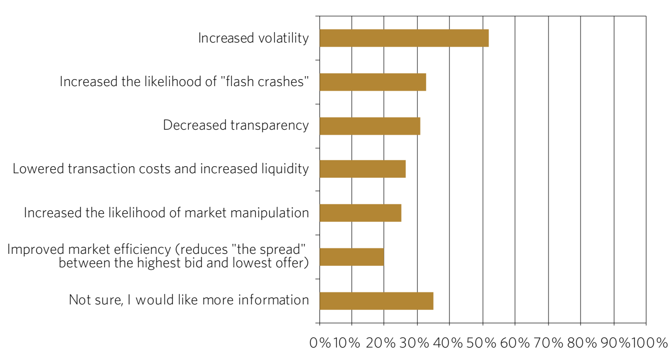
Do you believe any of the following have negatively impacted equity trading: "Yes" Summary



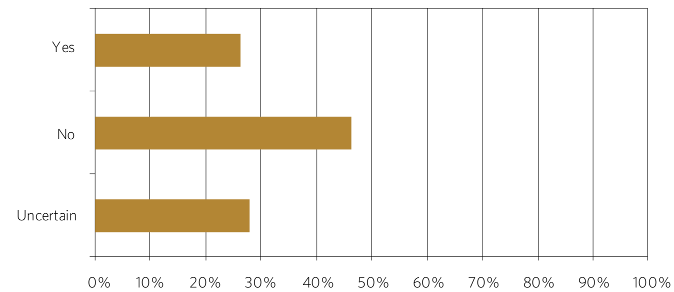
Do you believe there should be more of a regulatory oversight of the following: "Yes" Summary



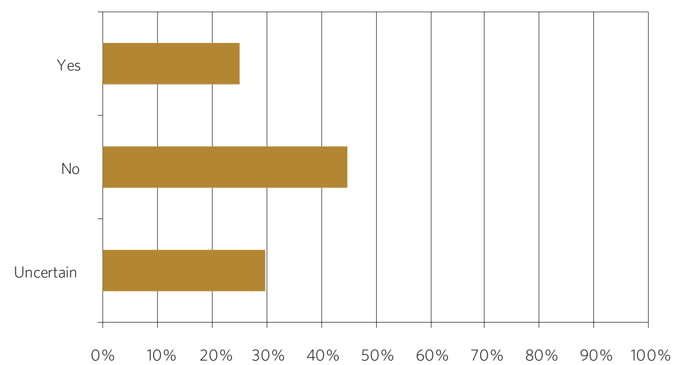
Do you believe the recent development of high frequency trading has had any of the following effects on the market?



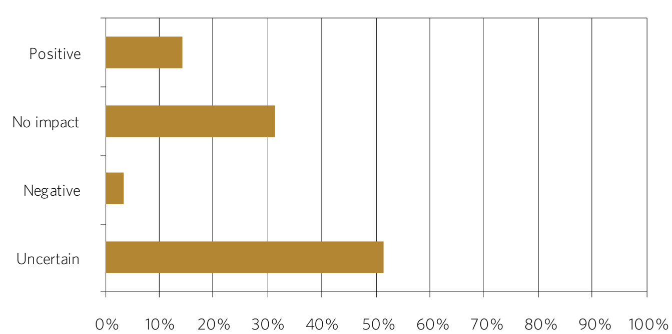
Does your company have a policy prohibiting an employee's participation in "expert networks" (i.e. employees who are paid for providing specialized information and research to the investment



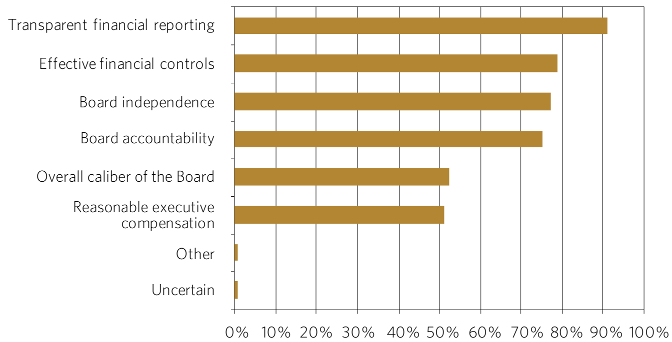
Do you monitor expert networks disseminating information about your company and/or sector?



What effect would exchange consolidation have on trading of your company?

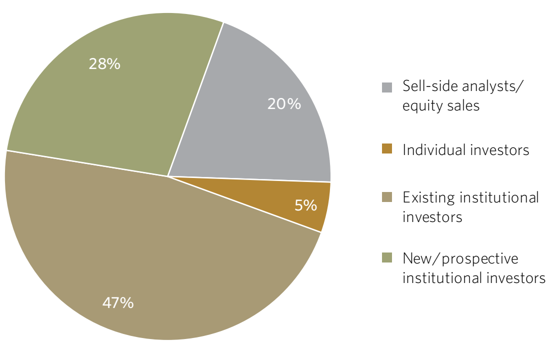


Which of the following do you think are the key elements of Corporate Governance?

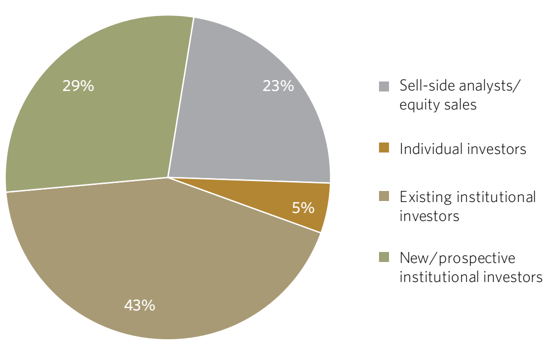


Interaction Between Company and Market

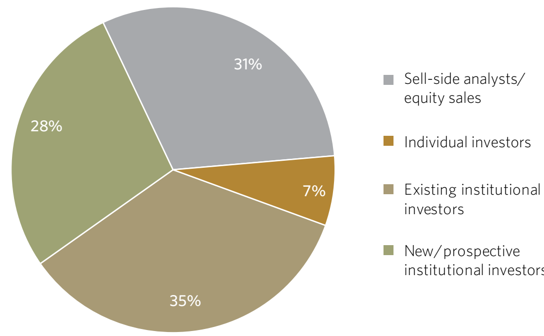
Thinking about all the time the Chief Executive Officer devotes to the investment community, what percentage does she/he spend on each of the following: Mean Summary?



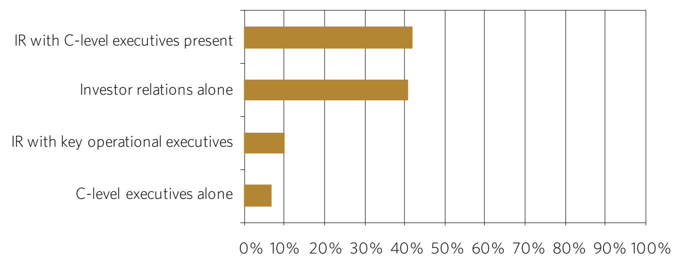
Thinking about all the time the Chief Financial Officer devotes to the investment community, what percentage does she/he spend on each of the following: Mean Summary



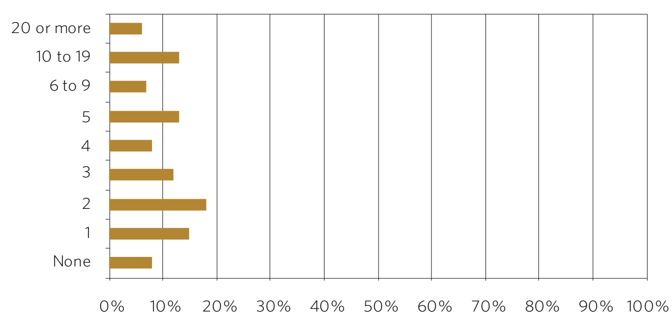
Thinking about all the time the IR Department devotes to the investment community, what percentage does she/he spend on each of the following: Mean Summary



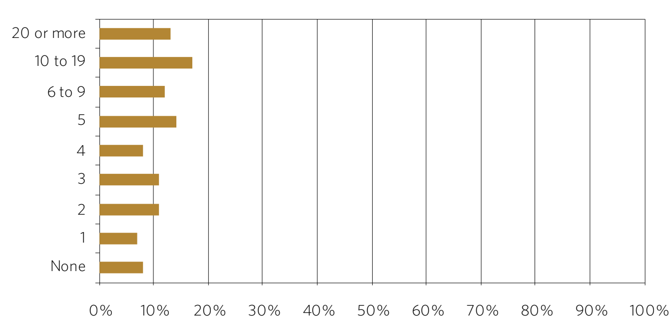
Thinking of all the one-on-one meetings held by your company in a year, what percentage is conducted by: Mean Summary



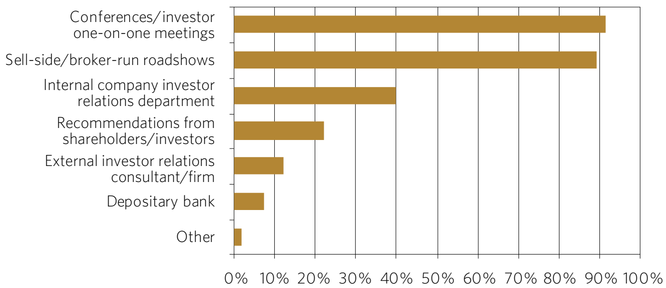
To your best estimate, how many days per fiscal quarter does your company's Chief Executive Officer usually meet face-to-face with investment professionals outside of your home market?



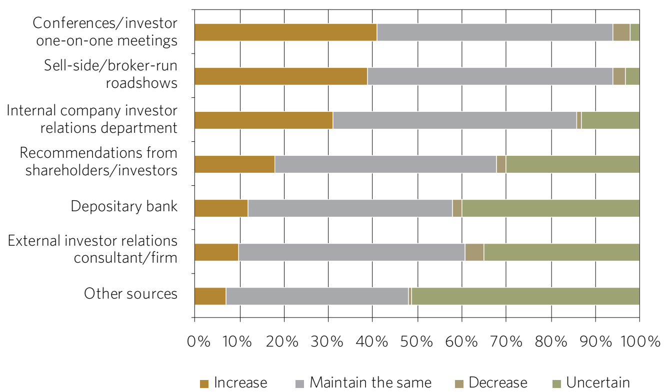
To your best estimate, how many days per fiscal quarter does your company's Chief Financial Officer usually meet face-to-face with investment professionals outside of your home market?



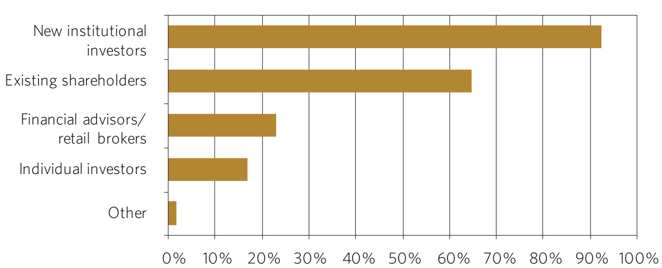
Which of the following are the most important means by which you receive introductions to investment professionals?



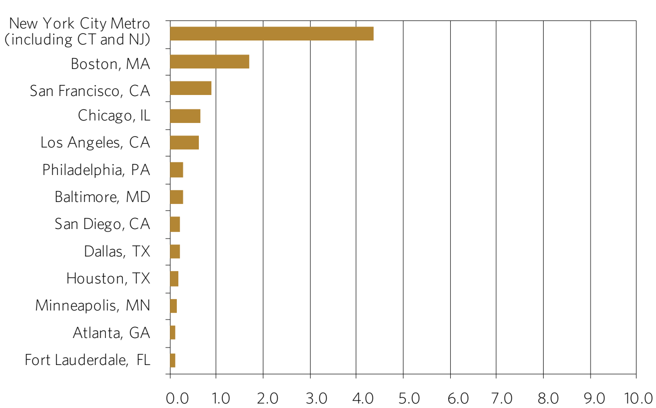
For 2011, please indicate whether you are looking to increase, decrease or maintain the same level of investor introductions through any of the following:



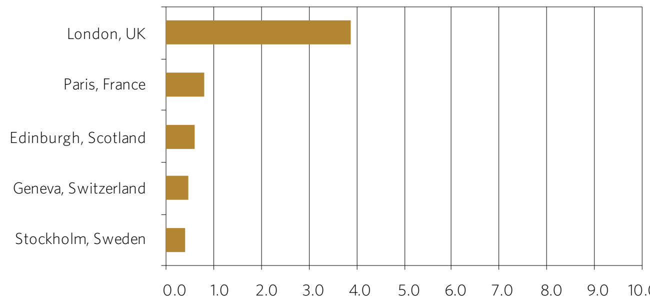
With additional IR resources, which two investor segments would you increase interaction with in the next 12 months?



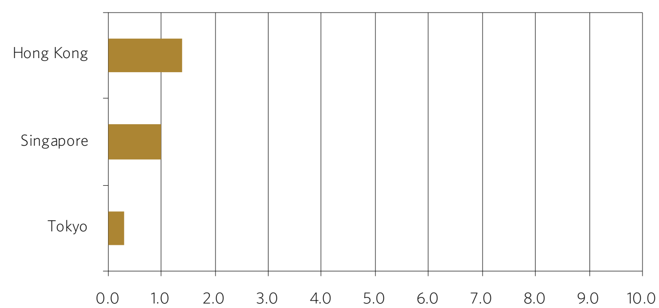
With additional IR resources, which two investor segments would you increase interaction with in the next 12 months?



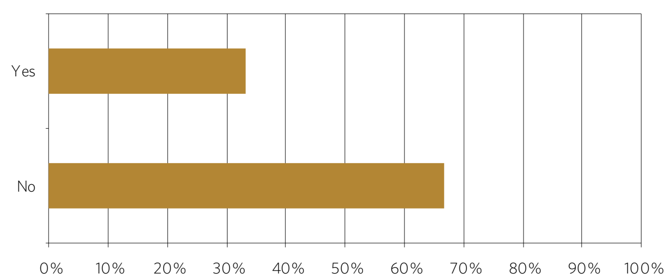
How many days of roadshows did you undertake in 2010 in each of the following regions: "Any" Summary



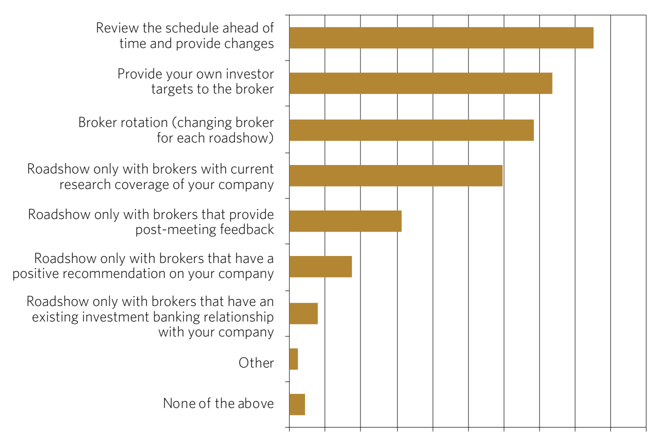
How many days of roadshows did you undertake in 2010 in each of the following regions: "Any" Summary



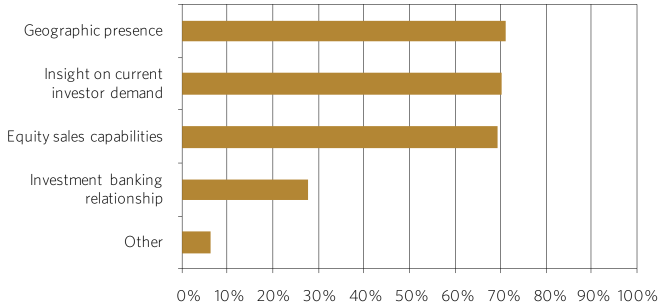
Do you believe there is a conflict of interest in brokers/equity sales professionals arranging non-deal roadshows?



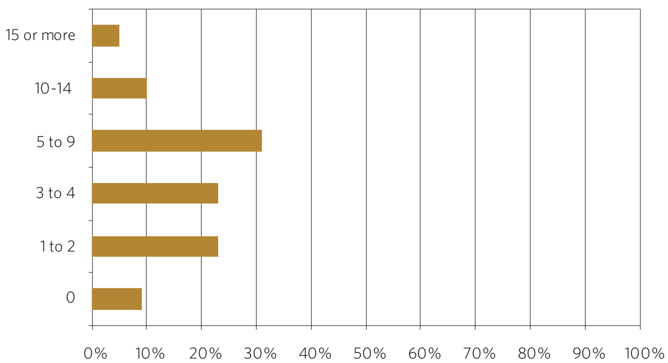
Do you consider any of the following when developing a broker-run non-deal roadshow?



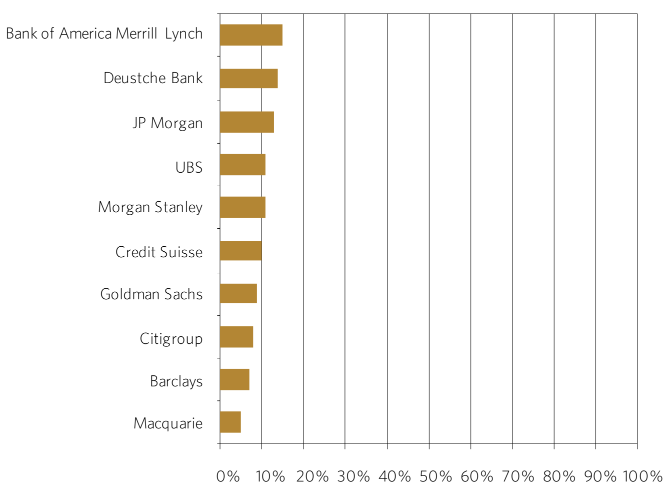
Which of the following criteria do you use to select a broker for a non-deal roadshow?



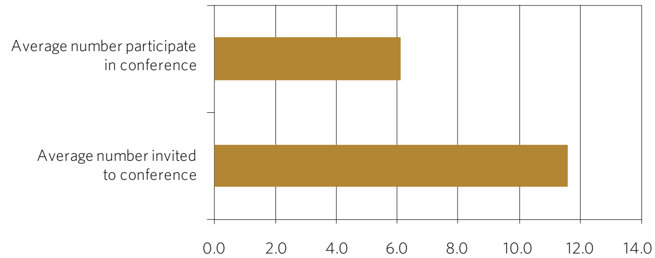
How many different brokers did you use to organize non-deal roashows in 2010?



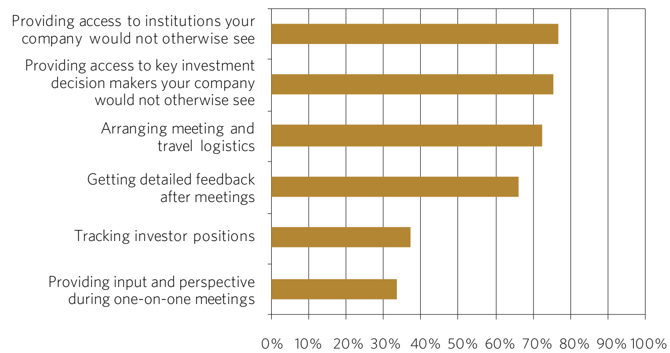
Which brokers did you find most effective in developing non-deal roadshows in the past 12 months?



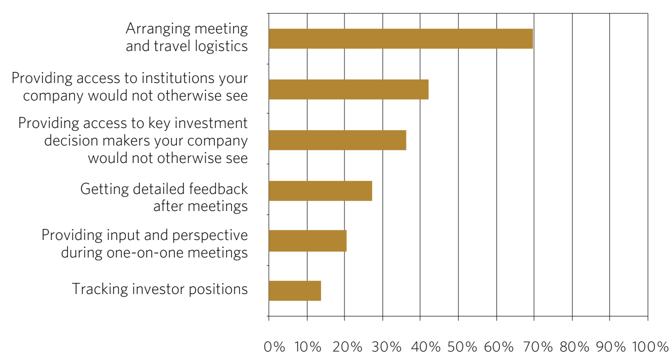
Approximately how many broker-sponsored conferences or events per year is your firm invited to and participate in outside your home market?



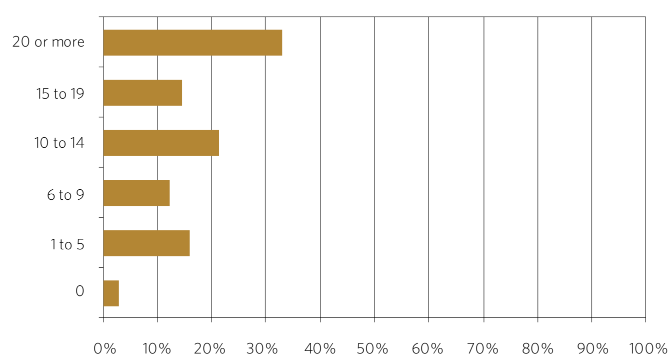
Please rate how important each of the following is for brokers to provide in non-deal roadshows: Top 2 Box Summary



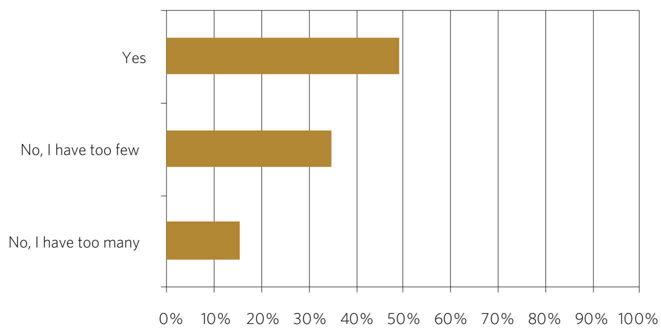
Please rate the quality/performance of the services that brokers provide: Mean Summary



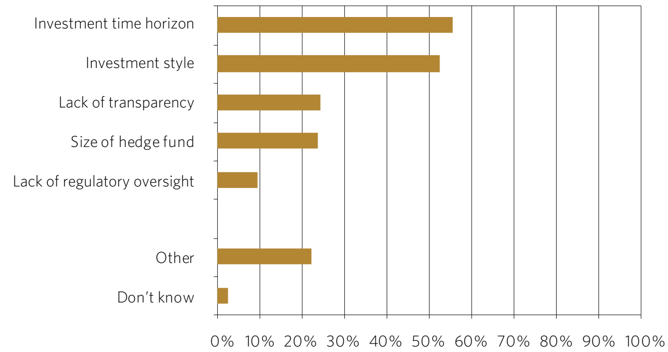
How many sell-side analysts cover your company?



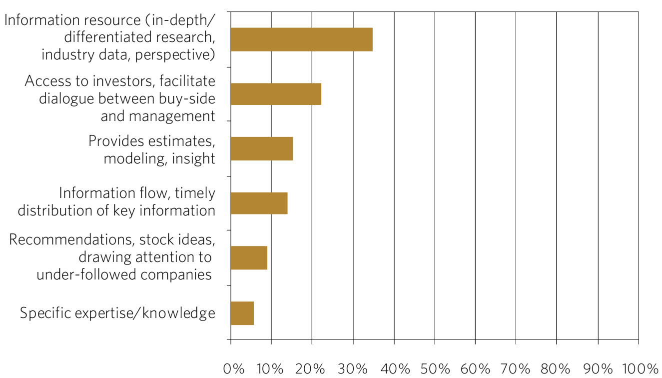
Do you think you have an optimal level of analyst coverage currently?



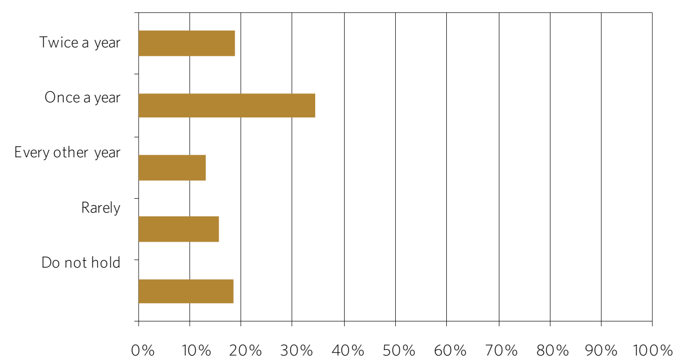
Requested a hedge fund to be removed from roadshow schedule



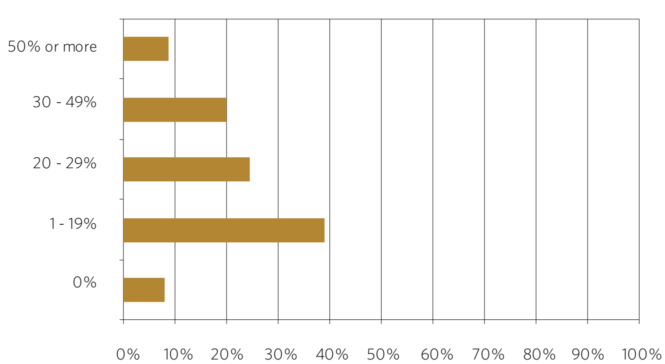
What do you consider as the most valuable service research analysts provide?



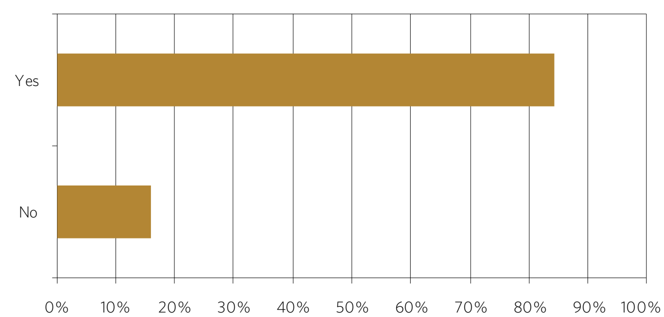
In general, how often does your company hold analyst/investor days?



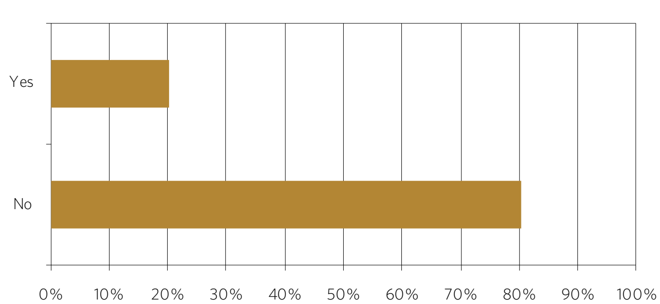
What percentage of your company's investor meetings are with hedge funds?



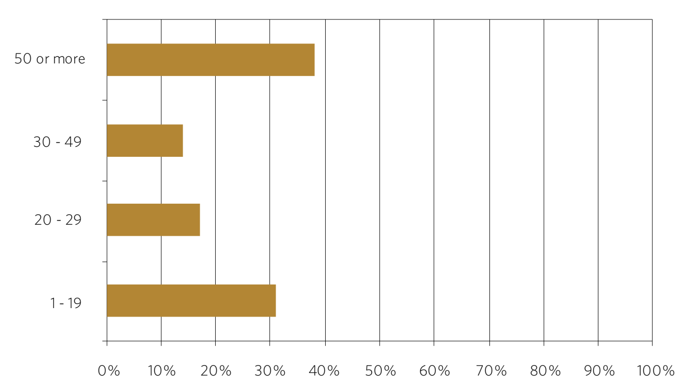
Does your company host onsite visits for investors and analysts?



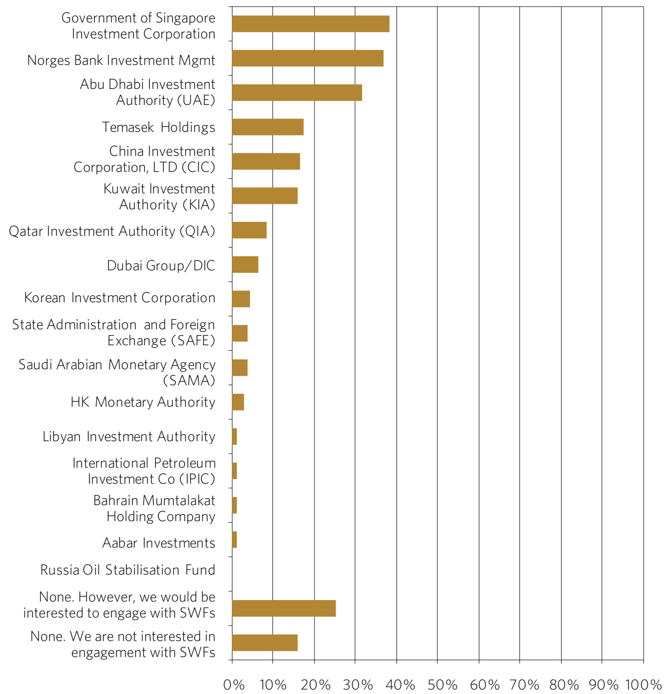
In 2010, did you request a hedge fund to be removed from your roadshow schedule?



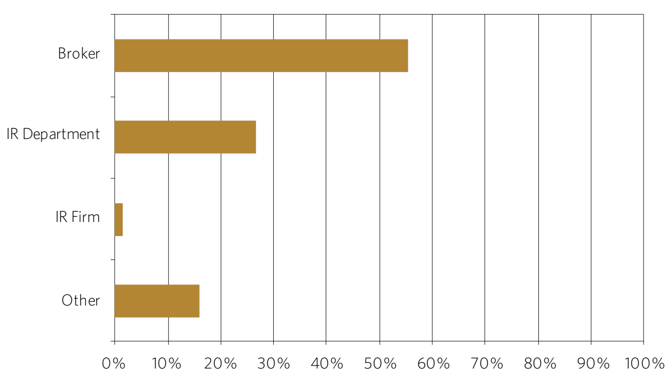
Approximately, how many investors traveled to your corporate offices to meet with the management in the last 12 months?



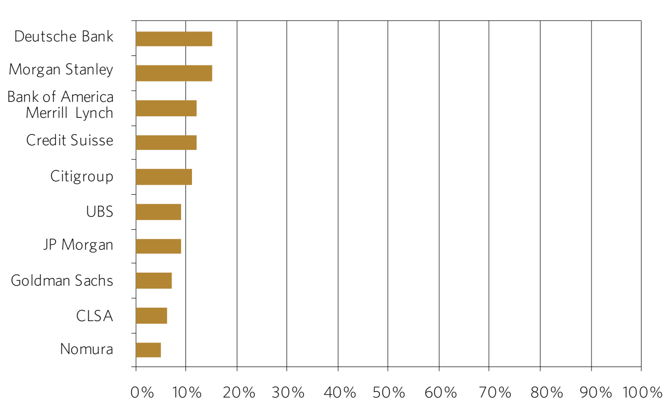
Which of the following sovereign wealth funds (SWFs) has your IR department engaged with over the last three years?



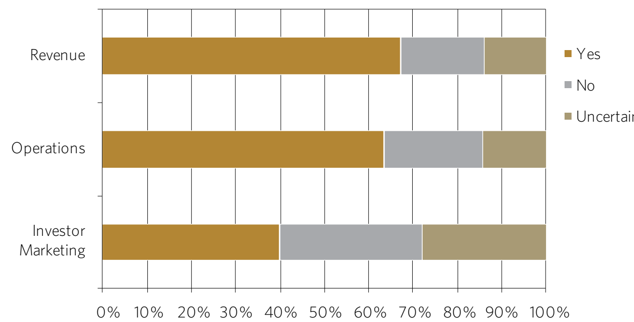
How were these meetings facilitated?



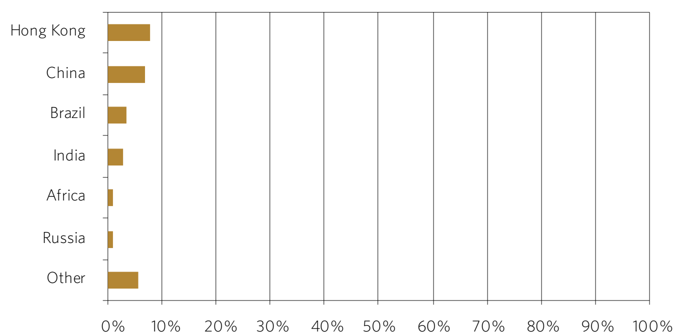
If broker organized, which broker(s) set up these meetings (meetings w/ sovereign wealth funds)?



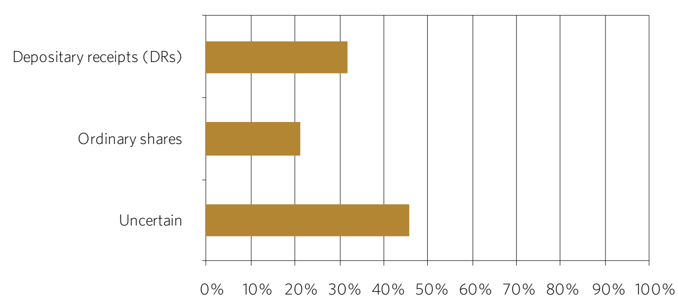
Strategically, is your company looking to gain or increase the following in emerging markets in the near future: Revenue, Operations, Investor Marketing



Would you consider an additional listing in any of the following markets in the future?

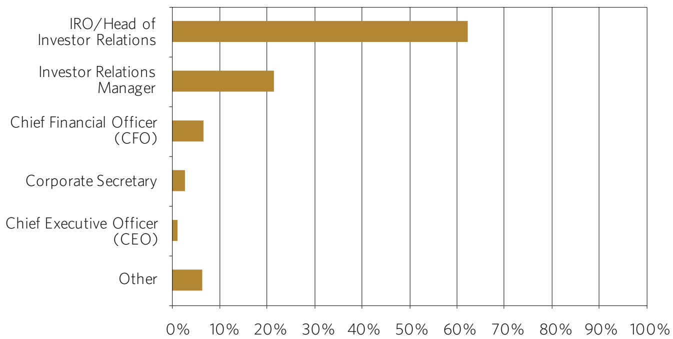


If you are considering an additional listing, are you planning to use depositary receipts (DRs) or ordinary shares?

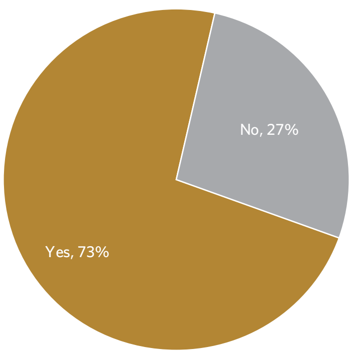


Investor Relations Personnel and Infrastructure

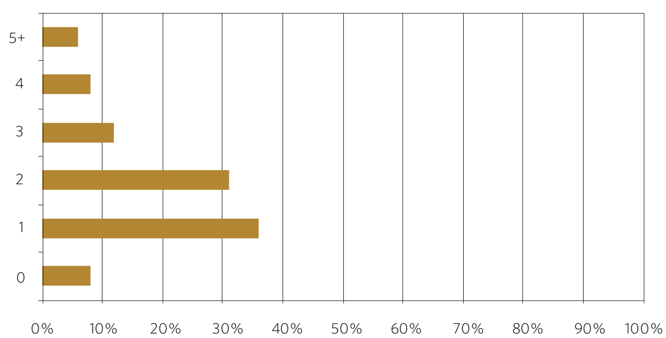
Which of the following is or best describes your title?



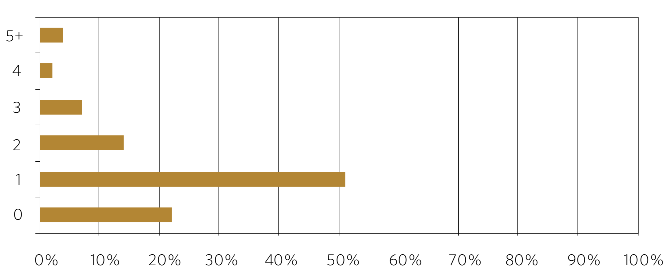
Are you the senior-most investor relations executive in your company?



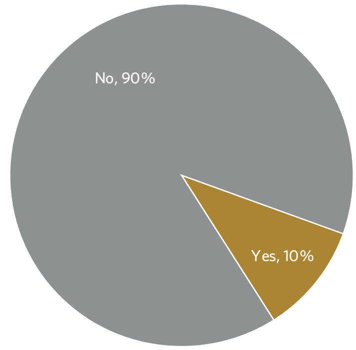
Please indicate below how many "professional" investor relations employees (i.e., those who have direct contact with the investment community) are in your investor relations department?



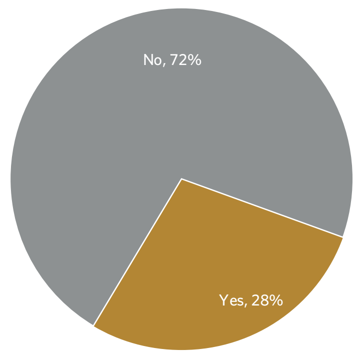
And how many are considered "support" staff?



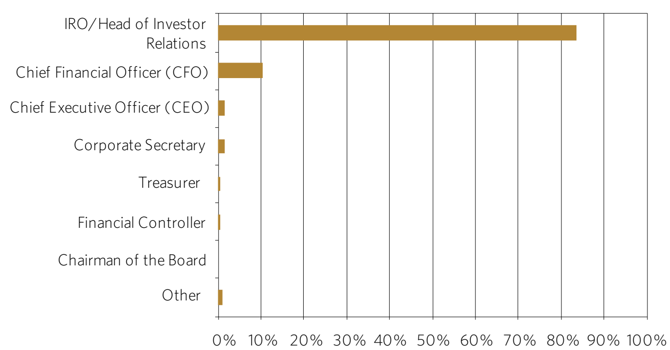
Has your company downsized its IR department in the last 3 years?



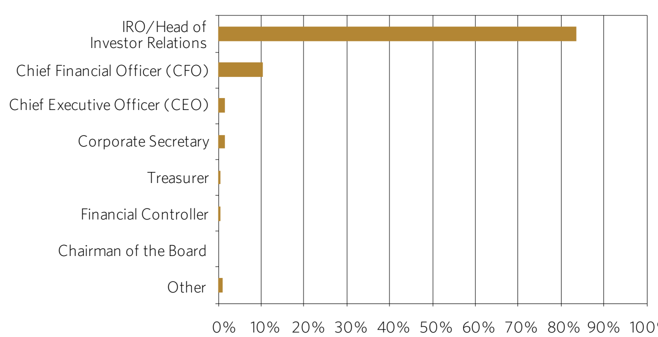
Are you looking to add professional IR staff to your IR department in the next 12 months?



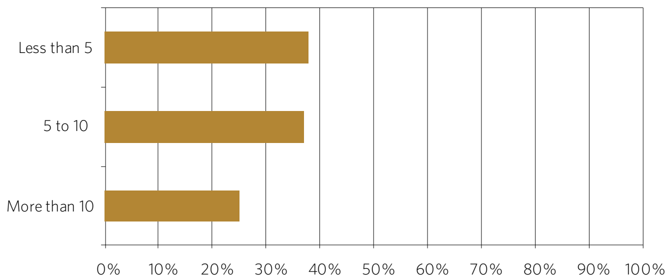
To whom does the most senior investor relations executive report?



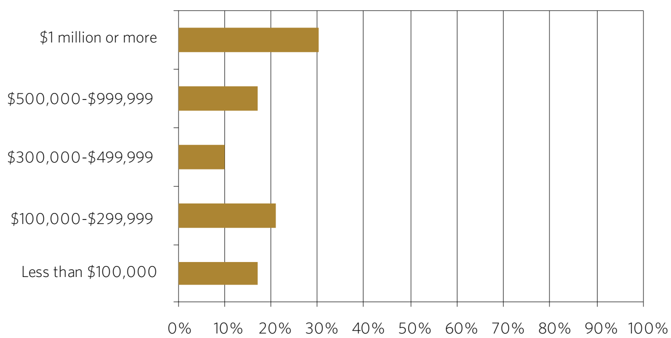
Who is the primary contact for the investment community?



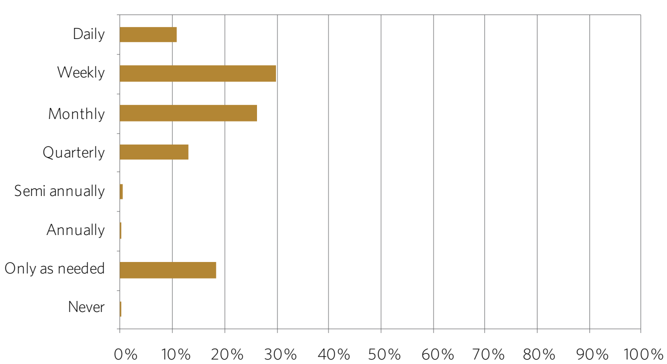
How many years experience do you have in investor relations?



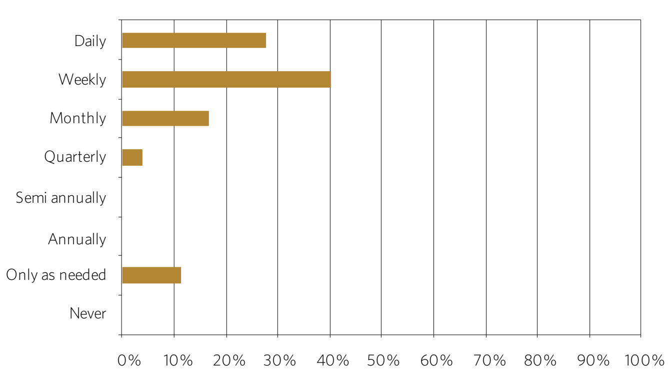
What is the total annual budget in U.S. dollars for your company's investor relations program?



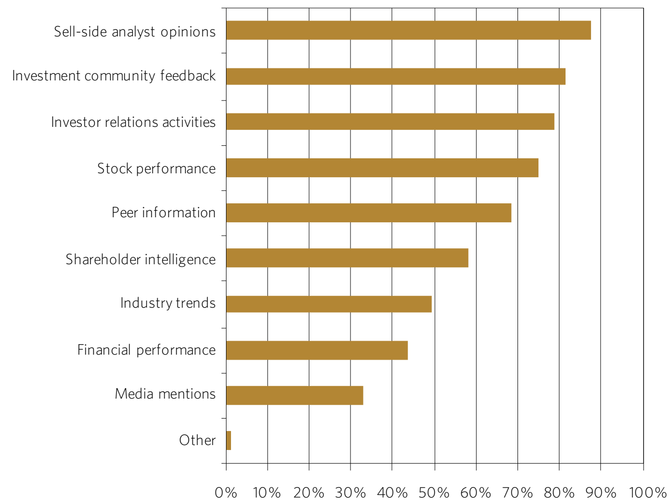
How often does the investor relations department give counsel to your company's Chief Executive Officer?



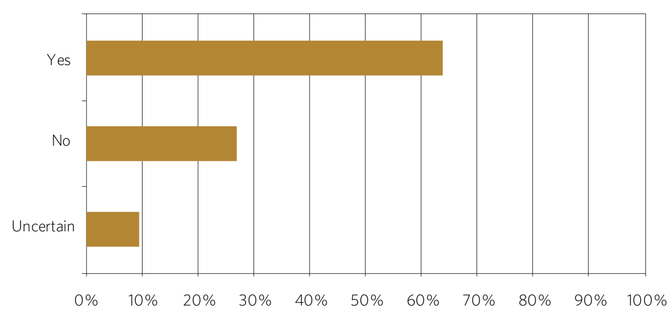
How often does the investor relations department give counsel to your company's Chief Financial Officer?



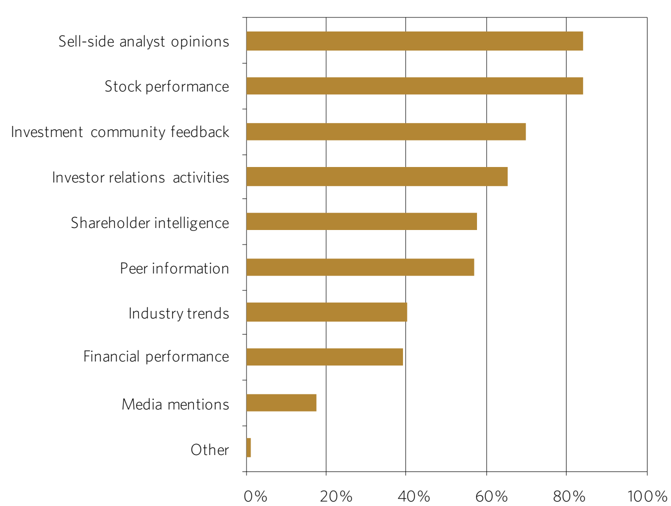
What type(s) of information does the investor relations department provide to senior management?



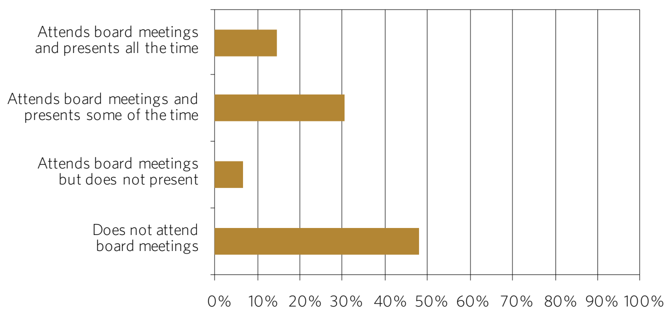
Does the investor relations department provide the Board of Directors with market intelligence?



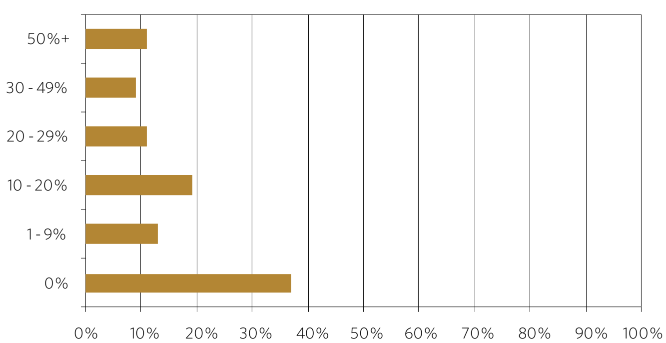
What type(s) of market intelligence does the investor relations department provide to the Board of Directors?



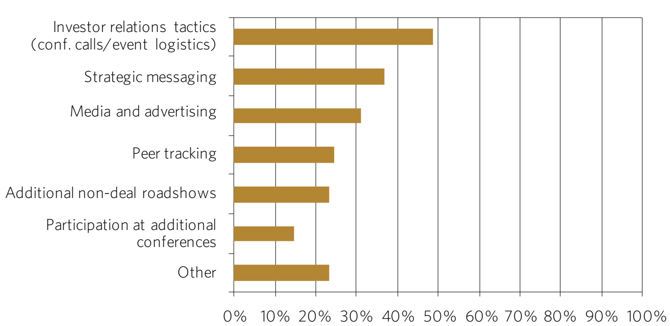
What is the senior-most investor relations executive's involvement at board meetings?



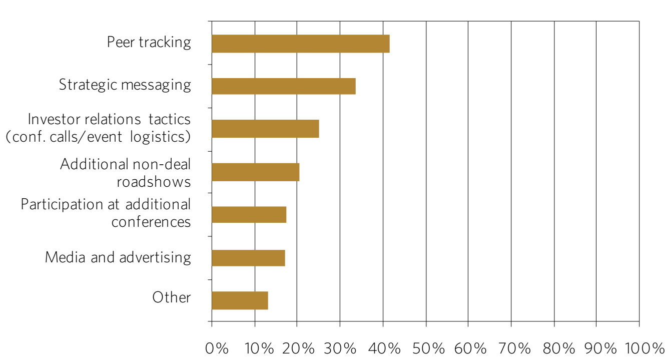
What percentage of your investor relations budget is explicitly allocated to external investor relations/consulting firms?



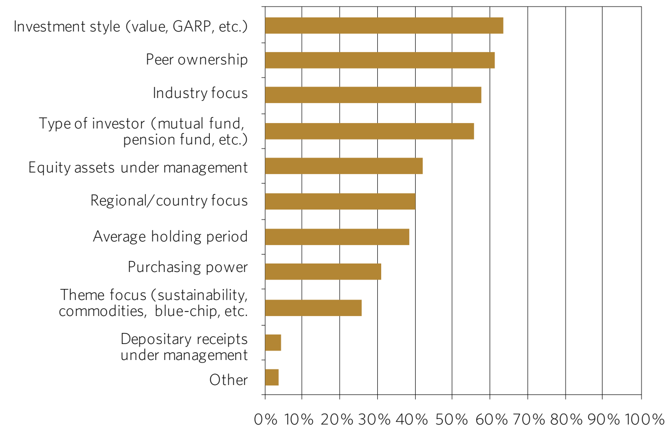
For which of the following functions does your company typically use an external investor relations firm?



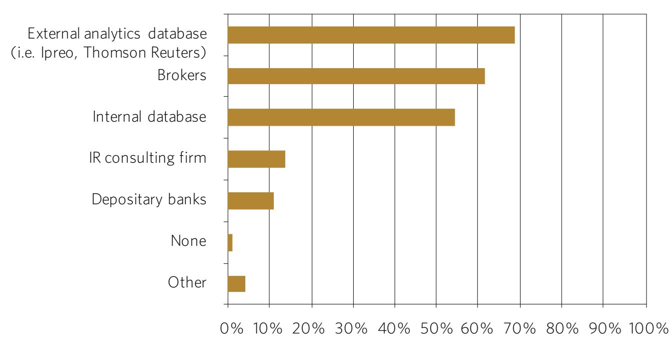
Assuming budget were no issue, which functions (that you are currently not using) would you add to your "wish list" for an external investor relations firm to perform?



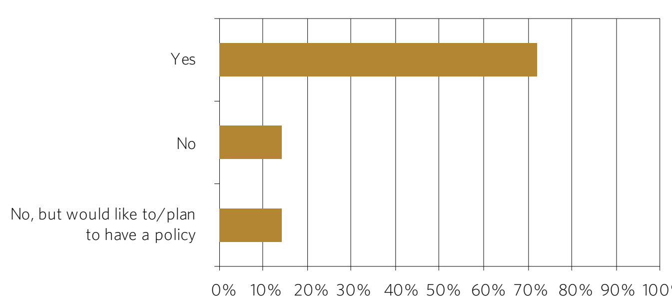
What criteria does the investor relations department use to target new equity investors?



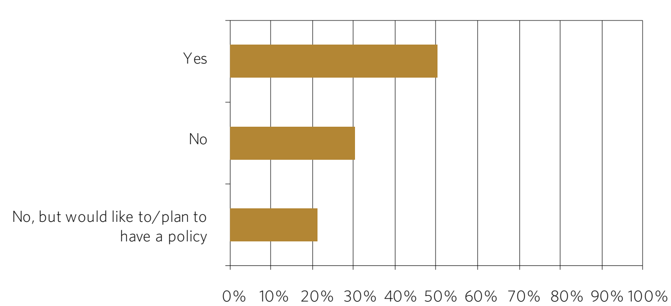
What sources do you utilize to get information before meeting with investors?



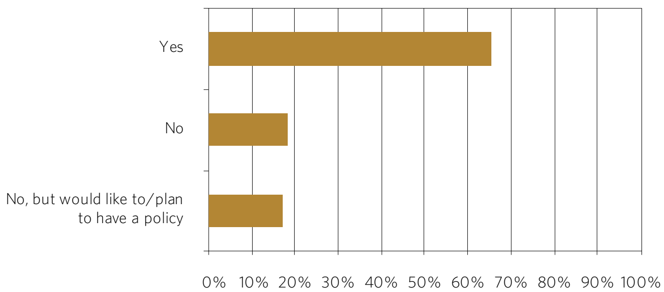
Does your company have a written disclosure policy?



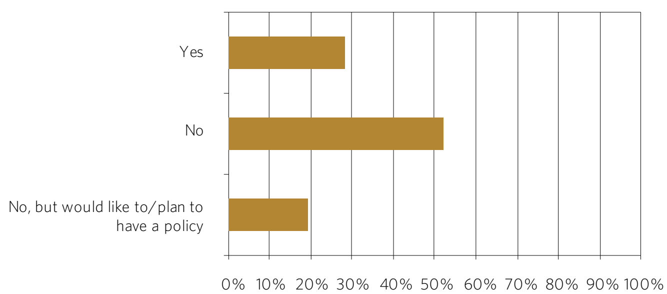
Does the investor relations department have a written crisis communications policy?



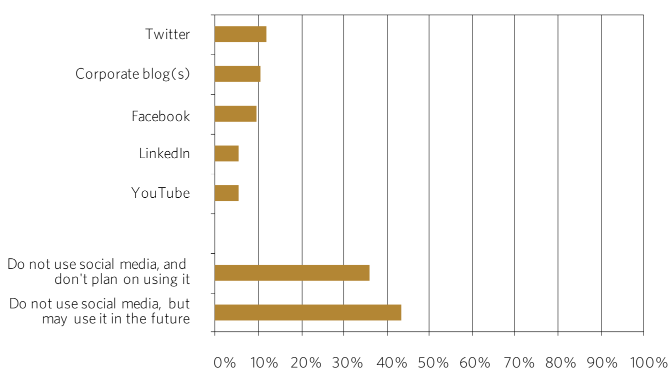
Does your company publish a corporate social responsibility report?



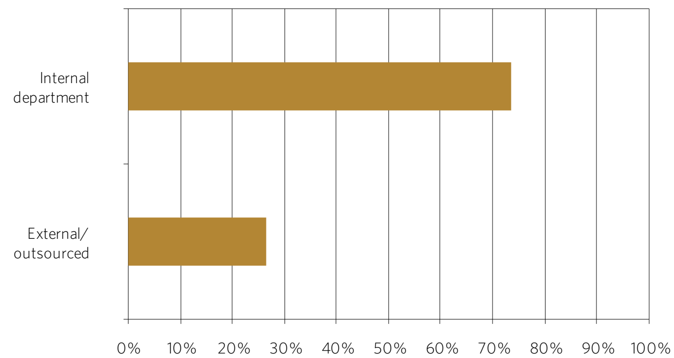
Does the investor relations department have a written transactional/M&A communications policy?



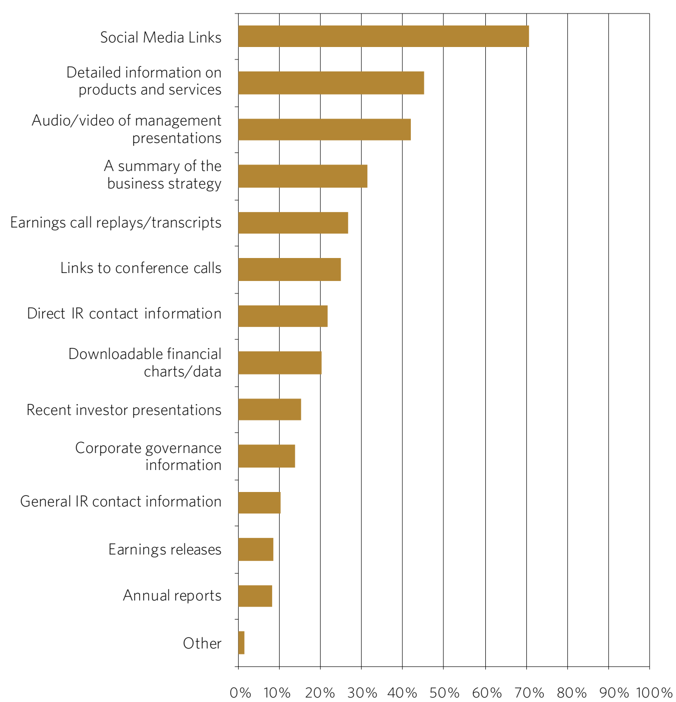
Which of the following social media does your company use to communicate with investment professionals?



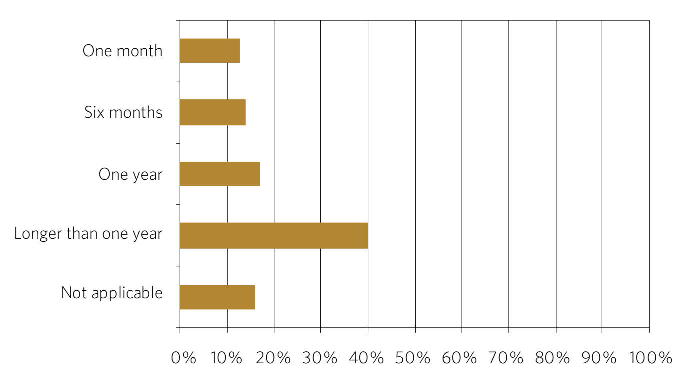
Is the investor relations section of your company's website managed (handled, updated, etc.) by an internal department or outsourced to an external firm?



Which of the following do you not include in the IR section of your company's website?

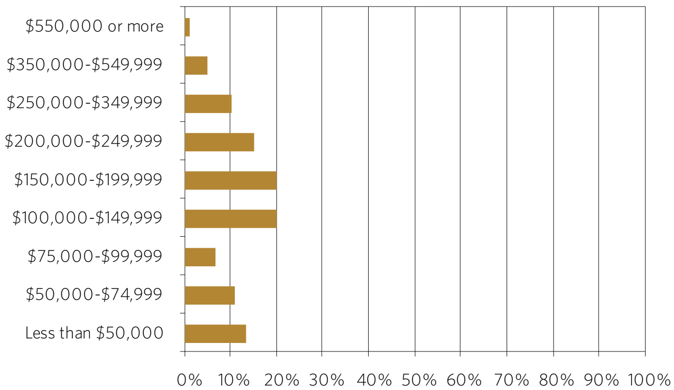


How long are copies or replays of investor presentations or earnings calls available on your company's website?

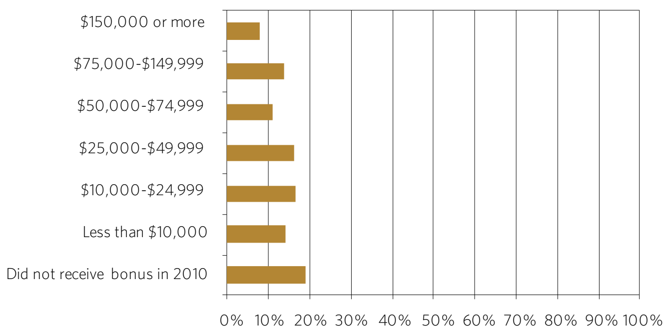


Compensation

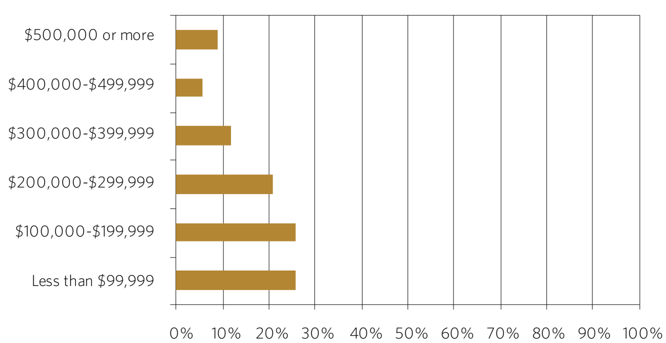
What is your base salary (U.S. dollars)?



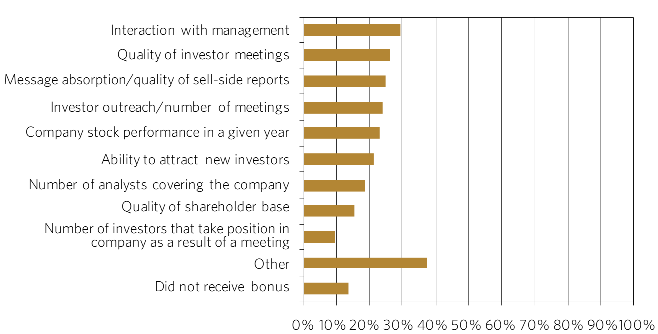
If you received a bonus in 2010, what was the total amount?



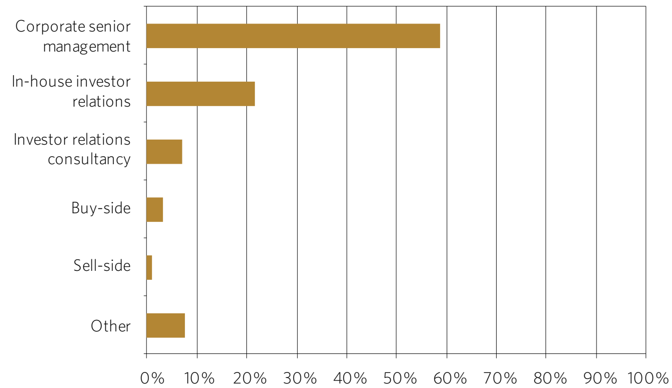
What is your total compensation (base salary + bonus + stock options - U.S. dollars)?



Which of the following criteria is used to determine your bonus?

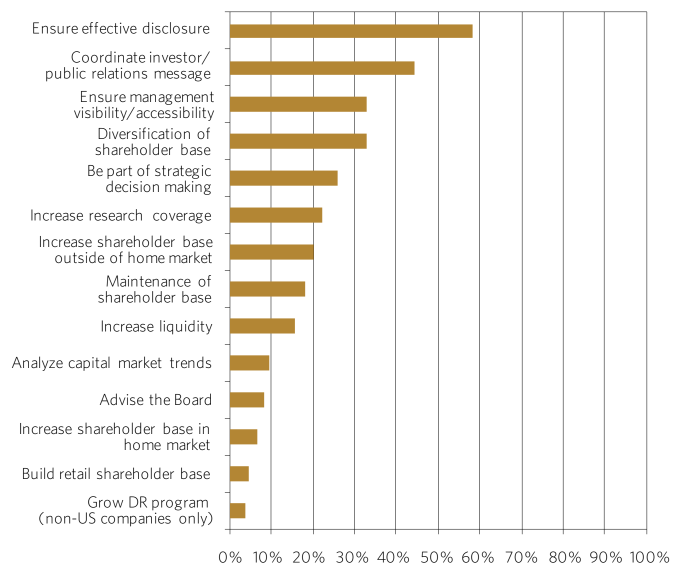


What is your desired future career path/development?

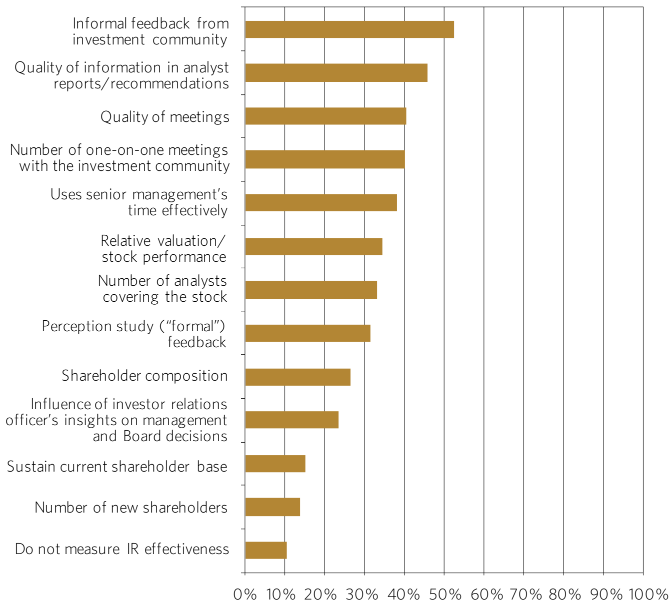


Strategy and IR Development

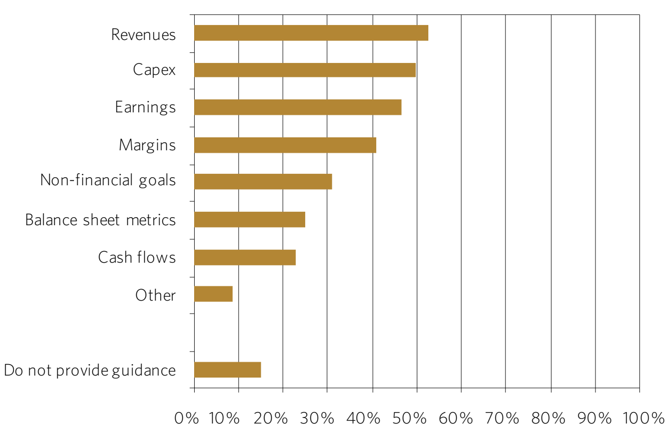
What are your top three goals for the investor relations function/ program for 2010/2011?



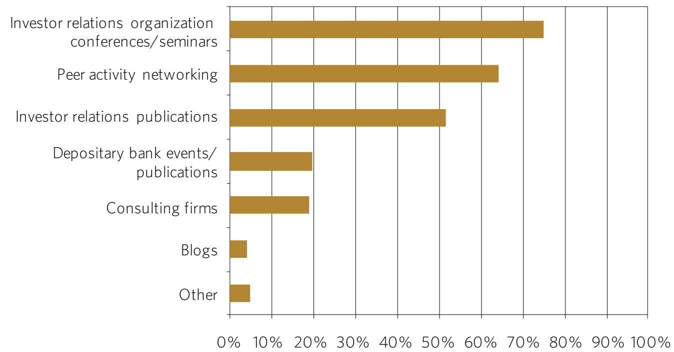
How is investor relations effectiveness measured at your company?



For which of the following does your company provide guidance?



In your opinion, which mediums are most effective for finding information on investor relations trends?



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