

Investor Perception Study, UK & Continental Europe 2009

IR magazine commissioned Mary Maude Research to carry out an investor perception study among UK and continental European portfolio managers and analysts to identify the companies that are currently the leading exponents of investor relations in the UK and the following countries in continental Europe: Austria, Belgium, the Czech Republic, Estonia, France, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Russia, Slovakia, Slovenia, Spain, Switzerland and the UK.

The study also questioned respondents on their views on information provision in the current market conditions and required changes to IR programmes.

This report and the IR Magazine UK & Continental Europe Awards are part of a continuing series of studies and events organised by *IR magazine* in the US, Canada, Brazil, China, Hong Kong, Singapore, Ireland and the Nordic region.



The following is a brief sample of the Investor Perception Study, UK & Continental Europe 2009.

The complete study features:

- Verbatim comments from analysts and fund managers on which companies are the best at their IR activities and why.
- Analysis of the present state and future development of investor relations.
- Recognition of the leaders in IR in various market-cap ranges and industry sectors.
- Detailed understanding of current investor sentiment toward IR issues.
- Knowledge that will help you benchmark and add value to your IR program.

It is available to order online at <http://www.irmagazine-uk-euro.com> or by contacting David Barrett at +44 20 7251 7521 or david.barrett@thecrossbordergroup.com

Investor Perception Study sample. Full report available at <http://www.irmagazine-uk-euro.com>

Introduction

The target group

The target group interviewed consisted mainly of sell-side analysts, buy-side analysts and portfolio managers. All respondents are based in one of the countries covered by the study.

The total number interviewed was 702.

The questionnaire

The interviews were conducted by telephone and each interview took between 10 and 20 minutes.

The questionnaire is divided into three sections:

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|-----------|--|
| Section 1 | This relates to the respondent, covering his/her job title, as well as the sectors and the countries he/she covers. |
| Section 2 | This consists of questions about current provision of information and guidance, access to management and the changes the investment community would like to see made to corporate IR programmes. |
| Section 3 | This section calls for award nominations. |

A copy of the questionnaire is included in the appendix at the end of the report.

The research

The research for the awards was carried out by Mary Maude Research in February and March 2009, except for the awards for best UK company IR in the US and best continental European company in the US market, the research for which was conducted by Erdos & Morgan.

We received nominations for the awards from a total of 973 respondents. Of these, 702 were UK and continental Europe-based professional investors and analysts, 150 of whom also answered questions for Section 2. The remaining respondents were 271 US investors and analysts, who voted on the awards for best UK company IR in the US and best continental European company in the US market.

The awards

Most of the awards are for all companies, regardless of size, but some are split by market capitalisation, with one award for companies in the FTSE Eurofirst 300 Index or the FTSE New EU Index and another for those that are not.

Survey overview

Background

This year's survey was conducted in March and April 2009. At this time there was increased instability in world markets as the global economic crisis deepened.

The 2008 survey found that several countries in Europe were either not yet affected, or considered the impact of the crisis to be marginal. However, in 2009 all countries in the region are now involved. Similarly, in 2008 it was considered by many that only certain sectors were experiencing the impact – in particular, the banking sector. In 2009 few, if any, sectors remain unaffected.

Corporate investor relations

In this climate of uncertainty, corporate IR is undergoing a severe test. With visibility so low and, in many cases, little good news to communicate, are companies finding it hard to stay in communication with the investment community?

Respondents expressed differing opinions as to whether companies in Europe were continuing to keep in contact satisfactorily. Many were pleased to have the opportunity to state their views on corporate IR and by no means were all respondents negative about the current or near-term future. This group then went on to nominate companies for the different award categories. However, others believed companies' communications with investors and analysts had deteriorated to the point where it was either possible to mention only a few companies or, in some cases, none at all.

"I have always considered it important to vote for these awards but have been so disappointed with managements' reactions to the crisis that I have few nominations this year, because most companies are not doing a good job of investor relations. Since September 2008 they have become over-cautious and provide no guidance" – Germany, buy side

"I hope I can be more help next year but none of the banks has given us enough disclosure to deserve a nomination" – UK, sell side

"I really don't think it appropriate to cast any positive votes during the current turmoil, although I know some are working hard and doing as good a job as they can" – Belgium, buy side

Countries and sectors – award nominations

Companies in the Netherlands received the highest number of top nominations – 13 –resulting in six awards, including the grand prix for best overall investor relations for both the small and mid-cap and the large-cap awards. In terms of sectors, consumer goods, particularly food & beverages and pharmaceuticals were the most successful. To a lesser extent, the insurance and retail sectors also did well. Faring less well were oil & gas, mining and – with one or two notable exceptions – telecoms.

SECTION THREE: Award winners

OVERVIEW OF AWARD WINNERS

Pan-European awards

Grand prix for best overall investor relations – large-cap companies*

1	Royal KPN	(Netherlands)
2	Telefónica	(Spain)
3	E.ON	(Germany)
4	AXA	(France)

Grand prix for best overall investor relations – small or mid-cap companies**

1	Sligro Food Group	(Netherlands)
2	Umicore	(Belgium)
3 =	Great Portland Estates	(UK)
3 =	Jerónimo Martins	(Portugal)

Grand prix for best overall investor relations – company on a small-cap exchange

1	ASOS	AIM	(UK)
2	Peter Hambro Mining	AIM	(UK)
3	Craneware	AIM	(UK)

Best investor relations officer – large-cap companies

1	F Hoffman-La Roche – Karl Mahler	(Switzerland)
2	AXA – Etienne Bouas-Laurent	(France)
3	Danone – Robin Jansen	(France)
4	Telefónica – María Garcia-Legaz Ponce	(Spain)

Best investor relations officer – small or mid-cap companies

1	Jerónimo Martins – Cláudia Falcão	(Portugal)
2	Serco Group – Charles King	(UK)
3 =	Mota-Engil – João Vermelho	(Portugal)
3 =	Sage Group – Cynthia Alers	(UK)

Best investor relations by a CEO – large-cap companies

1	GlaxoSmithKline – Andrew Witty	(UK)
2	Royal KPN – Ad Scheepbouwer	(Netherlands)
3	Zurich Financial Services – James Schiro	(Switzerland)
4	Reckitt Benckiser – Bart Becht	(UK)

Best investor relations by a CEO – small or mid-cap companies

1	Next – Simon Wolfson	(UK)
2	Jerónimo Martins – Luis Palha da Silva	(Portugal)
3 =	Home Retail Group – Terry Duddy	(UK)
3 =	Lonza Group – Stefan Borgas	(Switzerland)

Best investor relations by a CFO – large-cap companies

- | | | |
|---|---|---------------|
| 1 | Royal KPN – Marcel Smits | (Netherlands) |
| 2 | Zurich Financial Services – Dieter Wemmer | (Switzerland) |
| 3 | Reckitt Benckiser – Colin Day | (UK) |
| 4 | AXA – Denis Duverne | (France) |

Best investor relations by a CFO – small or mid-cap companies

- | | | |
|---|--|---------------|
| 1 | Sligro Food Group – Huub van Rozendaal | (Netherlands) |
| 2 | Aggreko – Angus Cockburn | (UK) |
| 3 | Continental – Alan Hippe* | (Germany) |
| 4 | Randstad – Robert-Jan van de Kraats | (Netherlands) |

**Alan Hippe left Continental in February 2009. A successor is to be appointed.*

Best adaptation to needs of IR in a downturn – large-cap companies

- | | | |
|---|-----------|---------------|
| 1 | AXA | (France) |
| 2 | Munich Re | (Germany) |
| 3 | Xstrata | (UK) |
| 4 | Royal KPN | (Netherlands) |

Best adaptation to needs of IR in a downturn – small or mid-cap companies

- | | | |
|---|----------|---------------|
| 1 | Randstad | (Netherlands) |
| 2 | Wolseley | (UK) |
| 3 | Hays | (UK) |
| 4 | Nutreco | (Netherlands) |

Best analyst/investor meetings – large-cap companies

- | | | |
|-----|------------|---------------|
| 1 | Telefónica | (Spain) |
| 2 | Danone | (France) |
| 3 | AXA | (France) |
| 4 = | ING Group | (Netherlands) |
| | Unilever | (UK) |

Best analyst/investor meetings – small or mid-cap companies

- | | | |
|---|----------------------------|---------------|
| 1 | Umicore | (Belgium) |
| 2 | Great Portland Estates | (UK) |
| 3 | Lonza Group | (Switzerland) |
| 4 | EDP – Energias de Portugal | (Portugal) |

Best corporate literature

- | | | |
|-----|--------------------|---------------|
| 1 | Nestlé | (Switzerland) |
| 2 = | F Hoffman-La Roche | (Switzerland) |
| 2 = | RWE | (Germany) |
| 4 | ING Group | (Netherlands) |

Best use of technology

1	SAP	(Germany)
2	Royal KPN	(Netherlands)
3	Telefónica	(Spain)
4	Nestlé	(Switzerland)

Best corporate governance and disclosure policy

1	Royal Ahold	(Netherlands)
2 =	Royal KPN	(Netherlands)
2 =	Royal Dutch Shell	(UK)
4	Nestlé	(Switzerland)

Best investor relations during a corporate transaction

1	InBev	(Anheuser-Busch)	(Belgium)
2	Randstad	(Vedior)	(Netherlands)
3 =	Misys	(Allscripts)	(UK)
3 =	Santander	(Rights issue)	(Spain)

Best practice of corporate social responsibility

1	Marks and Spencer Group	(UK)
2	Nestlé	(Switzerland)
3	Unilever	(UK)
4	Royal Dutch Shell	(UK)

Best investor relations by a UK company in the US market

1	Vodafone Group	(UK)
2 =	BP	(UK)
2 =	Diageo	(UK)

Best investor relations by a continental European company in the US market

1	SAP	(Germany)
2	ArcelorMittal	(Luxembourg)
3	Novartis	(Switzerland)

**Large-cap companies are all those included in the FTSE Eurofirst 300 Index as well as companies of equivalent size from the FTSE New EU Index.*

***Small or mid-cap companies are those that do not meet the above criteria.*

Country awards

Austria

- 1 Erste Bank
- 2 = OMV
- 2 = Telekom Austria
- 4 Andritz Group

Belgium

- 1 Delhaize Group
- 2 Umicore
- 3 KBC Group
- 4 Anheuser-Busch InBev

Czech Republic*

- 1 CEZ Group
- 2 Telefónica O2 Czech Republic
- 3 Unipetrol

Estonia

- 1 Tallinn Water
- 2 Eesti Telekom
- 3 Tallink Group
- 4 Baltika Group

France

- 1 AXA
- 2 Danone
- 3 Total
- 4 France Telecom

Germany

- 1 E.ON
- 2 Allianz
- 3 Metro
- 4 RWE

Greece

- 1 Titan Group
- 2 Alpha Bank
- 3 National Bank of Greece
- 4 Piraeus Bank Group

Hungary

- 1 Magyar Telekom
- 2 OTP Bank
- 3 Gedeon Richter

4 MOL

Italy

1 Assicurazioni Generali
2 Intesa Sanpaolo
3 Mediaset
4 Fiat

Netherlands & Luxembourg

1 Royal KPN
2 ING Group
3 Royal Ahold
4 ArcelorMittal

Poland

1 PKN Orlen
2 BRE Bank
3 Telekomunikacja Polska
4 Asseco Group

Portugal

1 Portugal Telecom
2 Jerónimo Martins
3 = Banco Espírito Santo
3 = EDP – Energias de Portugal

Russia

1 Rosneft
2 VimpelCom
3 Gazprom
4 Novatek

Spain

1 Telefónica
2 Santander
3 Iberdrola
4 BBVA

Switzerland

1 Nestlé
2 F Hoffman-La Roche
3 Novartis
4 Zurich Financial Services

UK

- 1 Unilever
- 2 GlaxoSmithKline
- 3 Vodafone Group
- 4 Diageo

**There were only three companies in the Czech Republic with sufficient points for an award.*

Note: In Latvia, Lithuania, Luxembourg, Slovakia and Slovenia, there were no companies with sufficient nominations for an award.

Best IRO in country

		Points
Austria		
1	OMV – Angelika Altendorfer-Zwerenz	19
2	Erste Bank – Gabriele Werzer	17
Belgium		
1	Delhaize Group – Guy Elewaut & Geert Verellen	28
2	Umicore – Tim Weekes	22
Czech Republic*		
1	CEZ Group – Barbara Seidlová	38
France		
1	AXA – Etienne Bouas-Laurent	57
2	Danone – Robin Jansen	55
Germany		
1 =	Allianz – Oliver Schmidt	46
1 =	E.ON – Kiran Bhojani	46
Hungary		
1	Magyar Telekom – Krisztina Förhécz	15
2	OTP Bank – Sándor Pataki	12
Italy		
1	Mediaset – Simone Sole	38
2	Assicurazioni Generali – Paola Buratti	36