

GLOBAL INVESTOR SURVEY

INTERNATIONAL COMPETITION FOR CAPITAL INTENSIFIES

Strategic Communications
FTI Consulting



SUMMARY

As competition for capital is blurring geographic boundaries, companies are increasingly taking their investor relations (IR) programs global.

FTI Consulting — Strategic Communications' Global Investor Survey assesses how institutional investors are deploying their capital, both domestically and abroad; and provides insight into significant financial and regulatory trends shaping global investment landscape.

The survey's findings underline the heightened competition surrounding global capital, and the significance of a companies' financial performance and regulatory risk for investors evaluating non-domestic investments. Other highlights include a number of key learnings around regulatory conditions; the role of traditional influencers; and shareholder engagement — as relevant to global investing.

RESEARCH METHODOLOGY

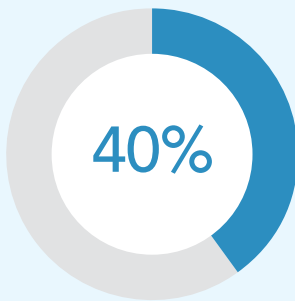
FTI Consulting — Strategic Communications executed primary research, surveying 113 global institutional investors, January–February 2014.

INCREASING COMPETITION FOR GLOBAL CAPITAL

The investment landscape is becoming more competitive and global. Companies now are competing for capital with domestic and non-domestic companies, which makes it more challenging to attract the right capital. But, the opportunity set has widened to include investors that are deploying capital globally, without distinction for country or region.

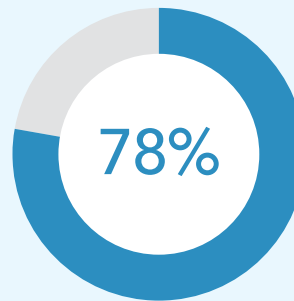
Companies that develop IR programs proactively, seizing this opportunity for global capital, will find that the net result of this changing landscape can be beneficial. Those companies that don't, will find that their conventional, domestic approach is less productive and effective.

Investment Community Is Already Globally Oriented



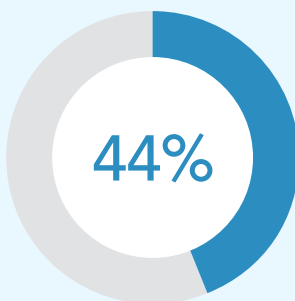
of institutional capital in the U.S. is managed in global funds.

Global Competition for Capital Is More Intense



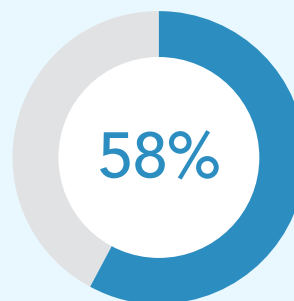
of investors believe there is increasing competition for capital across borders.

Corporate Access Is Changing



of investors believe brokers are increasingly being considered too conflicted to provide impartial advice.

Geographic Boundaries Are Blurring

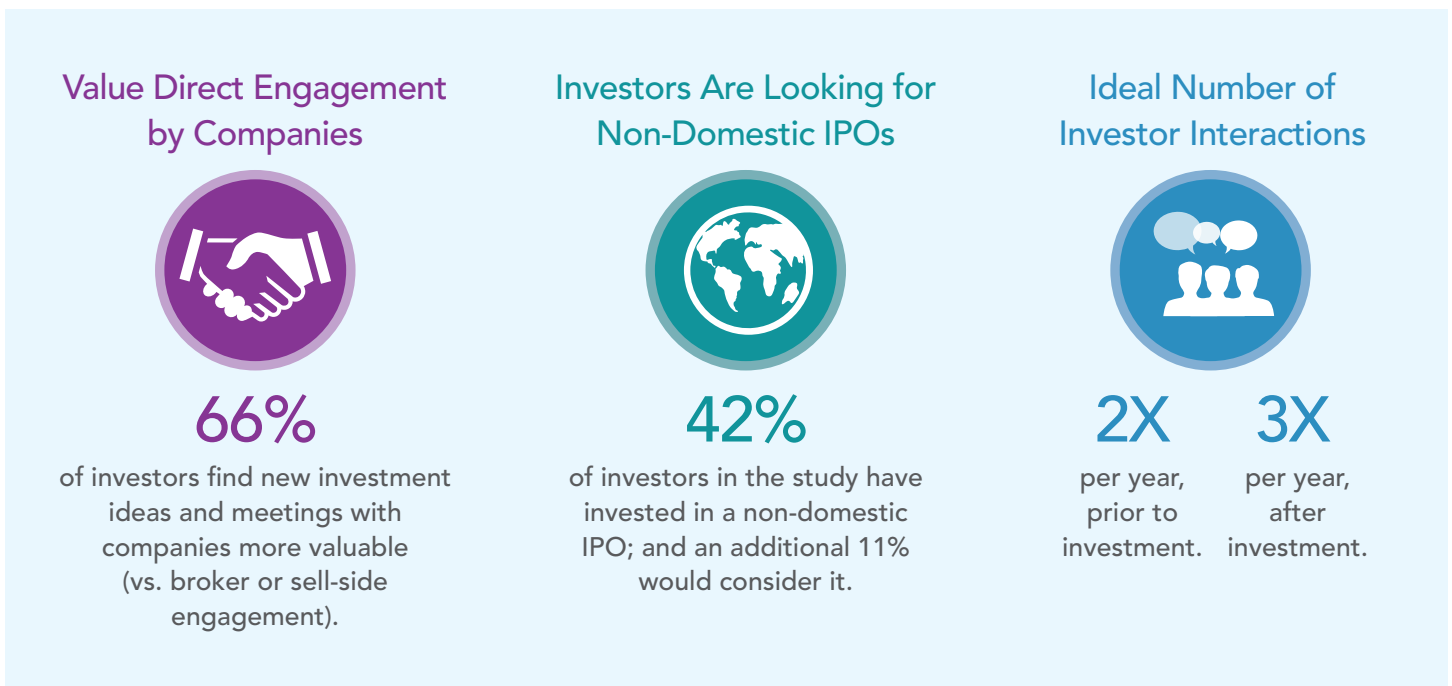


of investors believe companies should expand their marketing efforts to reach a more global set of investors.

RECEPTIVE MARKET FOR NEW INVESTMENT IDEAS

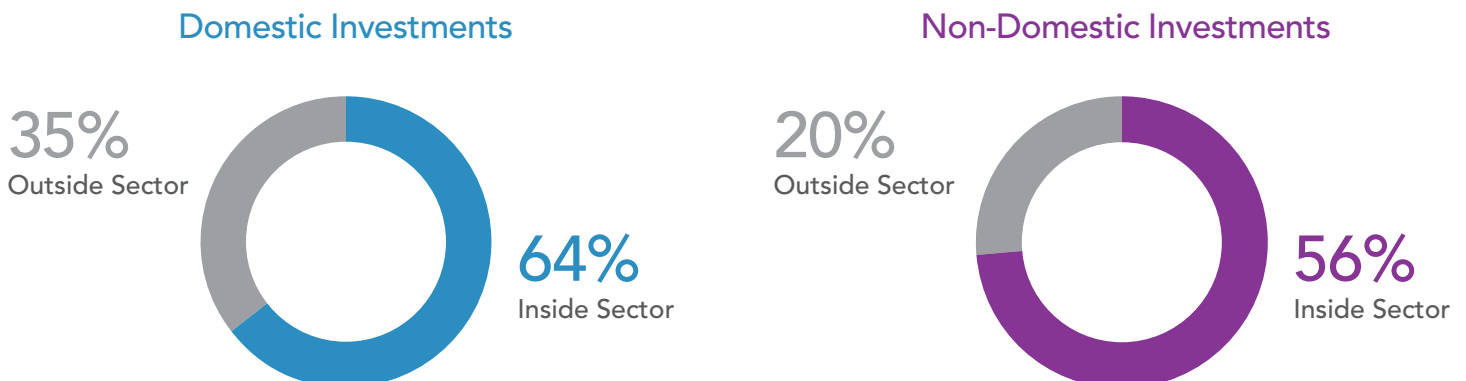
Investors are increasingly receptive to new non-domestic investment ideas, particularly from corporations within their sector.

The whole corporate access model is changing rapidly, particularly in Europe; and these findings underline the value of an annual marketing trip to engage key investors in Asia Pacific and EMEA. Year-round engagement with the right stakeholders is key to preserving global shareholder value.



More Receptive to Outreach From Sector Companies

Percentage of Investors Receptive to Direct Outreach From Companies



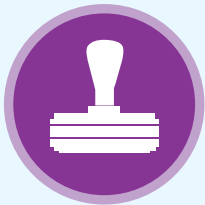
CORPORATE EVENTS AND ISSUES NOT CONSTRAINED BY REGIONAL BOUNDARIES

Corporate events and issues facing companies today are not constrained by regional boundaries. In fact, global issues — such as corporate governance; mergers and acquisitions (M&A); and shareholder activism — are common place, and can originate from and extend to non-domestic regions.

The implications are that companies need a global view of the events and issues in play. They also need to be in a position to deploy communications resources where they are most needed, regardless of country or region.

Investors Would Like More Communications in Select Areas

Potential Regulatory Changes Within the Industry



Economic, Political and Social Conditions of Local Communities and Regions Where They Operate



Relationship Companies Have With Governments Where They Operate



Activism Is on the Rise



71%

of investors anticipate an increase in cross-border shareholder activism.

Regulatory Landscape Is Significant in Investment Decisions



91%

of investors say the regulatory or political environment is important to their investment decision.

Investors Call for Greater Disclosure of Regulatory Risks



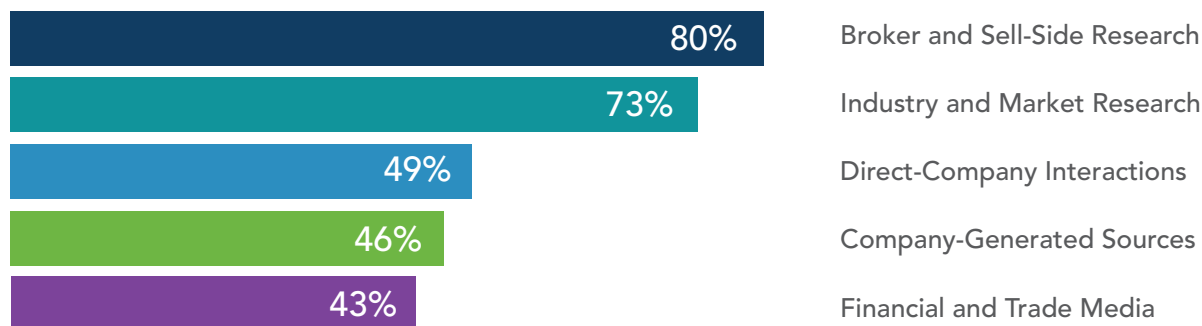
93%

of investors say companies should disclose more information about the potential risks of regulation, and its impact on operational and financial performance.

EVOLVING INVESTOR INFORMATION SOURCES

Information sources important to investors have significantly changed. Now, industry research is nearly as important as sell-side research, and financial and trade media are as important as the information a company puts out on its own.

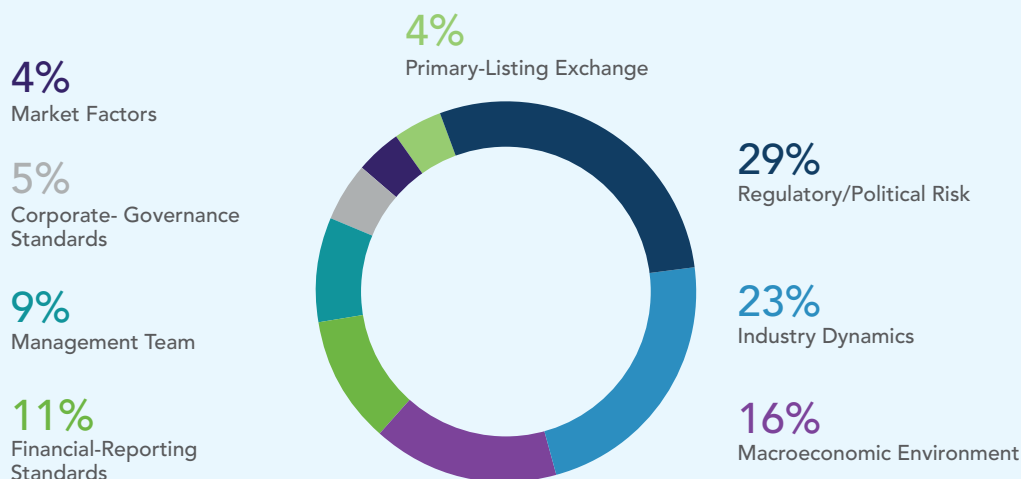
Most Important Information Sources



INDUSTRY DYNAMICS AND REGULATORY RISK ARE KEY IN VALUATION

When thinking about a company as a potential investment there are many important factors to consider. Particularly in non-domestic IPO investments, regulatory risk and industry dynamics are significant factors for investors.

Top Non-Domestic IPO Investment Considerations*



*Excludes financial performance and valuation factors.

ABOUT FINANCIAL COMMUNICATIONS PRACTICE

Strategic Communications' Financial Communications practice helps clients navigate critical moments of change that affect enterprise value across the entire corporate lifecycle — bringing together experienced professionals from across its service offerings, including

- Investor Relations
- IPO Communications
- Capital Markets Research
- Mergers & Acquisitions (M&A)
- Proxy Issues & Activist Defense
- Crisis & Issues Management
- Restructuring & Financial Issues
- Change Management

The Strategic Communications segment at FTI Consulting is one of the world's most highly regarded communications consultancies. With more than 25 years of experience advising management teams in critical situations, the segment helps its clients leverage communications to protect and enhance their reputation and enterprise value.

One of the top financial communications practices in the world today, FTI Consulting — Strategic Communications is also ranked one of the foremost global M&A PR advisers by Mergermarket.

For More Information

For more IR and shareholder-engagement insights, visit: <http://fticonsulting.com/ir>.

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