2009 IR BEST PRACTICES

EXECUTIVE SUMMARY

INSIGHT TO HELP SHAPE, BUILD AND BENCHMARK YOUR INVESTOR RELATIONS PROGRAM

THOMSON REUTERS

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LETTER FROM WILLIAM HANEY, GLOBAL HEAD OF INVESTOR RELATIONS SERVICES, THOMSON REUTERS

Dear Valued IR Client,

As part of our commitment to outstanding client service, we are pleased to provide you with our biennial IR Best Practices Study. Over 500 companies around the world participated – and on behalf of all of us at Thomson Reuters, I'd like to thank each participant. The consolidated results represent a solid cross section of global companies covering all industries and categories of market capitalization, providing the most comprehensive assessment of IR practices.

I encourage you to use this study to benchmark your IR program against companies in your industry, market-cap, and geographic region. Or go a step further and have our sector-focused analysts do the benchmarking for you (View a sample IR Audit Report).

Given how much the macroeconomic and investment climates have changed, we spent some time comparing the 2009 findings with those of our 2007 study. Here are five noteworthy changes:

1. IR budgets are shrinking but only slightly – No surprise that IR budgets are under some pressure. However, most IROs say the cutbacks have been very modest and furthermore, they expect their 2010 budgets to be back on par with pre-recession levels.

2. IROs are taking on more responsibility – Despite fewer resources at their disposal, IROs are being asked to contribute more to strategy, media relations, and financial planning.

3. The role of the sell-side is diminishing – This trend has been widely discussed at industry events, but it is now being felt especially in the U.S. market in terms of reduced sell-side coverage, fewer contacts, and a major contraction in sell-side sponsored events and conferences. Corporations have had to find new pathways to the buy-side.

4. Investor questions have evolved – Given investor concerns about financial foundations during the crisis, IROs were fielding more questions about cash flow, debt and leverage appetite, and the overall balance sheet than in previous periods. However, it is unclear amongst the respondents whether the conversations have been irrevocably altered or whether they will revert back to topics of growth, strategy, and segment performance.

5. Comfort in dealing with hedge funds and activists is on the rise – Hedge funds and activist investors are no longer the hot topics they were in 2007. Most IROs have woven these investors into their formal calendars and activities, and any anxieties have dissipated.

We are here to help you navigate the above trends and pressures, whether you're looking to make the most of your IR budget by consolidating spend (and reaping discounts) on our IR platform, leveraging our industry teams and analysts for day-to-day support and market-moving information, or relying on us and our platform to do more so you can increase your own bandwidth. Our integrated services – which include StreetEvents transcripts, ownership data, investor contact information, First Call consensus estimates and communication tools – are designed to simplify your core activities so you can spend more time addressing the rapidly evolving investor landscape.

Over the coming months, we will be introducing innovative solutions to make your job easier. For example, in April 2010 we will be launching Smart Targets which will revolutionize investor targeting, increasing your effectiveness in anticipating investor risks and opportunities.

In general, our solutions are designed to provide you with clear visibility into market and trading activities by helping you understand key factors impacting your share price, anticipate investor behavior, communicate with key stakeholders and measure the impact of your IR program. We hope this report helps you in this endeavour.

We look forward to supporting your evolving needs in 2010 and beyond. Email us to have one of our specialists walk you through how the Thomson Reuters IR platform can help you take your IR program to the next level.

Warm regards,

William Haney
Global Head of Investor Relations Services

IR DEPARTMENT CHARACTERISTICS

The Thomson Reuters 2009 IR Practices Study represents results from IR teams around the globe. The results were aggregated into three major geographical areas, five market-cap buckets, and ten industries. The bulk of these companies have IR teams that are headquartered in North America, followed by Europe.

REPORTING STRUCTURE AND SATELLITE OFFICES

- Over the course of the last two years, the reporting structure of the IRO has imperceptibly changed. Most IROs (68%) continue to report into the CFO, a trend particularly pronounced across mega- and large-cap respondents, while 15% report to the CEO.
- Identical to two years ago, only 6% of respondents have a satellite IR office, with the largest percentage (29%) coming from Europe. That satellite office is most likely to be located in the U.S.

Do you have a satellite IR office?	YES	NO
All companies 2009	6.1%	93.9%
All companies 2007	6.1%	93.9%
REGION		
North America	4.6%	95.4%
Europe	25.8%	74.2%
Asia Pacific	5.6%	94.4%
MARKET CAP		
Mega	31.8%	68.2%
Large	12.2%	87.8%
Mid	5.0%	95.0%
Small	2.6%	97.4%
Micro	2.0%	98.0%
INDUSTRY		
Consumer Discretionary	3.9%	96.1%
Consumer Staples	6.3%	93.8%
Energy	3.2%	96.8%
Financials	6.2%	93.8%
Health Care	2.9%	97.1%
Industrials	1.4%	98.6%
Information Technology	7.0%	93.0%
Materials	16.7%	83.3%
Telecommunication Services	29.4%	70.6%
Utilities	3.0%	97.0%

- On average, IR practitioners allocate about 20% of their time to non-IR roles, particularly Corporate Communications (about 6% of time allocated) and Public Relations (3% of time). Unsurprisingly, smaller companies are allocating more time to non-IR roles (on average, 30% of time for small-cap companies, and 35% for micro-cap companies). Only mega-cap respondents said they have the luxury of devoting 100% of their time to investor relations.
- "Other" non-IR roles frequently cited include Business Development, Corporate Development & Strategy, and Financial Planning & Analysis.

REPORTING STRUCTURE AND SATELLITE OFFICES

- Unsurprisingly after a period of financial turmoil and belt-tightening at many companies, compared to two years prior, the average size of IR teams shrunk modestly, across the board.
- The number of employees on the IR team is directly correlated to the size of the company. Roughly 77% of micro-cap companies have only one IR professional on their IR teams, whereas nearly 57% of mega-cap companies have teams of more than five individuals.

IR PROGRAM ROTATION

- The larger the company, the more likely the IR program has a rotational element to it.
- Telecommunications and Energy companies rotate most often; Financials companies are least likely to have a formal rotation program within IR.
- In general, IROs are divided up the middle when asked if the IR position should be rotational. The smaller the company, the more favorable respondents are about rotating IR positions. In addition, nearly 57% of Asia Pacific respondents favor IR rotation.

IR BUDGET

- Overall, most respondents say their IR budgets are lower (46%) or unchanged (40%) compared to two years ago. However, looking at annual budget sizes, numbers appear to be only slightly smaller versus two years ago.
- IR teams in Europe report higher budgets than North American or Asia Pacific counterparts. However, it is worth noting that 74% of European companies who responded were mid, large or mega cap, likely with larger budgets than their small or micro cap counterparts.
- Looking ahead, IROs predict reduced IR budget allocated to outside vendors (43%), travel (36%), and the annual report (30%). However, IROs foresee increased budget allocation toward hosting events (26%) and salaries (25%).
- The majority of budgets for each market-cap fall within the following bands:

Mega:	$1 million to $2 million+
Large:	$500,000 to $2 million
Mid:	$250,000 to $2 million
Small:	$100,000 to $999,999
Micro	$100,000 to $499,999

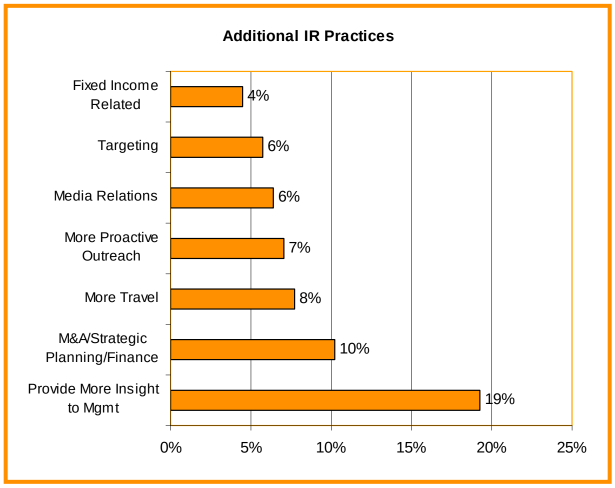
IR RESPONSIBILITIES

Thomson Reuters posed online survey and interview questions aimed at capturing details about responsibilities, both formal and informal, and the division of labor. Respondents also provide insight on how responsibilities have changed over time.

BREAKDOWN OF RESPONSIBILITIES

- Overwhelmingly, 96% of all online survey respondents indicate that they do not split responsibilities between the buy-side and the sell-side.
- IR teams generally do not split responsibilities by geography or by equity vs. fixed income.
- Results show that IR teams are more likely to split responsibilities between retail and institutional investors (17%). In addition, 11% split responsibilities by major and minor shareholders.
- However, mega-cap companies are most likely to segment responsibilities; 46% do so by institutional vs. retail; 41% by equity vs. fixed income; 23% by geography; 24% by major and minor shareholders; and 18% by buy-side vs. sell-side.
- In Europe, IROs also are more likely to segment responsibilities by geography (30%) and institutional vs. retail (25%).

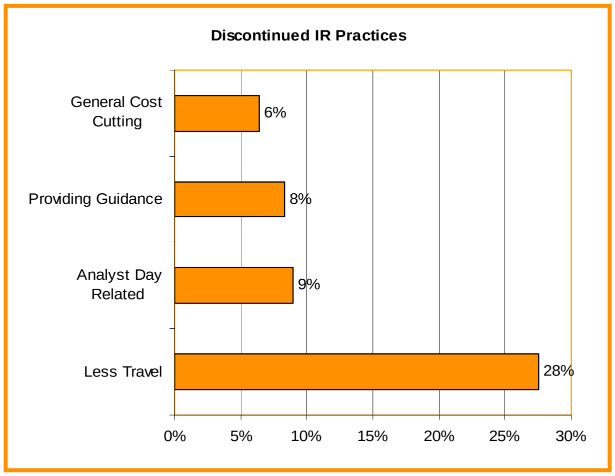
ADDITIONAL IR PRACTICES



Amid reduced budgets and streamlined IR staffs, a number of investor relations officers reported taking on additional responsibilities, ranging from media relations to strategic and financial planning, as well as more administrative tasks. As one Micro-cap Healthcare respondent quipped, "*you name it, I do it…it is not just IR anymore, it is IR-plus*."

- In addition, 37% of the study group report taking on no additional responsibilities.
- While not a "new" task, among those reporting taking on additional responsibilities, 19% said they are providing management more investor, market and competitive intelligence. Some IROs welcomed this development as a chance to provide more strategic insight, such as the Large-cap Utilities respondent who commented, "*IR is relied upon more heavily during these downtimes to be a business advisor to the management team*," others said this merely involved more administrative work. For example, one Large-cap Industrials respondent observed, "*I am the researcher and repository of more macro data than I was before.*"
- IROs also continue to wear additional "hats": A full 10% have become more involved with strategic and financial planning – perhaps unsurprising considering the uptick in merger activity in 2008 and 2009. Further, 6% are now handling or are more involved with media relations. 4% report taking on more fixed income related responsibilities, another 5% report doing more internal communications while 3% report taking on government affairs.

DISCONTINUED IR PRACTICES



- When asked which, if any, investor relations practices had been discontinued in the previous 12 month period, the vast majority (71%) maintained that nothing has been discontinued, while 25% report cutting at least one practice (the remainder did not answer the question).
- Drilling down, 28% of the study group asserted that while they have not discontinued travel altogether, they have reduced travel over the past 12 months. In particular, this group is attending fewer conferences and doing fewer roadshows. A number of participants echoed this sentiment expressed by a Micro-cap Consumer Discretionary company: "*We are being more selective on investor trips but we are still conducting them. We are just being more frugal on the expense side of the T&E budget.*" International travel in particular was scaled back.
- In addition, some IROs said that reductions on the sell-side had resulted in fewer sell-side sponsored opportunities to travel and fewer investment bank conferences at which to present the company story.

IR COMMUNICATIONS WITH MANAGEMENT AND THE BOARD OF DIRECTORS

In addition to serving their external constituents, investor relations teams need to keep senior management informed of investment community perspectives and expectations.

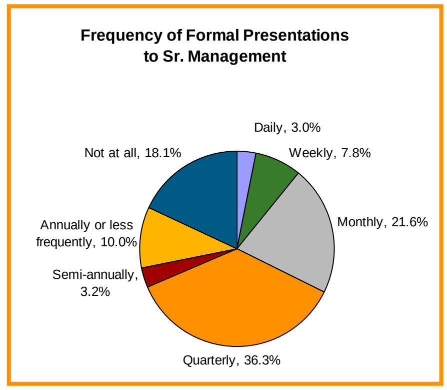
Participants were asked to report the frequency with which they make formal presentations to their senior management teams, other methods for communicating information to management, and whether they are communicating more or less frequently to executives than in the past. Contributors also were asked about communication with the board of directors.

PRESENTATIONS TO MANAGEMENT

- Across all companies, most IROs make formal presentations to senior management teams relatively infrequently (21% do so monthly, and 36% do so quarterly). A full 18% do not present at all.
- In general, North American IROs are most likely to present only quarterly (38%), while Europe and Asia counterparts are most likely to make formal presentations to senior management more frequently – monthly or even weekly.
- The percentage of IR teams that never makes a formal presentation decreases as market cap increases.
- In terms of content, information about institutional ownership is the most common component of a presentation to senior management, followed by comparative information of peers and summaries of sell-side reports. This is consistent with 2007 findings.
- Interestingly, Europe IROs rated share price direction as the most common component.

METHOD AND FREQUENCY OF COMMUNICATION TO MANAGEMENT

- There continues to be a general bias toward shorter, less formal communications, with e-mails and in-person meetings being the most frequently cited means for presenting information to the senior management teams.
- However, trends varied slightly by geography and market cap. North America IROs are least likely to provide formal written reports (36%), while Europe IROs are most likely (65%).
- In addition, the larger the company, the more likely it is to present information to senior management in person.
- Virtually all IROs say they are communicating with senior management more frequently or with the same frequency compared to two years ago.



MANAGEMENT VIEW OF IR

- Across all companies, the majority of respondents (62%) report that their management teams understand the value of IR and are supportive of their efforts. Further, 21% say that their company's management "loves IR" and views it as a critical function.
- Mega-cap companies report the highest levels of management support (30% "love IR").
- By industry, management teams at Healthcare, Consumer Discretionary, and Energy companies appear most supportive of IR, while Consumer Staples, Telecom, and Industrials IR teams are more likely to report their management teams have a neutral or disinterested stance toward IR.

PRESENTATION TO THE BOARD OF DIRECTORS

- The percentage of IROs who rarely, if ever, present to the board of directors is quite high; roughly 47% receive that opportunity no more than once per year. This trend is especially pronounced for North America teams.
- By comparison, over half of IR teams in both Europe and Asia Pacific present to the board of directors quarterly or monthly.
- Presentations to the board are especially rare (i.e. never) among Telecom (47%), Consumer Staples (43%), and Information Technology (34%) companies.
- Similar to management presentations, the top three content items are information about institutional ownership, comparative information of peers, and share direction and performance.

METHOD OF COMMUNICATIONS TO THE BOARD OF DIRECTOR

In contrast to communication of information to management, board communications tend to be more formal, i.e. slide presentations and formal written reports versus e-mail messages and telephone briefings.

THE SELL-SIDE

The financial crisis of the past two years resulted in many sell-side firms shuttering their doors, and therefore fewer sell-side analysts and sell-side sponsored conferences. With this in mind, it's unsurprising news that more than one-third of IROs reported a decrease in the number of sell-side analysts covering their stock, although most IROs said they still are spending just as much or more time communicating with the sell-side.

IR professionals were also asked about the frequency and effectiveness of attendance at sell-side conferences. Although many IROs predict that they plan to attend slightly fewer conference events compared to previous years, an overwhelming majority of participants describe sell-side conferences as an effective forum to showcase the company and senior management.

Appetite for these events remains strong: in one-on-one interviews, many IROs said they have dialed back their participation in conference events because fewer existed due to sell-side consolidation – notably, not due to budget concerns – and expressed regret about that development.

TRENDS IN COVERAGE

- Nearly half of participants say between six and 15 sell-side analysts cover their stocks.
- Across market caps, most companies said their sell-side coverage increased or stayed the same during the past year. However, micro-cap companies suffered the most; 55% reported a decrease in sell-side coverage.
- Results were consistent across most market caps. However, Energy companies reported the strongest increase in sell-side interest (50%), while Utilities and Financials companies fared the worst, with 44% and 43% respectively experiencing a decrease in coverage. Meanwhile, 59% of Telecom companies reported no change in coverage.
- Sell-side analysts continue to heighten their focus on European markets, with 52% reporting an increase in coverage in the past year; a similar trend was reported in the 2007 study. Similarly, 47% of Asia Pacific companies reported an increase in coverage. By comparison, North America companies fared more poorly; 39% saw a decrease in coverage while 36% saw an increase.

COMMUNICATION

- Most companies communicate with their sell-side analysts on a weekly or monthly basis.
- However, frequency of communication tends to increase with market-cap: 23% of mega-cap companies communicate information to sell-side analysts more than once daily. In addition, 14% of both large-cap and mid-cap companies report daily contact with sell-side analysts. This is likely a result of the size of these companies' IR teams as well as the scope of their sell-side coverage: 57% of mega-cap companies and 39% of large-cap companies have more than 20 analysts covering their stocks.
- Overall, the amount of time that companies spend communicating with their sell-side analysts has remained the same during the past year. 43% of participating companies note the amount of time is unchanged, while 38% note the amount of time they spend has increased.

CONFERENCES

- In general, companies plan to attend slightly fewer conferences this year compared to last year. Larger-cap companies anticipate attending slightly more sell-side conference events compared to smaller-cap companies.
- Looking ahead, Energy, Information Technology, and Telecommunications companies anticipate attending the greatest number of conferences this year, with roughly 23% of each planning to attend 10 or more sell-side conferences in 2009.
- By comparison, Financials, Consumer Discretionary, Utilities and Consumer Staples companies expect to attend the fewest number of conferences; a vast majority of each sector predicts attending six or fewer events this year.
- On the whole, Utilities companies are most skeptical about the effectiveness of sell-side conferences.

ALTERNATIVES TO SELL-SIDE CONFERENCES

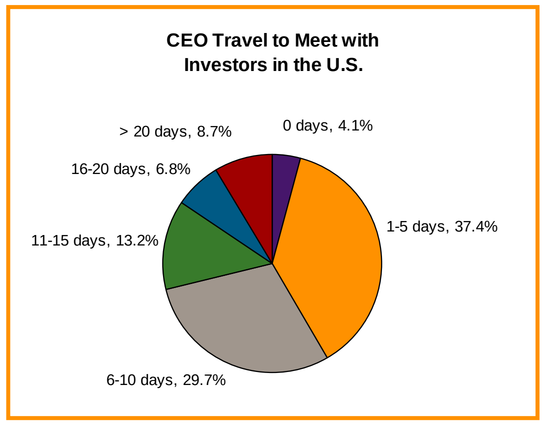
- 69% of IR teams are considering road shows (with sell-side presence), while 68% are considering one-on-one or small group meetings on the road. Another 66% view analyst days as an alternative to sell-side conferences to foster meeting with the buy-side and providing more exposure to management.
- While popular across all market caps and regions, analyst days are particularly well-regarded as a sell-side conference alternative by mega-cap companies (80%) and Europe IR teams (82%).
- By sector, 81% of Energy companies and 78% of Information Technology companies show enthusiasm for road shows (with sell-side presence), while 78% of Industrials companies favor one-on-one or small group meetings in the office.

THE BUY-SIDE

Buy-side outreach is one of the most critical aspects, if not the most critical aspect, of the job for an IRO. After all, the buy-side is the constituency which ultimately determines valuation for any particular company. It is likely the most exhausting part of IR as well, with most IR professionals spending more than 15 days out on the road in the U.S., and then potentially trips to Europe and/or Asia Pacific, if not other areas of the world. Meeting with the investment community is also becoming more strategic as 84% of participants say they target investors, employing both formal and informal strategies.

Effective outreach requires buy-in and time commitment from management, as well as resources throughout the organization for insight into the company's operations, strategy, growth outlook, and messaging. On average, companies spend the most amount of time with the buy-side (47%), followed by time spent with the sell-side (38%). The remainder is spent with retail investors and fixed income investors.

FREQUENCY OF MEETINGS



- In the average year, 44% of participants estimate that in a typical year, the IR has over 100 meetings with investment professionals. By comparison, 70% of participants estimate that the CFO has 75 or fewer meetings during the same period and 63% estimate that the CEO has 50 or fewer meetings with investment pros in the same period.
- On the whole, most CEOs, CFOs and IROs are more than willing to spend time meeting with investors, either in the office or on the road. However, compared to our 2007 study, participants report that CEOs and CFOs are slightly less likely to meet with investors, both in the office and on the road.
- It's worth noting that participants reported that every officer is meeting with investors slightly less frequently, both in-house and on the road, compared to our 2007 study. One likely explanation is that during the recent market turmoil, most managers needed to focus on operational strategy more than ever, and perhaps had relatively less time to devote to courting investors. Reduced travel budgets also likely account for reduced travel to meet with investors.

IN-HOUSE MEETINGS

- By market-cap, micro-cap CEOs spend the most time with investors in-house, as 28% dedicate more than 15 days per year to such efforts, and 40% devote more than 10 days per year. Meanwhile, mega, large, and mid-cap CEOs are less likely to make time for investors in the office given other responsibilities and priorities. Meanwhile, CFOs at larger companies are increasingly likely to devote time to investors on-site.
- By sector, the CEOs and CFOs at Healthcare and Financials companies spend more time with investors on-site than any other sector, while the same managers at Utilities companies devote the least -- five days or fewer toward such events.
- As expected and implied by the job title, IROs are spending the most time with the buy-side in the office, with 54% stating they spend more than 15 days per year meeting with investors in-house (however, this is a sharp drop from the 68% reported in our 2007 study). This figure is as high as 75% for some sectors (Energy).
- Turning to division heads, roughly 61% of companies indicate these managers meet with investors on-site (another drop, from 71% two years prior), usually dedicating one to five days, with the number trending slightly higher for Europe relative to North America

and Asia Pacific, and much higher for mega- and large-cap companies compared to other market caps. Consumer Staples and Telecom companies also exceed the average by a wide margin.

- Less than one-third of Treasurers, CTOs, CMOs, and CSOs/Heads of R&D are conducting meetings in-house, but these numbers vary widely by industry. CTOs are commonly investor-facing for Telecom and IT companies, while counterpart positions such as the CSO/Head of R&D for Healthcare companies often carry the responsibility of meeting with investors. Treasurers of Utilities and Telecom companies are most often meeting with investors because of the debt loads carried in those sectors. These trends are consistent with results from our 2007 study.
- When companies bring in buy-side analysts or portfolio managers for meetings, they are relying on the sell side less than 50% of the time to coordinate. Micro-cap companies rely on the sell-side the least, or perhaps have fewest resources on the sell-side to schedule such events. Meanwhile, despite larger departments and more resources, large- and mega-cap companies are most likely to report using the sell-side 75% of the time or even all of the time to schedule in-house meetings.

TRAVEL IN THE U.S. TO MEET INVESTORS

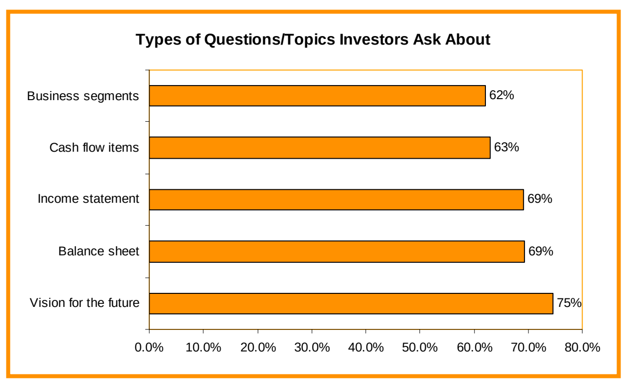
- Most CEOs (37%) travel to meet with shareholders and prospective investors in the U.S. one to five days per year, and 30% devote six to 10 days to traveling within the U.S. for such meetings.
- CEOs at mid- to micro-cap companies are more likely to take more than five trips per year, while CEOs at large- and mega-cap companies are most likely to take as few as two trips per year.
- Nearly all CFOs travel in the U.S. to meet with investors, with 32% devoting six to 10 days to such activities.
- IROs have the most exhausting travel schedule, with 45% devoting more than 15 days per year traveling with management or solo to meet with investors, usually consisting of at least five trips per year. Indeed, when asked in interviews about the worst part of the IR job, many respondents cited the grueling travel schedule.
- Only 32% of division heads are traveling to meet investors in the U.S., and of those who travel, 45% are spending as few as one to five days per year doing so.

TRAVEL IN EUROPE TO MEET INVESTORS

- Consistent with travel to other regions, corporate officers are making trips to Europe. Only 15% of respondents said that executives are meeting with European investors more frequently (down from 20% two years ago), and nearly 17% said these meetings occur less frequently (a jump from 7% two years ago).
- However, look for increased travel to Europe when the economy picks up and travel budgets loosen a bit. In our one-on-one interviews, a number of IR pros anticipated picking up cross-border outreach and travel, particularly to see Europe investors, after deferring such initiatives due to credit crunch-induced cutbacks.
- The CEOs of Energy, Materials, and Telecom companies are most likely to travel within Europe.

TRAVEL IN ASIA PACIFIC TO MEET INVESTORS

- Reaching even further to the Asia Pacific region, 87% of CEOs and CFOs and 82% of IROs to not travel to meet with investors there, highlighting that despite the attention on the region, very few are traveling specifically to meet with investors. This is consistent with results from our 2007 study. A mere 6% of companies report that travel within Asia Pacific has increased year-over-year.



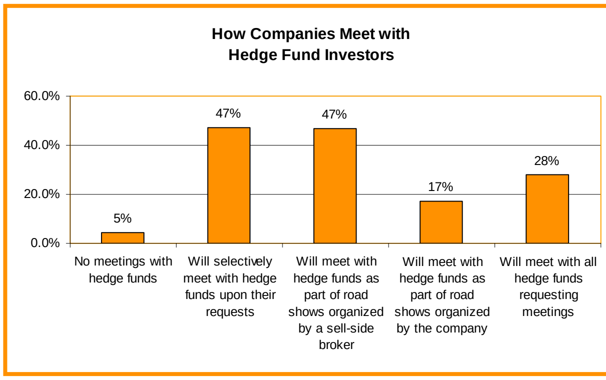
QUESTIONS INVESTORS TEND TO ASK

The types of questions investors tend to ask run the gamut from financial modeling and dividend questions to inquiries about voting structure and rumors.

- Notably, many IROs reported an uptick in questions related to cash flow usage, debt and leverage, and balance sheet structure over the past two years. While most anticipate that these questions will fade away when the market returns to "normal" volatility levels and credit crunch fears have receded, a minority expect to continue to incorporate these issues into investor discussions going forward.

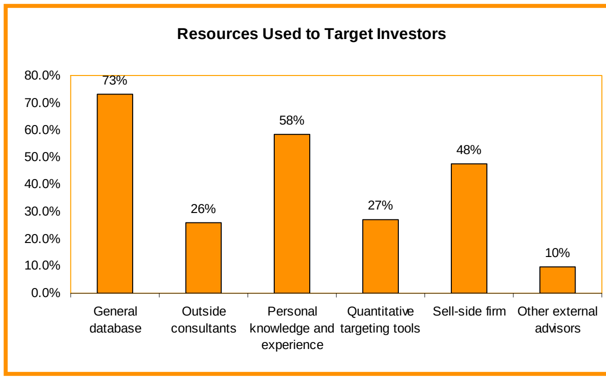
MEETING WITH HEDGE FUNDS

- Compared to our 2007 study, it appears that for many IROs, interaction with hedge funds has become a more formalized affair, and some anxiety over hedge meetings has dissipated. More than one-quarter of IROs reported decreased interaction with hedge funds during the past year, which in part may be due to the spike in funds closing up shop. Meanwhile nearly 60% said that the frequency of interaction remains unchanged.



TARGETING AND PRIORITIZING MEETING REQUESTS

- Nearly 85% of participants indicate they target investors, whether it is a formal or informal strategy that is employed. This figure is higher for mega-cap companies – 100% of mega-caps target investors – and lower for micro-cap companies (75%).
- A myriad of resources are used by companies to help with targeting efforts, notably databases and personal knowledge and experience.
- Interestingly, when we asked IROs about practices used now that they wished they had known about when they started the role, one frequent response was, "I wish I'd started targeting earlier," and another was "I wish I'd started using a contact management system or database sooner."



FIXED INCOME INVESTORS

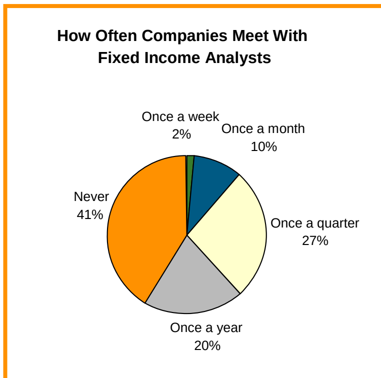
Participants were asked about who maintains responsibility for fixed income investors and who meets with them, along with various other questions regarding communications between the company and its bondholders.

RESPONSIBILITY FOR FIXED INCOME ANALYSTS

- IROs at nearly 56% of the participating companies are the primary point person for fixed income issues, while CFOs (41%) and Treasurers (40%) account for the remainder.
- Among mega-cap companies, the Treasurer is most likely to take the lead in fixed income outreach. At smaller-cap companies, the CFO often doubles as Treasurer.
- At 70% of Telecom respondents, the Treasurer takes the lead in fixed income outreach. Meanwhile, at 75% of Utilities companies, IR takes on that responsibility.

FREQUENCY OF MEETINGS

- Across all companies, fewer than 12% of IR teams meet with fixed income analysts once a month or more. IROs at 41% of companies say that they never meet with fixed income analysts, while the rest meet either once per quarter (27%) or once per year (20%).
- The larger the market cap of the company, the more frequently it meets with fixed income investors.
- Telecom, Utilities, and Energy companies report the greatest meeting frequency, with more than 60% of each indicating that they meet once per quarter or more frequently with fixed income analysts. Industrials and Consumer Staples companies also have slightly greater meeting frequency.



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TARGETING FIXED INCOME INVESTORS

- Overall, very few companies (13%) report that they target fixed income investors. By sector, Telecom and Utilities investors are notable for targeting more (one-third of each sector), while no Consumer Staples companies report targeting fixed income investors.
- By size, mega-caps buck the overall trend, with 30% stating that they target fixed income investors.
- In terms of geography, 23% of European respondents target fixed-income investors. Only 12% of North American and 14% of Asia Pacific respondents do so.

BONDHOLDER IDENTIFICATION

- Meanwhile, just over one-third of overall companies take steps to identify bondholders (36%). By sector, Utilities companies are most likely to identify bondholders (67%), while Information Technology companies are least likely (17%).

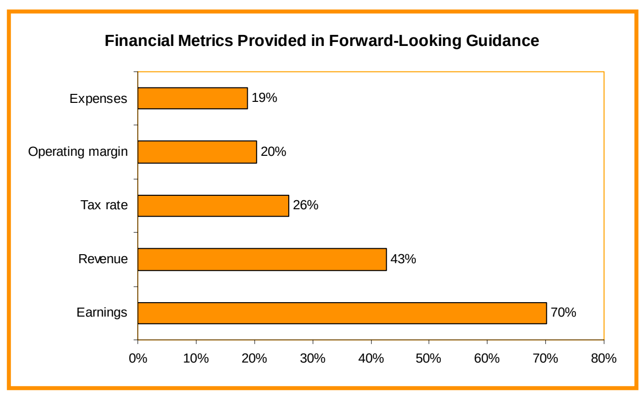
EARNINGS CALLS / GUIDANCE PRACTICES

EARNINGS CALLS

- Overwhelmingly, CEOs and CFOs participate in earnings calls. However, this is not across the board: in Europe and Asia, the CFO is the critical participant, while in North America more members of management are likely to participate, notably the CEO.
- CEOs of mega-cap companies are least likely to participate (60%, a sharp drop from 73% in 2007), while CEOs of small-, mid-, and micro-cap companies are most likely to participate.
- Division heads also are frequent participants on calls at more than one-third of mega-cap companies, and about one-quarter of large- and mid-cap companies. Certain sectors also see greater participation from division heads, notably Energy and Financials companies (37% each), and Consumer Staples companies (31%). In addition, 27% of Asia Pacific companies include division heads on earnings calls.
- Treasurers of Utilities companies (21%) tend to participate frequently on calls.
- At 20% of Health Care companies, the CSO or Head of R&D is likely to participate on the call.

GUIDANCE

- Nearly three-quarters of respondents indicate that their companies provide some type of forward-looking guidance. This number is down slightly versus the 80% reported two years ago. In one-on-one interviews, some companies complained that the recent market and economic volatility has reduced visibility, making it more difficult to provide forward-looking financial guidance with any accuracy. As a result, some companies have chosen to rescind guidance until market conditions stabilize.
- However, only 22% of respondents said they are considering changing current guidance policies.
- Asia Pacific companies are least likely to provide guidance (45%), followed by Europe companies (33%). Only 22% of North American companies do not provide guidance.



- Micro-cap companies also are least likely to provide guidance (40%), as are Financials companies (55%).
- Of those providing guidance, most provide it in the form of annual guidance only. This is particularly true among Utilities, Health Care, and Telecom sectors. By comparison, Information Technology companies are most likely to include quarterly guidance.
- Of those that do provide guidance, 70% provide earnings information, followed by revenue guidance (43%). These metrics are generally consistent across market caps and regions, but vary widely by industry. For example, very few Financials and Utilities

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companies provide revenue guidance, while upwards of 90% of Consumer Staples companies offer earnings guidance, far outpacing all other industry groups.

"We are one of the few companies that will give out guidance for the following year early. It's one of the things we didn't do this year, because of the uncertainty…Once we get more stability and the uncertainty goes away, we'll be able to talk more clearly about what we think will happen, including our 2010 guidance." ~ Large-Cap, Industrials Company

ANALYST DAYS

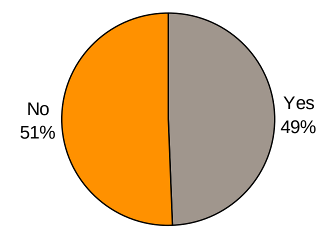
Although analyst days are generally considered an effective way to reach out to a broad cross-section of analysts and investors, the particulars of holding an analyst day vary widely among companies.

Of particular note this year, a number of IROs faced with tighter budgets sought to reduce costs related to analyst days. For some, this meant deferring the event altogether until 2010. For others, this meant reducing the length of the event, switching to a less-expensive venue or city, or cutting back on giveaways, meals, and other frills related to the event.

HOLDING AN ANALYST DAY

- 49% of companies surveyed are planning to hold an analyst day in 2009, down from 58% in 2007.
- Of the approximately 51% not planning an analyst day, the largest proportion is from small- and micro-cap companies, who likely have a smaller budget to devote to such activities of who hold events less frequently.
- Energy and Telecommunication companies are least likely to hold an analyst day. Utilities and Health Care companies are most likely to hold an analyst day.
- On a regional basis, two-thirds of European companies plan to hold an analyst day in 2009, much higher than North American or Asia Pacific counterparts.
- In terms of frequency, companies are most likely to hold an analyst day annually (36%), followed by "less frequently than every other year" (22%) and "never" (21%). Micro-cap companies are least likely to hold an analyst day at all.

Companies Planning to Hold Analyst Days in 2009



LENGTH OF EVENT

- Short and sweet remains the industry standard, with many companies switching from full-day to half-day events.
- Most companies organize a half-day analyst event (57%), followed by a full-day event (24%). This is especially true among North American companies, where half days outnumber full day events by a 2-to-1 margin. However, European and Asia Pacific companies are just as likely or more likely to offer a full as a half day, which may indicate a cultural difference where a relaxed environment for building relationships is valued over time compression.
- Healthcare, Information Technology, and Consumer Discretionary companies are most likely to provide half-days or less. Telecom and Consumer Staples companies are most likely to offer an analyst day that runs for a full day or longer.

LOCATION

- Hotels remain the preferred venue for analyst days, particularly among North American companies, by a wide margin.
- The number two choice is the company's headquarters or another company facility. In Europe both remain popular choices.

ONE-ON-ONE MEETINGS SURROUNDING THE EVENT

- Two-to-one, companies do no schedule one-on-one meetings with investors around analyst days.
- Mega-cap and micro-cap companies are the exception to this rule (59% and 44% respectively schedule one-on-ones at the event). In addition, 58% of Telecom companies said they schedule one-on-one investor meetings around analyst days.

MEASURING SUCCESS

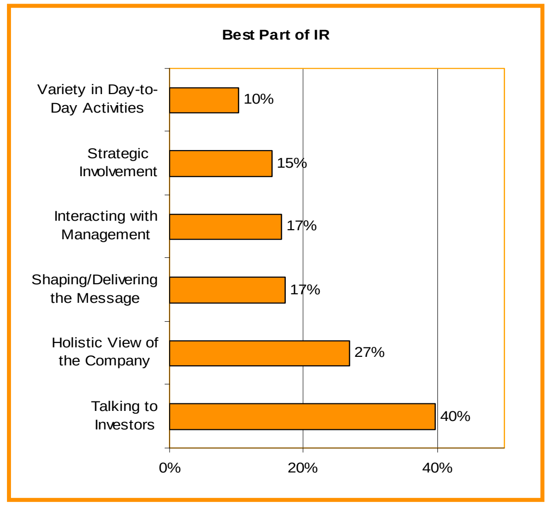
- To gauge the success of an analyst day, most companies rely on sell-side notes (54%) and anecdotal feedback from attendees (52%). Another 29% place phone calls to attendees to solicit feedback.

CURRENT VIEW ON IR

This section reveals both the positives and negatives of IR as expressed by participants when asked to describe the best and worst parts of their jobs. The results showcase that what one professional deems rewarding, another may characterize as challenging.

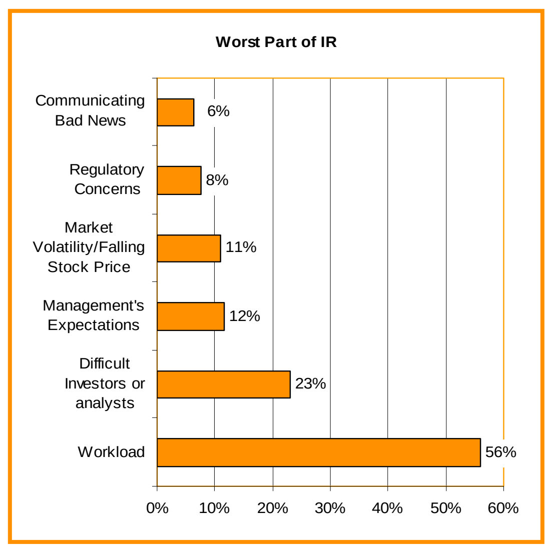
BEST PART OF IR

- Nearly 40% of IR professionals with whom we spoke agreed that the best part of their job is interacting with investors, an audience IROs consider to be "intelligent" and "insightful."
- Furthermore, they welcome the challenge of responding to questions from analysts and the external perspectives on their company they gain from this interaction. As further evidence, 27% said they value gaining a "holistic" view of the company as the best part of the IR job.
- Continuing, 17% of participants said that shaping and articulating the message is a highlight of their role.
- Another 17% report that working with senior management and being involved in the core aspects of the organization is the best part of IR. Another 15% cited strategic involvement and the opportunity to affect decision-making within the company.
- The diversity of the role and multiple skill sets required and employed in IR was mentioned by 10% as an attractive component of the job.



WORST PART OF IR

- Meanwhile, more than half of IR professionals said the worst part of IR is their workload, citing everything from the general 24/7 nature of the job to the tasks such as preparing scripts for earnings calls, scheduling and logistics for meetings, administrative tasks, and proofing press releases.
- While 40% of those polled said working with investors is the best part of their jobs, 23% concede that this interaction is not without its disadvantages. They report an increase in demands for time and information from various external constituencies, including smaller institutions, hedge funds, sell-side analysts, and retail investors.
- Moreover, while many IR professionals relish the opportunity to work with their senior managers, 12% acknowledge that it can be difficult to meet management's expectations, especially as it pertains to the IR team's ability to control stock price. Indeed, another 11% cite market volatility and sagging stock prices as a particular pain point. *"It's difficult to stay positive and on message when the stock is tanking*," warned a Micro-cap Consumer Discretionary company.
- Communicating bad news is considered the worst part of IR by 6% of IR professionals. Another 3% singled out dealing with "uninformed" retail investors as the worst part of the IR position.



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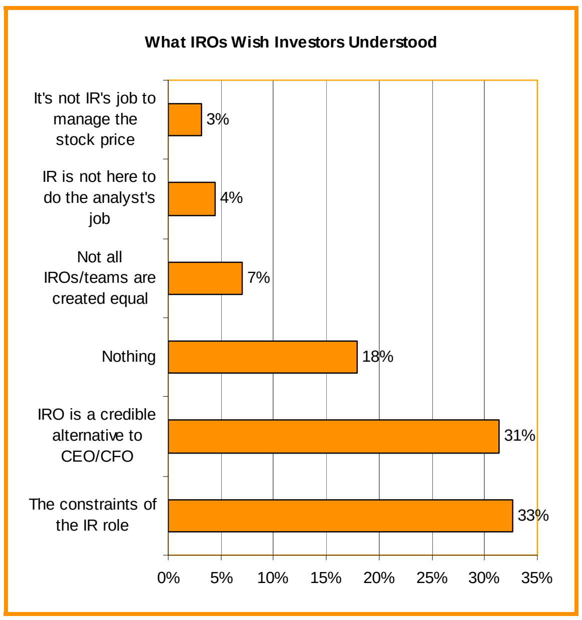
WHAT IROS WISH INVESTORS UNDERSTOOD

Although IR professionals spend significant chunks of time thinking about and talking to investors, few investors put the same time and effort into understanding how IR pros think.

- When asked, "what do you wish the investment community better understood about the role of investor relations?" nearly one-third of IR professionals said they wished investors understood the constraints of the IR role, spanning constraints related to time, limited availability of senior management, or regulations restricting how much information can be provided at a given time.
- Another 31% said they wished investors understood that IR is often a strategic role, meaning that IR is a credible and informed alternative to the CEO and CFO for answering investor questions.
- While 18% of respondents felt that investors have a good understanding of the IR role, this was clearly a minority opinion. Seven percent said that investors need to appreciate that the knowledge and strategic role of IR professionals can vary widely from company to company.
- In addition, 4% expressed frustration that some investors mistakenly hold IR responsible for a company's stock price, and 3% wished investors understood that IR is a resource, but is not meant to do the analyst's job.



DIRECT CLIENT FEEDBACK

"Sometimes the investment community may not be as dialed in or as appreciative of the confines that the IR person is trying to operate within. You've got a bunch of boundaries, whether they are external, like regulatory, or internal, like a competitive type thing, that you're trying to operate within." Small-cap Consumer Discretionary Company

"We do more than hand out presentations in meetings…We have a very good understanding of the company's strategy and for the most part can answer detailed questions about the company." Large-cap Energy Company

"There is a huge variance between good and bad in this industry. Some IROs are good and some are bad. And management as well. The more good IROs out there, the more the buy-side relies on IR." Small-cap Information Services Company

That we really are trying to be helpful within the guidelines that we need to adhere to. When they ask for additional information that we can't provide, it's not because we are trying to be difficult. We honestly can't provide it. I think the sell-side gets that, at least for us. The buy-side I think sometimes has this perception that we are withholding information, and that's not the case. Mega-cap Healthcare Company

Do your homework first. We're not here to read a bunch of numbers that you could have looked up and read yourself. Large-cap Information Technology Company

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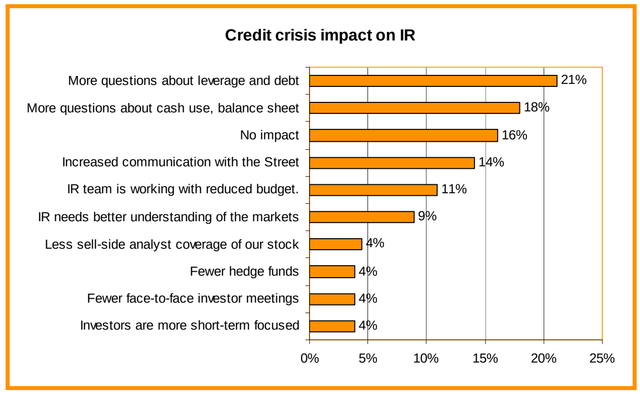
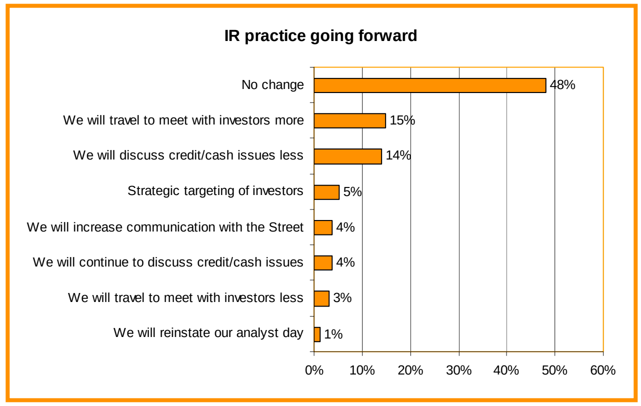
IMPACT OF CREDIT CRISIS / VOLATILITY

Since our last IR Practices study in 2007, the impact of the global credit crisis and resulting market volatility has been keenly felt by IR professionals all over the world. So we asked IROs to explain exactly how these pivotal events have impacted the practice of investor relations, and how practices are likely to shift going forward as the economy and markets stabilize.

- Regarding the impact of the credit crisis on IR, the number one answer from IROs (21%) was that it has spurred an increase in questions about leverage and debt, and 18% noted an uptick in questions related to cash usage and the company's balance sheet.
- However, many anticipated that would both drop off after the markets and economy stabilize, and that investors would return to focusing on fundamentals again. Only a minority (4%) expect to continue to incorporate credit and cash flow issues in investor conversations going forward.
- Meanwhile, 16% of IROs said the credit crisis had not impacted the practice of IR, and most of the investors in this category also predicted their IR practice would remain unchanged after markets stabilize.
- Other major changes effected by the credit crisis included increased communication with investors; a reduced budget; and decreased sell-side analyst and hedge fund presence.
- Looking ahead, IR pros predict that as the market stabilizes, companies will exit reactive mode to refocus on strategic targeting of investors, increase general investor communication, and reinstate big-budget items such as travel and analyst days.





DIRECT CLIENT FEEDBACK

"In a lot of ways, it hasn't changed. It's not so much what we're doing differently, there aren't things we've completely dropped or picked up. In general, it's more the tone of the conversation…The environment has completely changed again…I don't get a single question about the balance sheet anymore…No one asks about the debt anymore. The questions are all trends, how the businesses are going." Mid-cap Consumer Discretionary Company

"The volatility of the stock is driven by the economic downturn of the economy and credit crisis rather than company initiatives. It makes it difficult to benchmark any IR practices in this environment." Small-cap Financials Company

"We do less traveling and there have been changes in our shareholder base. A lot of analysts are leaving or being laid off and having no contact at firms that hold a lot of shares is difficult." Large-cap Healthcare Company

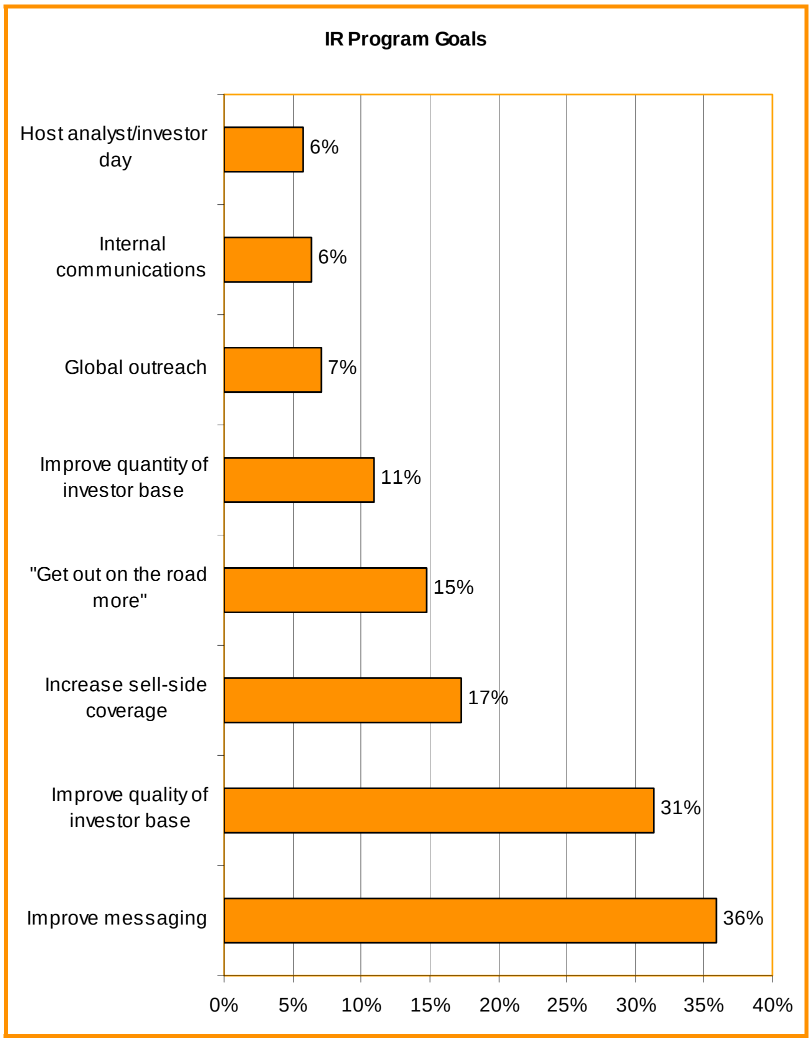
"In addition to reinstating events such as Investor Days, we will maintain and enhance practices developed in delivering the message to the investment community in a more cost-effective manner." Large-cap Energy Company

"I expect we will be more proactive in going out to meet with investors. I expect that we would attract some additional sell-side analysts again. Today we are more reactive with more of an internal focus. We are trying to focus on the business itself." Micro-cap Consumer Staples Company

IR PROGRAM GOALS

Looking ahead, we asked IR professionals to identify the goals for their IR program over the next 12 months.

- While plans varied widely from company to company, more than one-third (36%) expressed interest in improving IR messaging, while another 31% said they plan to ramp up targeting and other efforts to improve the quality of their stock's investor base.
- Other activities cited frequently included increasing sell-side analyst coverage (17%), increasing the number of visits to see investors (15%), increasing the quantity of investors (11%) and increasing outreach to non-domestic investors (7%).
- While not reflected in the chart below, an additional 2-3% of respondents included the following activities in their year-ahead IR goals: focusing on regulatory compliance (3%), improving the IR website (3%), and establishing or improving retail strategy (2%).



DIRECT CLIENT FEEDBACK

"Have a better understanding of who our shareholders are, who our potential shareholders are, people that we may be missing domestically and internationally that should own our stock but do not, continue to interface with our shareholders and potential shareholders in a very positive way, whether that means more face-to-face time with the shareholders or potential shareholders. Also, we never had an Analyst Day and that maybe is something that we want to look at." Large-cap Energy Company

"We will continue to increase global shareholder base, with focus on sovereign wealth funds, increase stock valuation to traditional levels, in the short term, in-line with S&P 500. We continue to increase disclosure to hopefully give investors more confidence, thereby increasing valuation." Mega-cap Industrials Company

An investor day. Have management out on the road once a quarter. Get additional information on some of our product lines on our website so it's easier for investors to look at what we have and understand our business." Small-cap Financials Company

"Over the next 12 months we'll do 12- 14 conferences, we'll do an investor day, we'll do a minimum of four press releases, it will be all the same stuff. I always set as a goal of doing better targeting; it's the first thing that falls off the table." Mid-cap Healthcare Company

"I would like to increase our analyst coverage and I want to increase our financial media exposure. I also want to target more long-term investors just to minimize the volatility in the stock, including retail investors." Mid-cap Industrials Company

"Develop our messaging, cultivate sell-side interest in relationships, establish processes for quarterly earnings calls, hold an analyst day, plan and conduct non-deal road shows to introduce management to investors." Small-cap Materials Company

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THE 2009 IR BEST PRACTICES FULL REPORT CONTAINS

- Nearly 200 tables summarizing the results of a comprehensive online survey completed by more than 500 companies, categorized by region, market-cap, and sector.
- Written summaries highlighting the dominant themes that emerged from each of the interview questions, as well as a quantitative assessment and graphical display of the findings from candid discussions with more than 160 IR professionals.
- Colorful and insightful quotes from IR professionals across market caps and sectors. These excerpts range from what IROs wish investment professionals understood better to key IR goals.
- Full listing of the online survey and interview questions.
- Full listing of participating companies.

For more information or to see if you qualify for the 2009 Full Report, please contact corporateservices@thomsonreuters.com or call.

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