



THE BANK OF NEW YORK MELLON



May 15th - 16th, 2008

What Every IRO Should Know

IR Training for DR Issuers

Agenda – Thursday 15th May

Thursday 15th May

8:30am

REGISTRATION & COFFEE

9:00am

Welcome & Overview - *Michael Cole-Fontayn, The Bank of New York Mellon*

9:30am

The Role of IR in Turbulent Markets - *Michael Mitchell, The Investor Relations Society*

10:30am

Global Trends in Investor Relations: Highlights from BNYM's Annual Survey - *Joseph Oakenfold, The Bank of New York Mellon*

11:00am

COFFEE BREAK

11:30am

Share ID: How it is done, what it means, and how to use & interpret the data - *Mark Simms, Capital Precision*

12:45pm

LUNCH

1.45pm

Crafting An Investment Message - *Steffan Williams, Capital MS&L*

3.30pm

END OF SESSION

5.30pm

Evening Event: Sunset cocktails on the London Eye, followed by dinner at NOBU restaurant at the Metropolitan Hotel

Section I.

The Role of IR in Turbulent Markets

Michael Mitchell – The Investor Relations Society



Agenda

- What's been happening in world markets
 - How does IR help
 - Role of the IRO
 - Target audiences
 - The IR programme
 - Dealing with the Board
 - Conclusion
-



Market Background

- The Sub-prime 'crisis in the US has spilled over into other areas
 - Banking, housing, construction and retailing
 - Stock market turbulence
 - Currency divergence \$ and £ down, € and renminbi up
 - Potential impact on economic growth
- Massive increases in raw material prices
 - Increased demand from emerging markets
 - Speculation/Hoarding
 - Inflationary pressures

Uncertain outlook for 2008/9



How has this impacted companies?

- Increase in share price volatility
- Major impact on Balance Sheets of financial institutions
- Flight from risk / aversion to complex instruments
- Hunger for information
- Renewed focus on corporate governance
- Emergence of Sovereign Wealth Funds as 'investors of last resort'

Increased need for good communications



What have companies done?

- Some CEOs have ‘fallen on their swords’
- Some are still brazening it out
- Disclosure of bad news has often been piecemeal (whether deliberately or because of lack of knowledge)
- Some major changes in strategy
- All management teams have come under increased pressure for improved disclosure

Need for good investor relations even more important



What is IR?

‘Best practice IR provides the context in which shareholder & potential investors can make an informed judgement about the fair value of a company’s shares consistently over time’

(The Investor Relations Society)

‘The broad range of ways in which a quoted company communicates with the various investors - & potential investors – in its shares’

(London Stock Exchange)



How does IR help

- Facilitates communication
- Allows two way dialogue
- Improves understanding
- Optimises management time spent on investor communications
- Creates conditions for a fair valuation

IR is not a substitute for a sound business strategy

IR cannot 'make the share price go up'

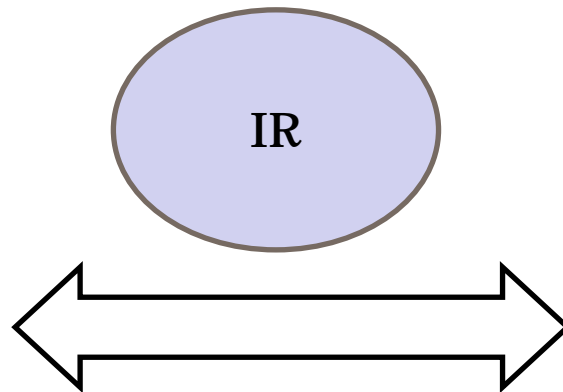


Why is IR important?

Helping the market understand the Company's investment proposition

The Company

Operations
Management
CFO
CEO



The market

Buy side analysts
Sell side analysts
Fund managers
Private investors
Media



Role of IRO

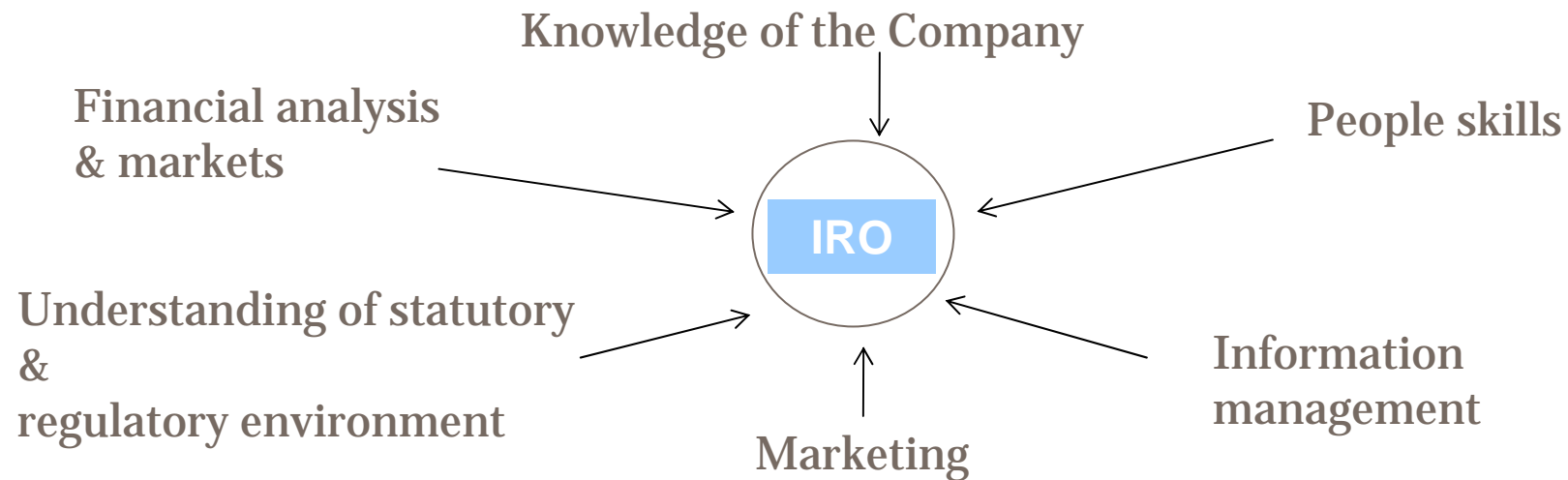
- Communications strategist
 - Perception manager
 - Marketer
 - Facilitator
-



Key responsibilities

- Managing expectations
 - Information flow
 - Annual IR programme/strategy
 - Compliance with regulatory environment
 - Crisis management
 - Shareholder analysis/targeting
 - Communication management
 - Dealing with pressure/special interest groups
-

Key Internal Audiences



Key External Audiences



Key Internal Audiences

- The Board
- CEO & CFO
- Finance team
- Operational managers
- Employees



Key External Audiences

- Analysts (sellside)
- Institutional investors (buyside)
- Financial press
- Media – national and trade
- Private shareholders (retail)
- Market makers & brokers
- Company advisors – brokers, PR agency, auditors, design agency



Typical annual IR programme

- Financial results – Annual / Half Year / IMS
 - Roadshows – UK, Europe, USA,
 - AGM
 - Ad hoc announcements i.e. M&A, trading updates
 - One on one meetings, lunches & interviews
 - Analyst day
 - Site visits
 - Conferences
-



Shareholder analysis / targeting

- Foundation of the IR strategy
 - Identifies institutional/beneficial ownership
 - Allows tracking of ownership
 - Peer group analysis
 - Institutional profiling
 - Investor targeting
-



Communications management

- Ensure consistency between dissemination channels
 - Company reports
 - Presentations/brochures
 - Website
 - Conferences/events
 - Meetings
 - Phone/Email
-



Managing expectations and information flow

- Providing accurate, timely information to the market
 - Always keep the market informed – in good times and bad
 - Managing key messages/positioning
 - Monitor the forecasts of analysts
 - Respond promptly to queries from all stakeholders
-



Inside Information

Definition

Section 118c of FSMA regards an issuer as having insider information if the information is precise 118c(1); is not generally available 118c(2a); relates to qualifying investments 118c (2b) and would be likely to have a significant effect on the price of the issuer's financial instruments 118C(2c)

Disclosure rules

LIST!



Dealing with the Board

- Reporting line into the CFO
- Close working relationship on day to day basis
- Present market feedback at Board meetings
- Regular provider of market information



Preparing Board Reports

- Market feedback
 - Research
 - Shareholder analysis
 - Investor perceptions
 - Data and trends
-



5 Practical 'Cs' of IR

- Clarity - message, strategy, key points
 - Consistency - investors have long memories
 - Credibility - your technical competence
 - Continuity - talk in good and bad times!
 - Conduit - two way flow of information
-



Section II.

Global Trends in Investor Relations - A Survey of Depositary Receipts Issuers Worldwide

Joseph Oakenfold – The Bank of New York Mellon

Executive Summary – Why we do it

- **Annual survey of DR issuers worldwide to identify common IR practices.**
- **Survey examined, amongst other things:**
 - **Goals and priorities of IR strategies**
 - **Scope and frequency of IR outreach activities**
 - **How DR issuers leverage external resources**
- **Develop a benchmarking tool – by region, program type and market capitalisation.**
- **Establish a platform to discuss how The Bank of New York Mellon can support its DR clients' global IR programs.**

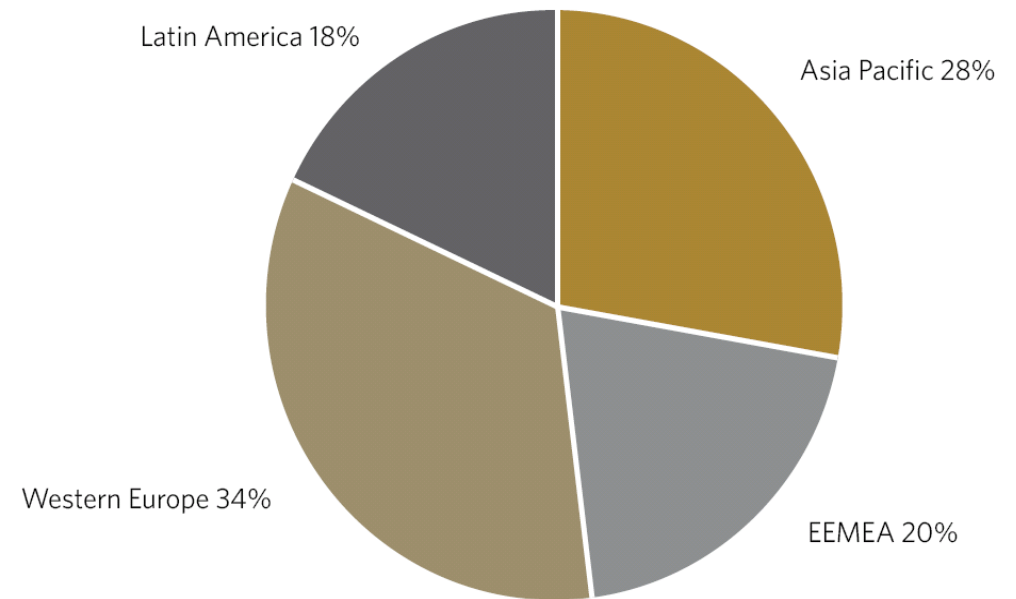
Key Findings

- **Issuers share a common goal: elevating demand for their DRs in the international investment community**
- **A company's market cap has far greater influence on the results than its region**
- **Investor Relations plays a key role in the companies surveyed, with both personnel and infrastructure being allocated to the function**
- **Investor outreach is global and consistent amongst survey participants**
- **A rising share price isn't always the primary objective of the IR team**

Respondent Profiles: Geographic Region

Of the 172 respondents:

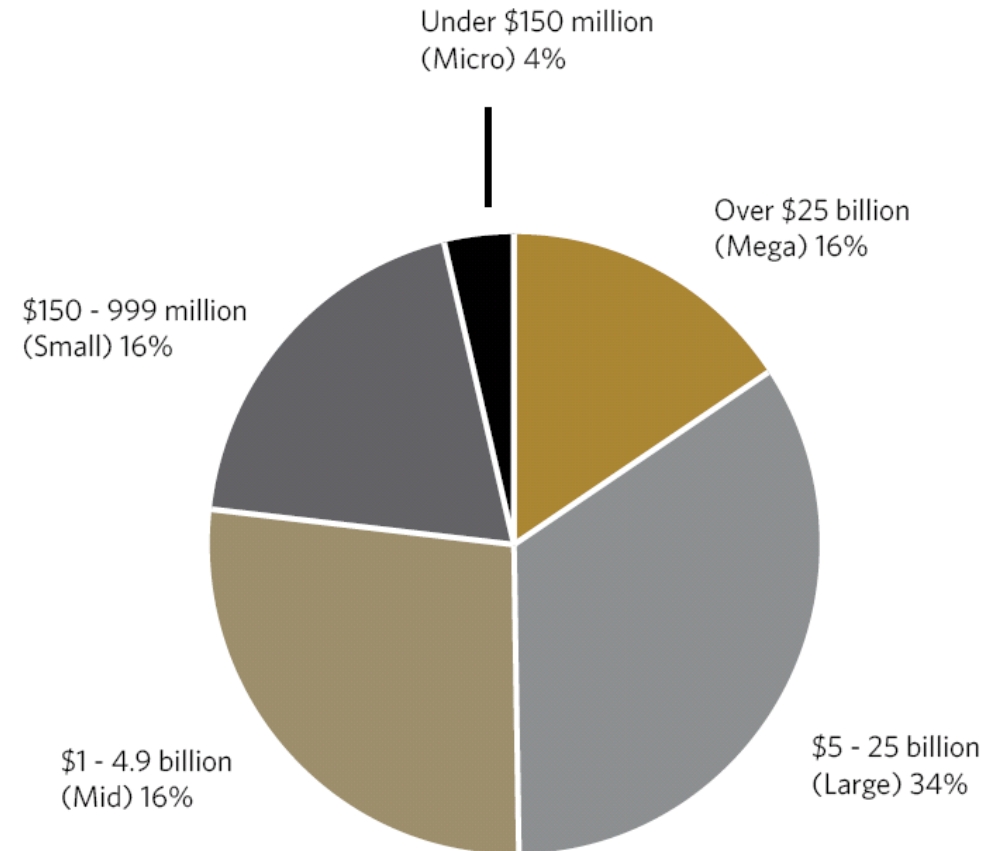
- 34% are from Western Europe
- 28% are from the Asia-Pacific region
- 20% are from the Emerging Europe, Middle East and Africa (EEMEA) region
- 18% are from Latin America



Respondent Profiles: Market Capitalization

Of the 172 respondents:

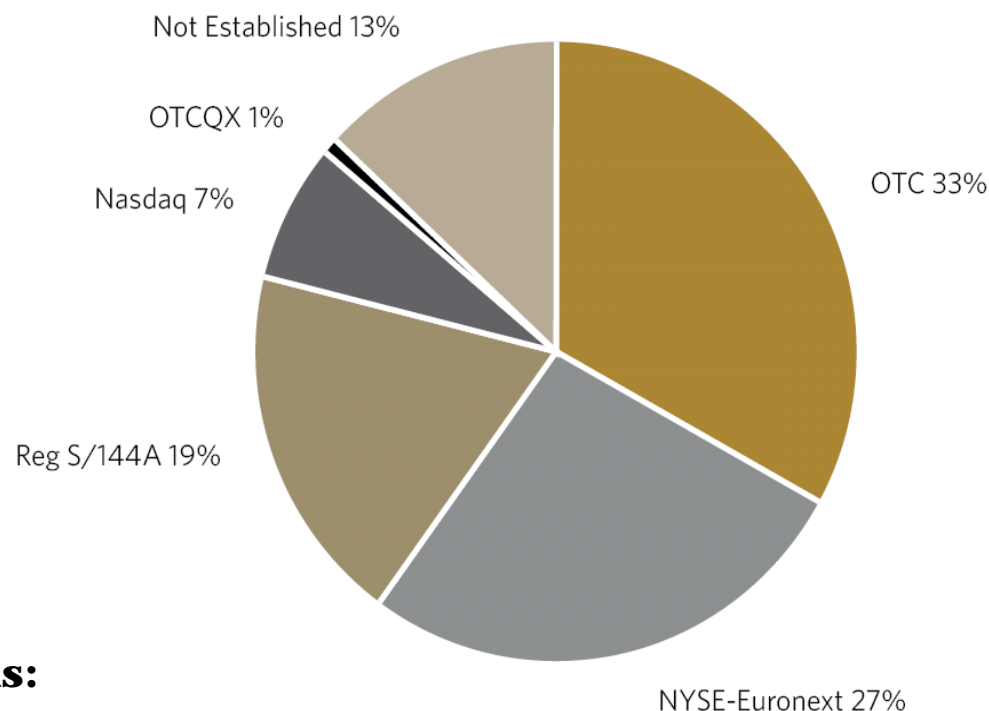
- 16% are mega-cap companies
(Over \$25 billion)
- 34% are large-cap companies
(\$5 – 25 billion)
- 27% are mid-cap companies
(\$1 – 4.9 billion)
- 19% are small-cap companies
(\$150 – \$999 million)
- 4% are micro-cap companies
(Under \$150 million)



Respondent Profiles: Program Type

Of the 172 respondents:

- 33% have DR programs that trade over-the-counter (OTC)
- 27% have DR programs listed on the NYSE-Euronext
- 19% have Reg S/144A DR programs
- 13% do not currently have a DR program
- 7% have NASDAQ-listed DR programs
- In addition, one respondent's DR program traded on OTCQX



Depository Bank Relationship

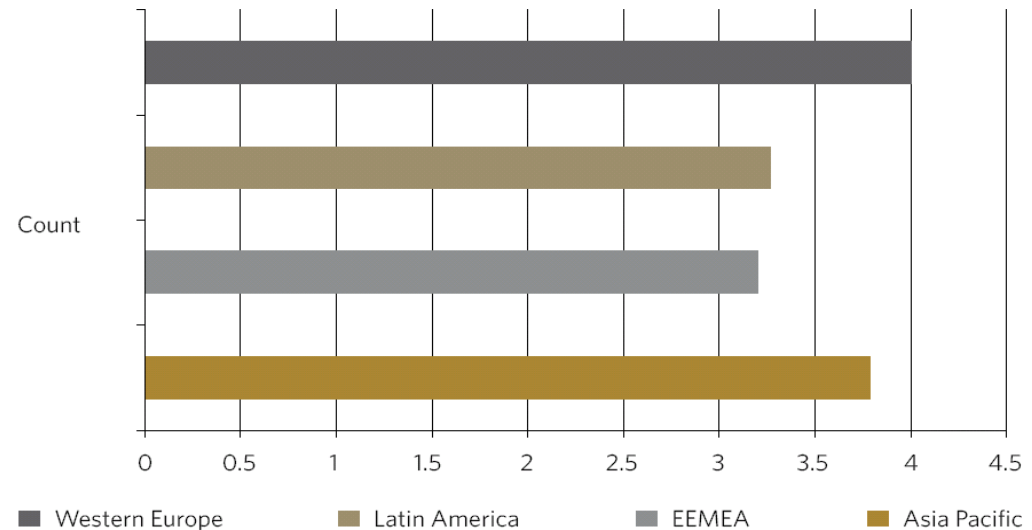
Of the 151 respondents with DR programs:

- 95% are Bank of New York Mellon DR clients
- 5% are DR clients of other depositories

Regional Findings - Staffing

How many employees are in your Investor Relations department?

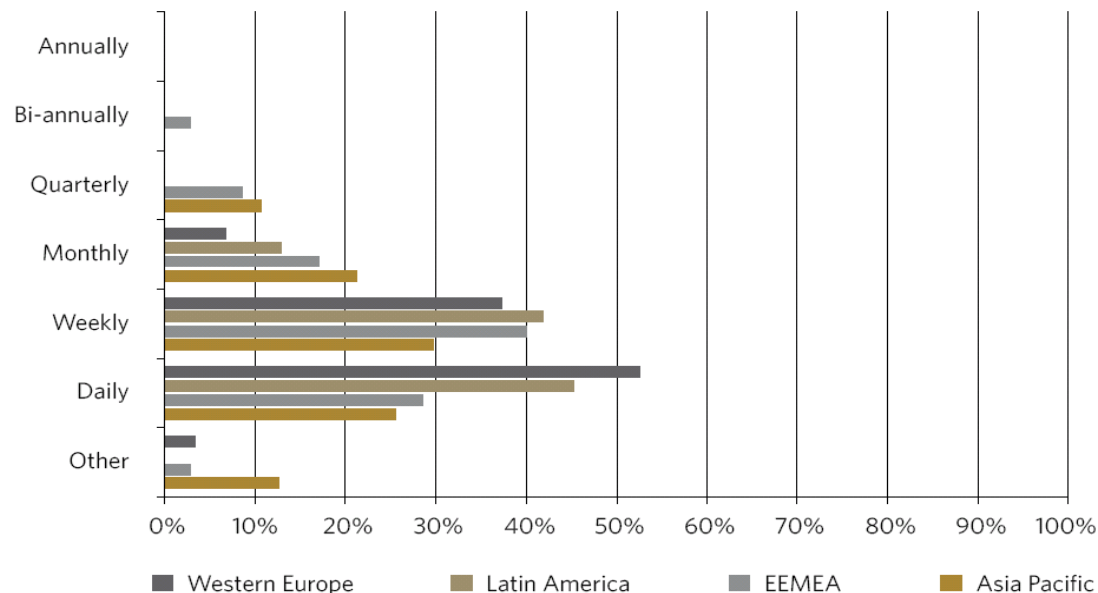
- EEMEA issuers have 3.2, the lowest average between the regions



Regional Findings – Internal Communication

How frequently does the IR department give counsel to the CEO/CFO?

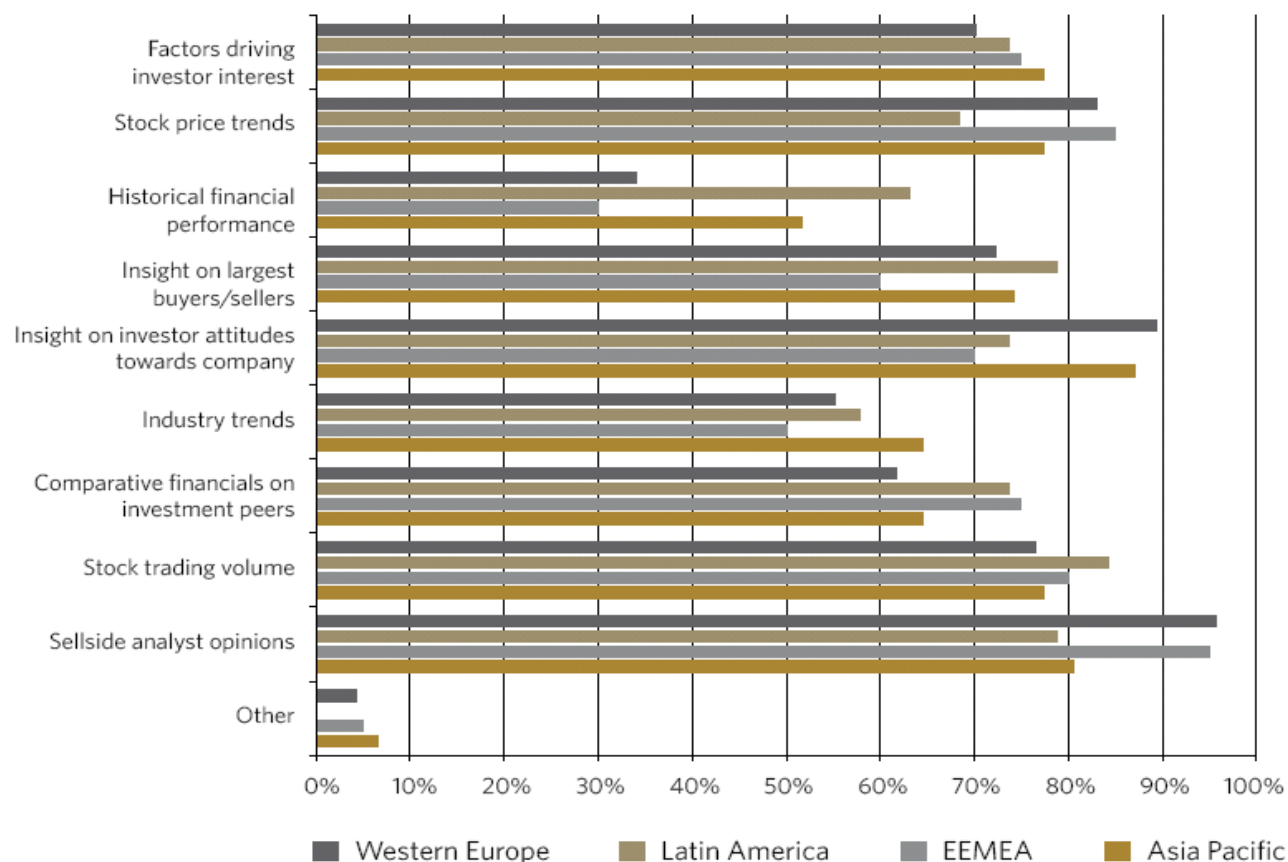
- Globally, IR departments give counsel to the CFO more frequently than they do to the CEO.
- The greatest percentage of Western European (52%) and Latin American (45%) respondents counsel the CFO daily.
- EEMEA issuers are more likely to give counsel to the CFO weekly (40%).



Regional Findings - Information Flow

What type(s) of information does the IR team provide to senior management? (Select all that apply)

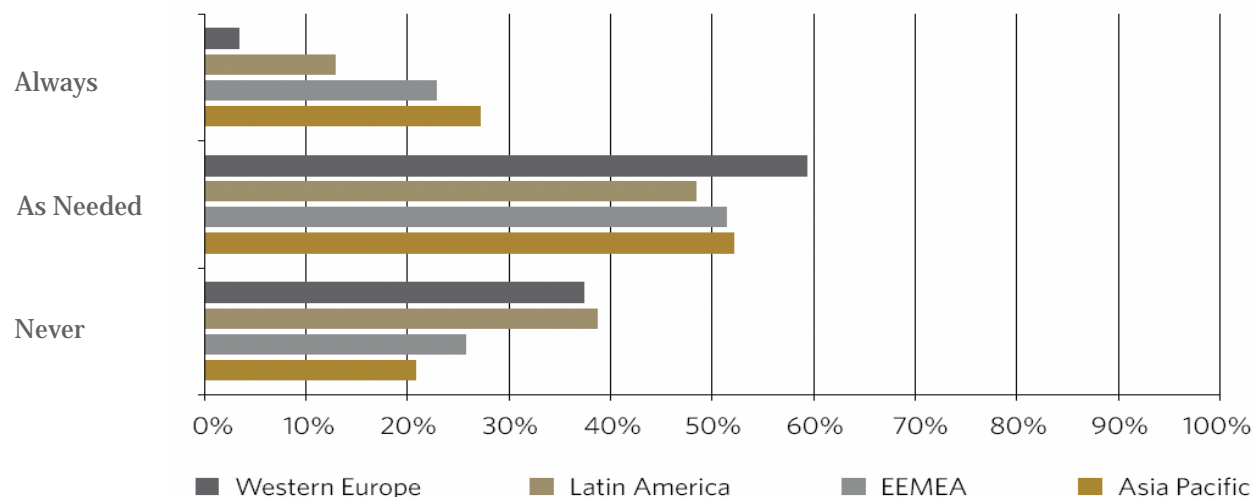
- EEMEA issuers tend to report analyst opinions and share price (quantitative) information more frequently than issuers in other regions.
- Other regions concentrate on more frequent provision of information on shareholder composition and investor feedback.



Regional Findings – Board Contact

How often does the IRO present at board meetings?

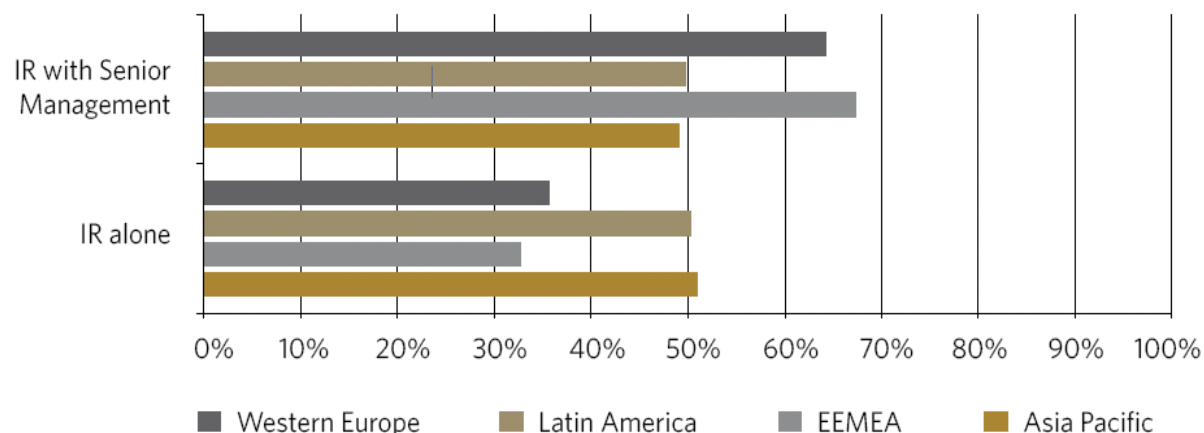
- IROs in the EEMEA region present more frequently at board meetings than IROs in other regions.



Regional Findings – Investor Meetings

What percentage of your meetings with the investment community are conducted with senior management?

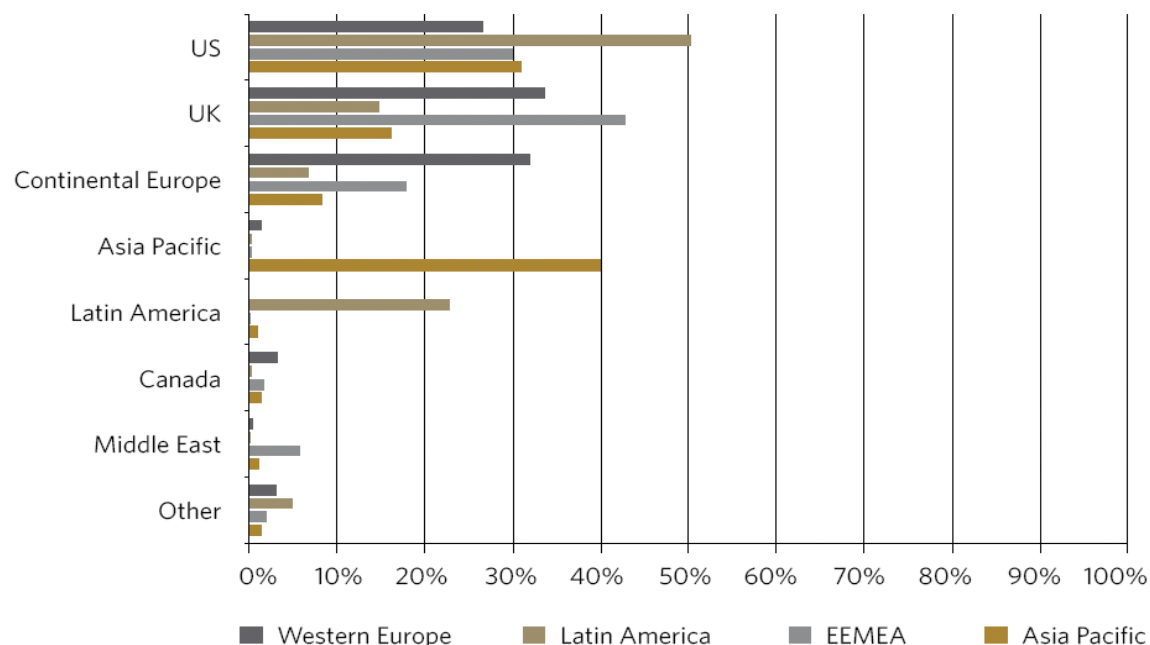
- Senior management of Western European and EEMEA companies participate more frequently in IR meetings than senior management of their DR issuer counterparts in Latin America and Asia Pacific.
- IROs in the EEMEA region are less likely to meet with investors on their own than the IROs in other regions.



Regional Findings - Roadshows

What is the approximate annual percentage of company road shows done in the regions mentioned below?

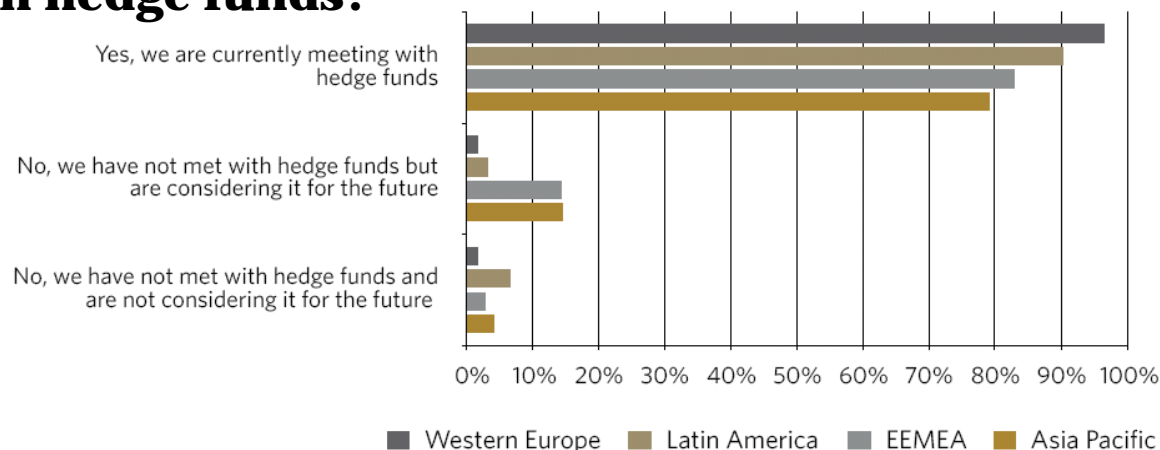
- DR issuers concentrate their road show activities in the financial centers closest to their home base.
- At the same time, companies in all regions dedicate at least 25% of their roadshow efforts to the U.S., making the U.S. the most common destination for road shows overall.
- EEMEA issuers spend almost double the time road showing in the UK than IROs from other regions.



Regional Findings – Hedge Funds

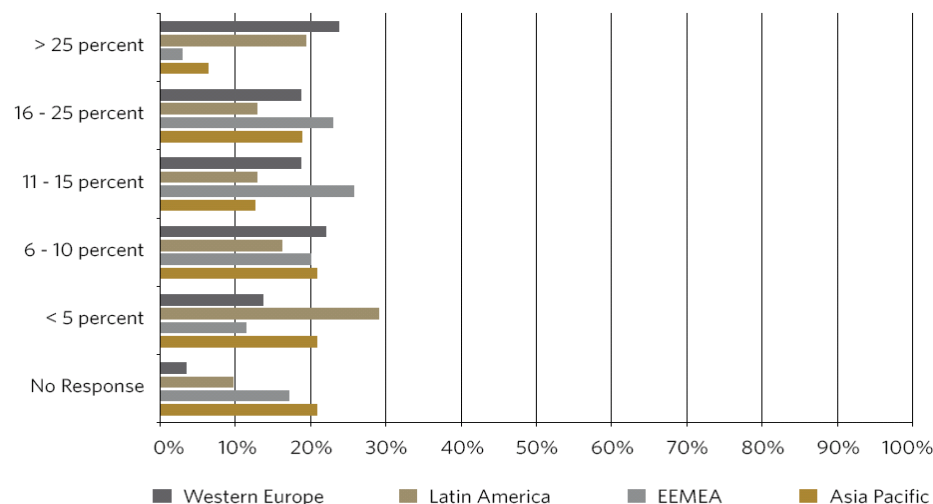
Does your company meet with hedge funds?

- The vast majority of DR issuers from all regions recognize the value of meeting with hedge funds, with 88% on average globally reporting they are currently meeting with hedge funds.



What percentage of your meetings are with hedge funds?

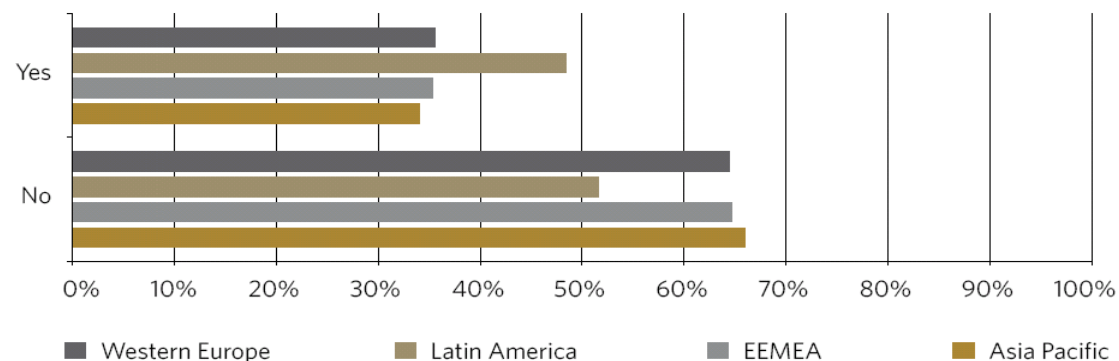
- The percentage of an issuer's total meetings that are with hedge funds varies from region to region and within each region.



Regional Findings – External Counsel

Do you use external IR Counsel?

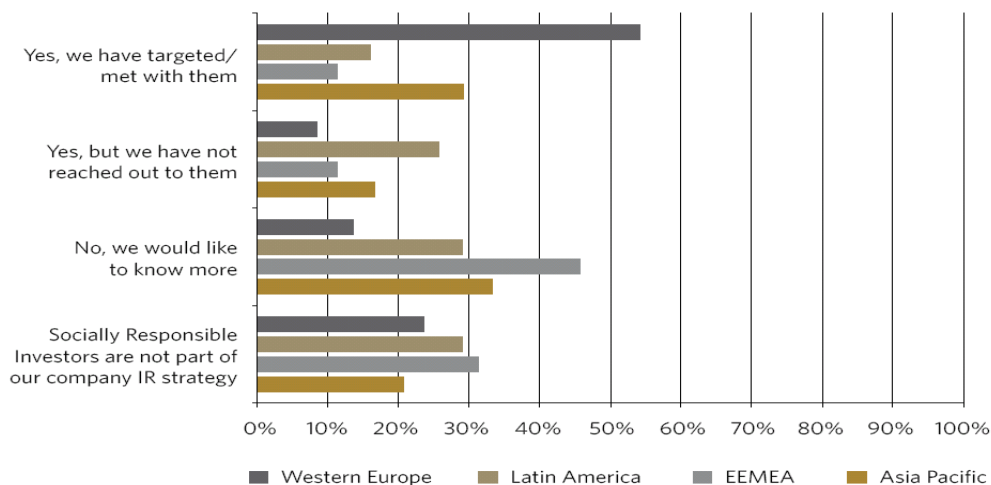
- Use of external IR counsel varies to a greater degree on a market-cap basis rather than regionally, with the exception of Latin America.
- The level of IR consultancy use is surprisingly low across the board given the complexity of International markets, the range of services IR firms provide and the relative size of internal IR teams.



Regional Findings – Corporate Social Responsibility

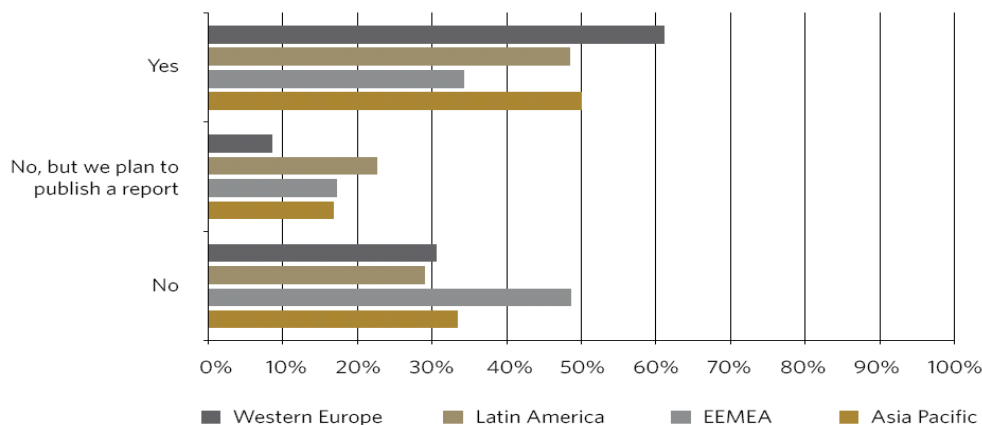
Is targeting socially responsible investors part of your investor relations strategy?

- Western European issuers lead the respondents on targeting and meeting with socially responsible investors (54%), followed by Asia-Pacific issuers at 29%.
- Only 11% of EEMEA issuers target or meet socially responsible investors.



Does your company publish a corporate social responsibility report?

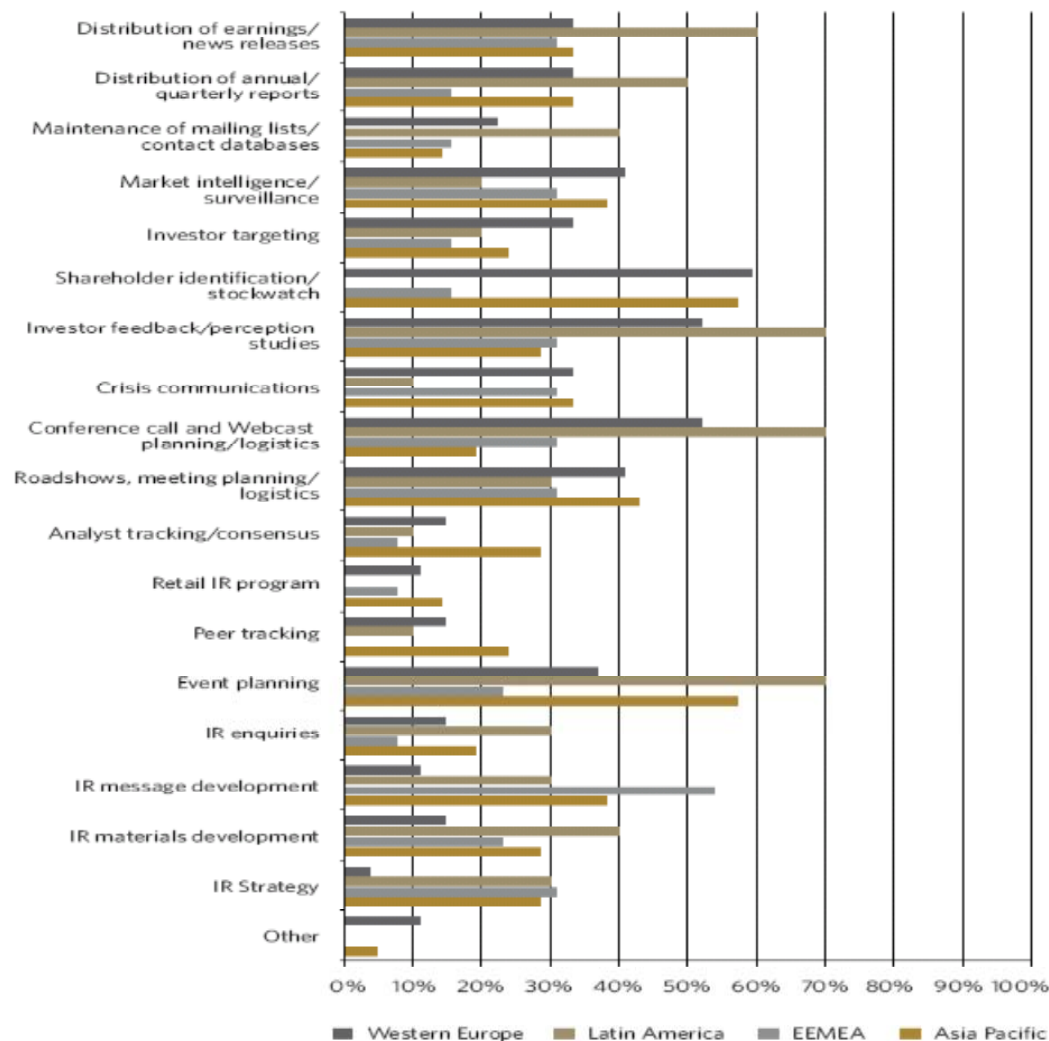
- Western European issuers are also most likely to publish a corporate social responsibility report.
- Less than half of EEMEA respondents are publishing a corporate social responsibility report.



Regional Findings – Outsourced IR Services

For which of the following functions do you rely on external IR/PR? (Select all that apply)

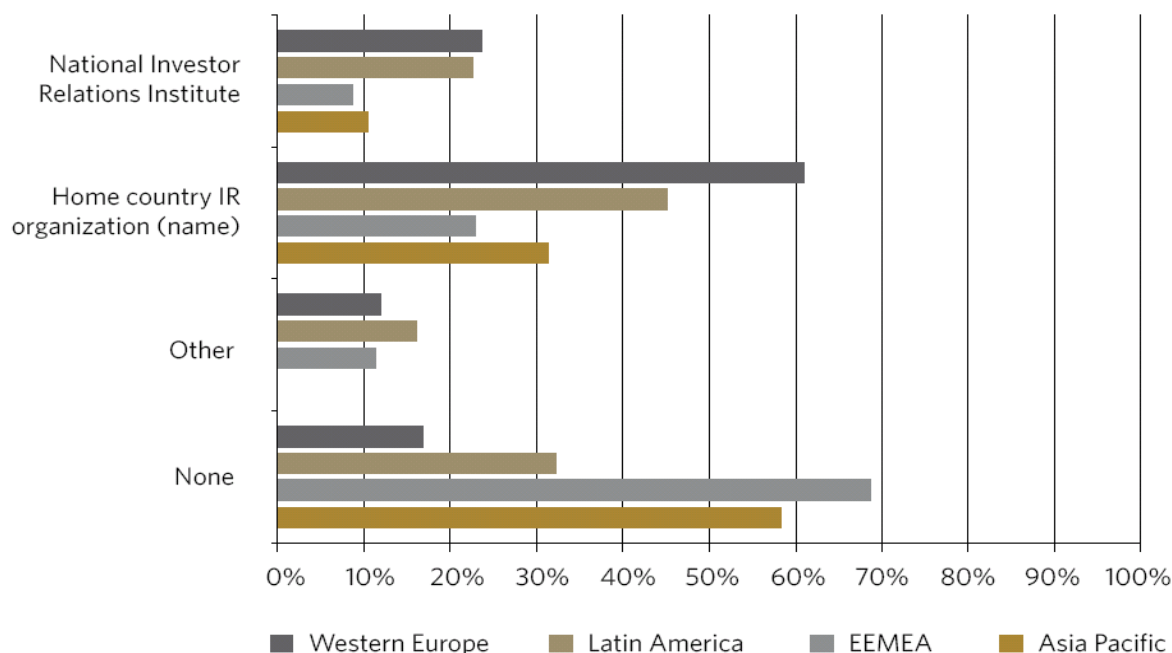
- Issuers from all regions rely on external IR/PR firms, but often for different reasons.
- Western European and Asia-Pacific respondents tend to rely on external IR/PR for shareholder identification and stock-watch projects.
- Latin American issuers are the most likely to tap into external IR/PR firms, particularly for event support and logistical work.
- EEMEA issuers use external assistance for message development. They don't however, utilize consultants for investor feedback as frequently as IRO's in other regions.



Regional Findings – Society Membership

In which of the following IR organisations do you participate?

- Survey respondents leverage the professional development and networking opportunities of IR organizations.
- DR issuer's region affects IR organization membership, with almost 70% of EEMEA issuers reporting no membership.



Conclusion

- **This survey demonstrates how companies around the world are capitalizing on the growth of the DR market.**
- **Specifically, the survey's results:**
 - 1) Provide insight on which IR elements are being given the greatest resources
 - 2) Highlight where there are gaps
 - 3) Enable us to identify market trends.
- **We share these “best practices” with you to help you effectively assess how your IR practices compare to those of your peers in today’s global marketplace.**
- **The results will hopefully allow you to pinpoint potential opportunities and to enhance your own IR program.**

Section III.

Share ID - How it is done, what it means
and how to use and interpret the data?

Mark Simms – Capital Precision

Capital Precision Ltd



Shareholder Analysis and Investor Targeting

Capital Precision

- We specialize in helping Companies (and their Advisory Banks) identify who are the beneficial owners of their shares and who manages the investment decisions
- We are employed for both Investor Relations and Corporate Transaction projects
- We work for approx 200+ Blue Chip companies and 24 Banks
- 40+ years of collective experience
- Awarded the contract to provide CMI Services to the London Stock Exchange IR Solutions team, Nov 2005

Why is it so important to know who owns your clients shares?

- **You cannot create a relationship with your investors if you do not know who they are!**
- Who will support the company in a transaction?
- Who holds the voting power?
- Who is buying and selling the shares?
- Who is impacting the liquidity?
- Which investors could buy more shares?
- Who is not investing yet but could be?
- Which investors could be activist?
- Where are the strengths and weaknesses in the shareholder base?

IR is a marketing discipline

■ Know your customer

- Who is the customer?
- What is motivating them to buy (or sell)?
- What do you need to do to keep them?

■ Where do you find more of the same?

- How do you determine where they are and what will motivate them to buy?
- How do you measure whether your IR Programme is working?

What methodologies can you use to determine who owns the shares?

- The Share Register
- Broker/Bank
- A “Public Filing” Database
- Bespoke Analysis

The Share Register

- The Share Register typically is only useful for determining domestic Shareholders
- International (and domestic) Shareholders employ Custodian Banks to hold on their behalf and are shown as “Nominee Accounts”
- Uncovering who is behind the Nominee Accounts is a skill set that is rarely kept “in-house”

Brokers/banks

- The limitation for brokers is that they do not necessarily have a broad view of which Institutions are actively investing/trading
-
- UBS – 9.0%
- Goldman Sachs – 8.2%
- Deutsche Bank – 8.1%
- Citigroup – 7.9%
- Credit Suisse – 7.3%
- (Q4 2006 Leading Brokers, Top 5 ranked by value traded
- Source - The Trade)
- The potential investors outside their field of (trading) vision have to be obtained from public information sources

“Public Data” sources

- The lack of “up to date” information
- The lack of complete information
- “Public Data” sources do not identify who makes the investment decisions for multi-managed and outsourced funds

The lack of “up to date” information

- US Mutual Funds - 13F Filings
- 4 snapshots in the year
- 45 days in which to file
- “Window dressing” & “Bed and Breakfasting”
-

Which Non-US companies are filed on a 13F?

- Run Date: 07/09/2007 ** List of Section 13F Securities **
- 294821 60 8 * ERICSSON L M TEL CO ADR B
SEK 10
- 294821 90 8 ERICSSON L M TEL CO CALL
- 294821 95 8 ERICSSON L M TEL CO PUT
- 92857W 20 9 * VODAFONE GROUP PLC NEW
SPONS ADR NEW
- 92857W 90 9 VODAFONE GROUP PLC NEW
CALL

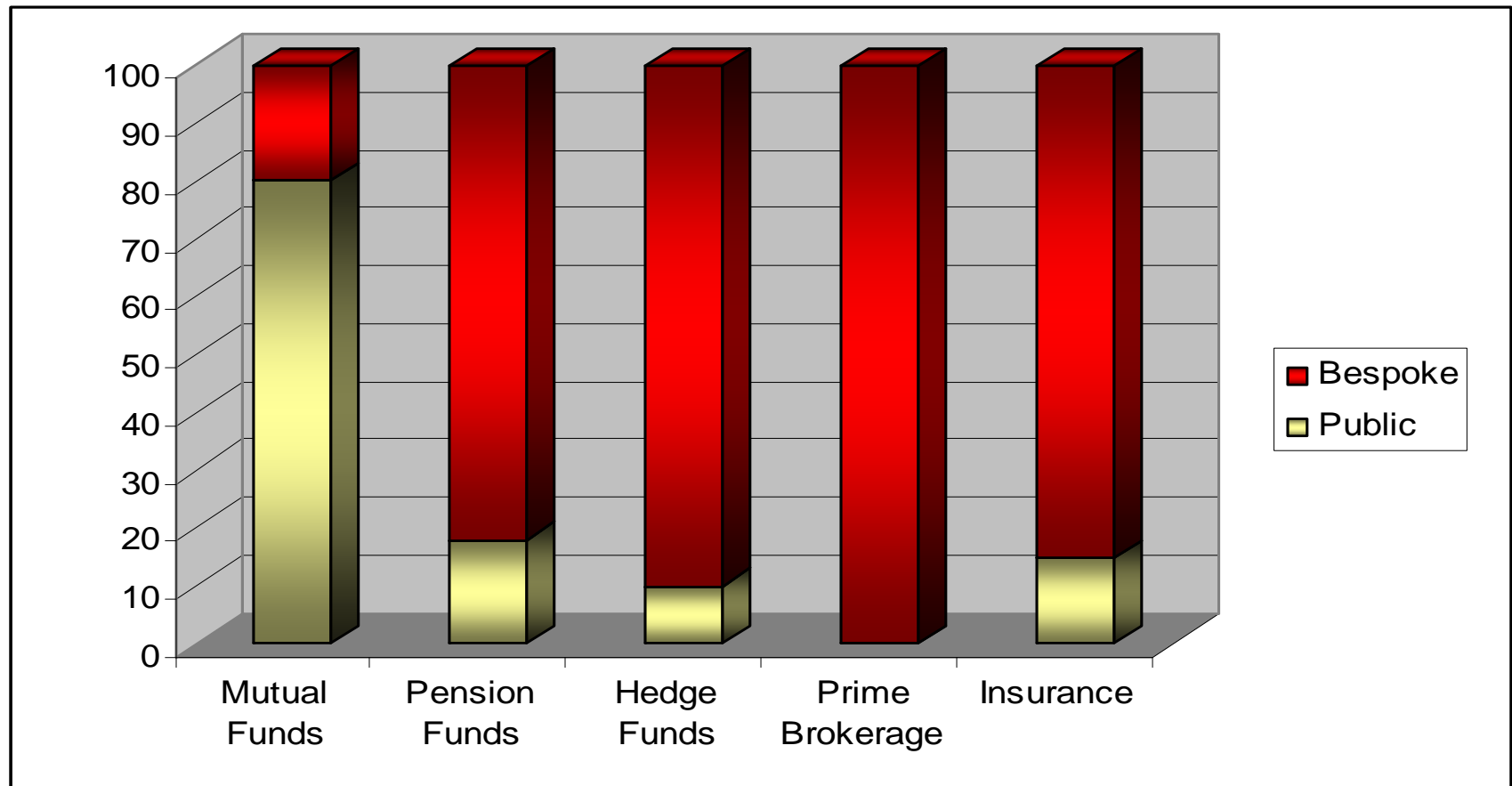
Mutual Fund public update frequency (Europe)

| Country | Frequency by year |
|----------------|-------------------|
| Austria | 2 |
| Belgium | 2 |
| Denmark | 2 |
| Finland | 2 |
| France | 2 |
| Germany | 2 |
| Greece | 2 |
| Italy | 2 |
| Netherlands | 2 |
| Norway | 2 |
| Portugal | 2 |
| South Africa | 2 |
| Spain | 4 |
| Sweden | 4 |
| Switzerland | 2 |
| United Kingdom | 2 |

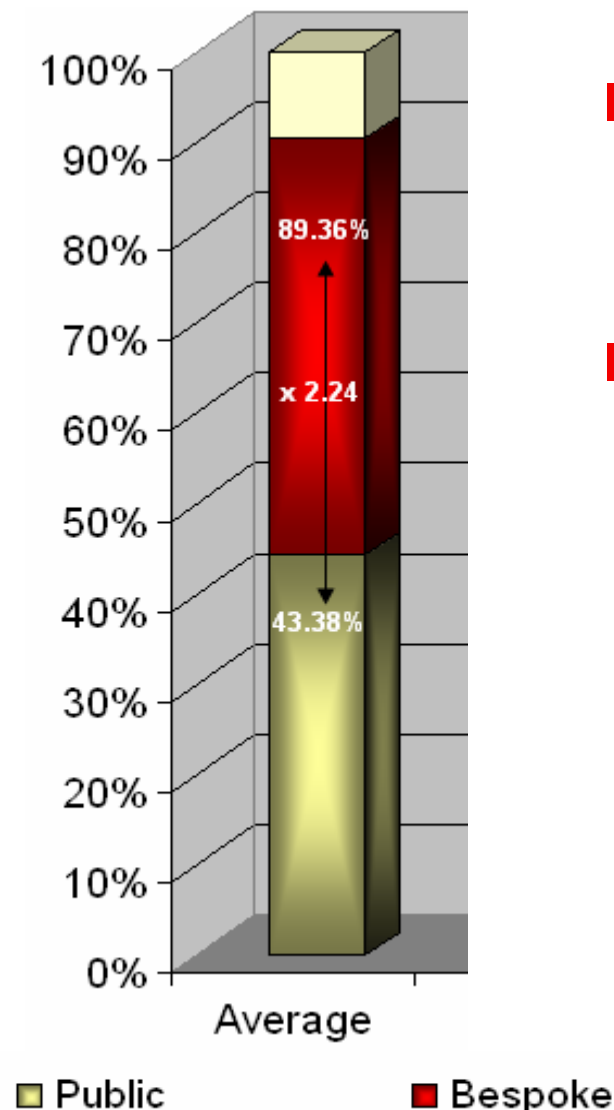
The lack of complete information

- Mutual Funds only represent (approx) 25% of investments
- Pension Funds
- Sovereign Wealth Funds
- Active and Activist Funds
- Insurance Funds
- Hedge Funds
- Prime Brokerage and Proprietary Desk positions
- Wealth Management
- Stock Lending
- Retail
- FEW IF ANY “FILE” OR APPEAR IN PUBLIC DATABASES

The average percentages for Public Data Vs Bespoke (\$100BN+)



The lack of complete information



- The graph is based upon the average coverage for 5 Blue Chip companies.
- On average bespoke analysis more than doubles (2.25x) the amount of institutional investment seen through public data sources

Bespoke Analysis vs Public Data

| | Public Data | Capital Precision |
|--------------------|-------------|-------------------|
| Russia | 37% | 87% |
| France | 56% | 96% |
| Germany | 53% | 83% |
| Norway | 72% | 97% |
| Finland | 66% | 93% |
| Netherlands | 54% | 84% |

■ US Stock Surveillance

- - Institutional/Portfolio Manager Canvassing
- - Omnibus Surveys
- - Timed to coincide with “Filing dates”

■ The Custodial Bank route

- - Highly focused
- - Does not interrogate Fund Managers
- - Uncovers all types of investor
- - Current shareholders uncovered

Investor Targeting

- The objective is to create maximum demand for the shares – This cannot be achieved if you leave it to the market to determine who will be buying
- The challenge is to find investors whose investment profile matches the **future** investment proposition
- The better the Targeting, the better control you have over your shareholder structure
- Do not forget existing investors when Targeting

The “Weighting” objective

- *The primary goal of all Targeting Programmes is to find investors who have the appetite and the capacity to buy your shares*
- You are looking for funds/institutions that are **overweight** in your peers/sector/region but **underweight** in you
- You are looking for funds/institutions who are **currently** buying into your peers/sector/region

What is the starting point for a Targeting Programme?

- The first step is to identify which shareholders could rotate out of the stock in the future
- The second step is to determine the impact that this selling activity is likely to have on liquidity and smaller investors

What to consider when designing a Targeting Programme?

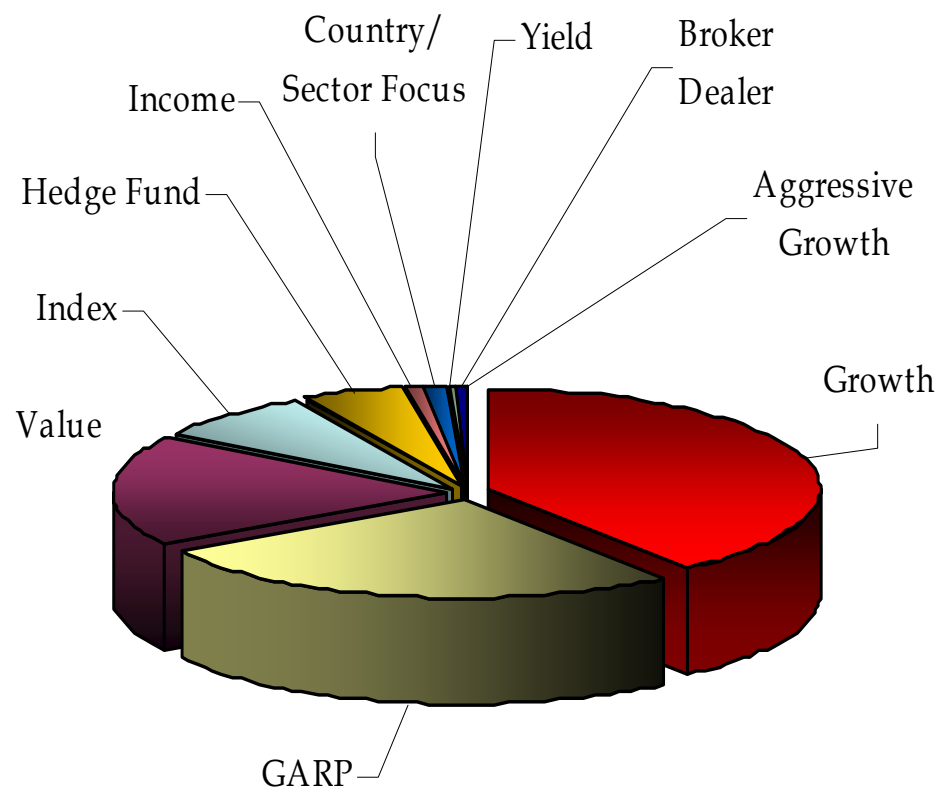
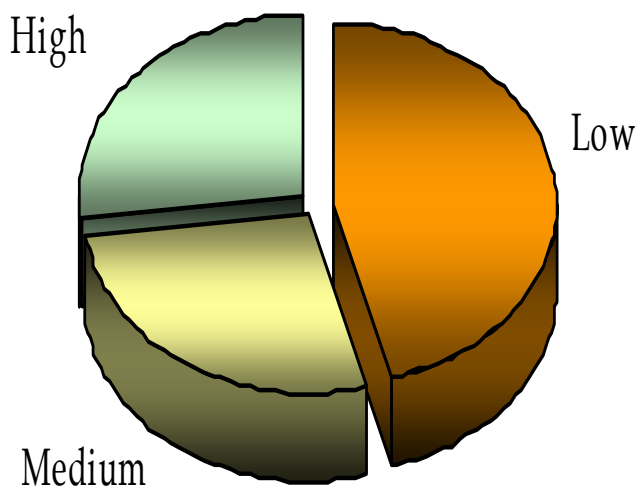
- Which potential investors will match the future developments of the company - Growth? Value?
-
- Segment the targets based on the objectives for the stock - create more liquidity? Create more stability?
- Counterbalance “activists” with investors who typically support management

How do you evaluate potential targets?

- The objective is to identify new (and existing) investors who have the **capacity** to acquire more shares
 - 1. Net asset value of fund
 - 2. % Fund exposure to the sector
 - 3. % Fund exposure to the country
 - 4. % Fund exposure to the rest of world
 - 5. Top 10 holdings of each individual fund

The perfect balance?

- Stability or turnover?



Which methods can you employ to Target Investors?

- Utilise brokers/banks
- Use a public filing database
- Commission bespoke research
- Use a combination of the above

Weighting Analysis using ‘Public Data’ sources

- Because there are mostly only Mutual Fund positions in the public domain, you can only base a Weighting Analysis on a partial percentage of an Institutions **true** investment potential
- If you are comparing bespoke researched shareholder positions against public filings, the peers **may appear** “underweight”

Bespoke Targeting Analysis

- Targets are generated from the observation of CURRENT Institutional trading activity
- The “Targets” asset allocation is analysed and (where possible) verified
- Targets could be pre-qualified (if possible)

How do you measure whether you have targeted the right investors?

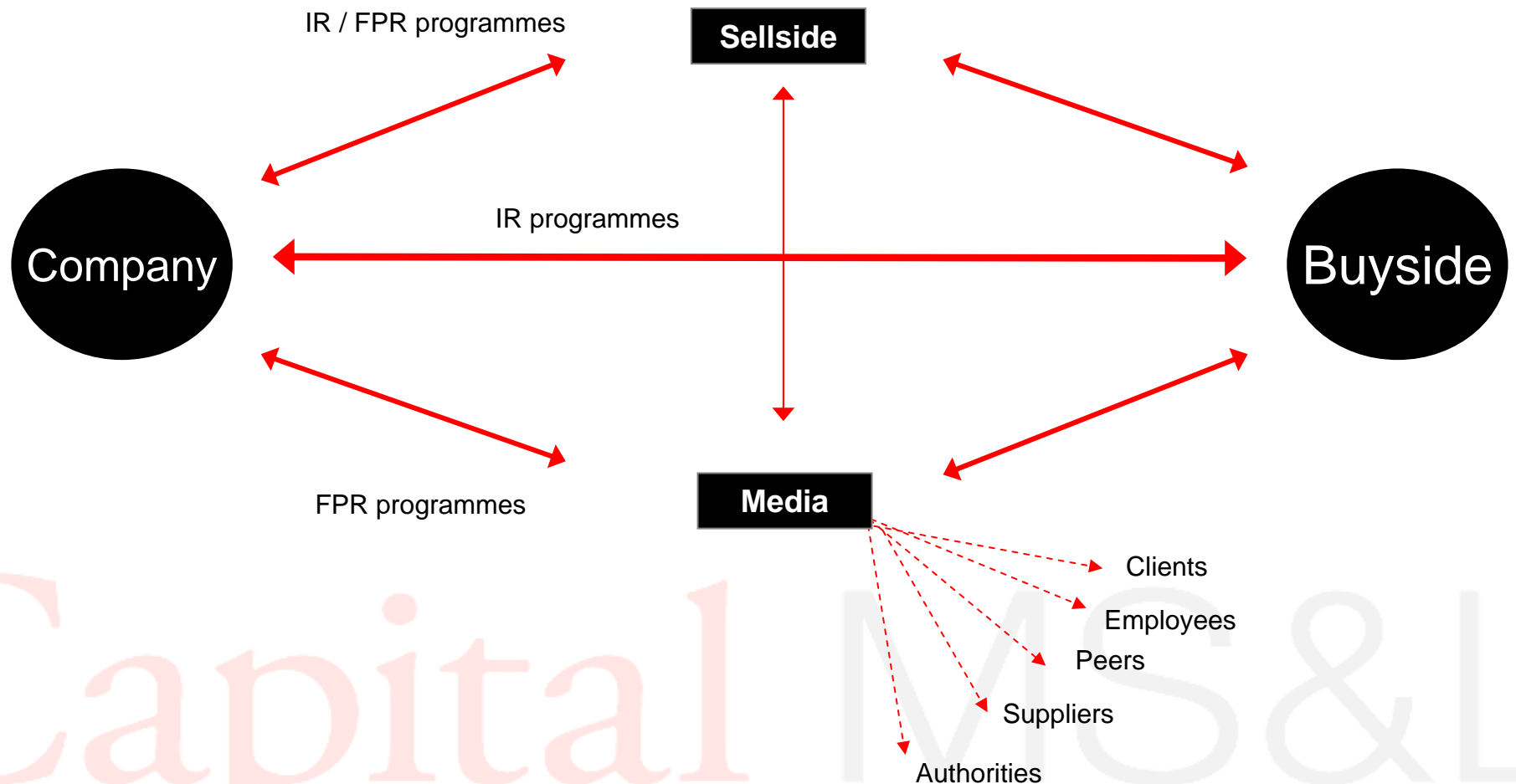
- Monitor subsequent trading activity
- Determine investor perceptions
- A constantly evolving process

Section IV.

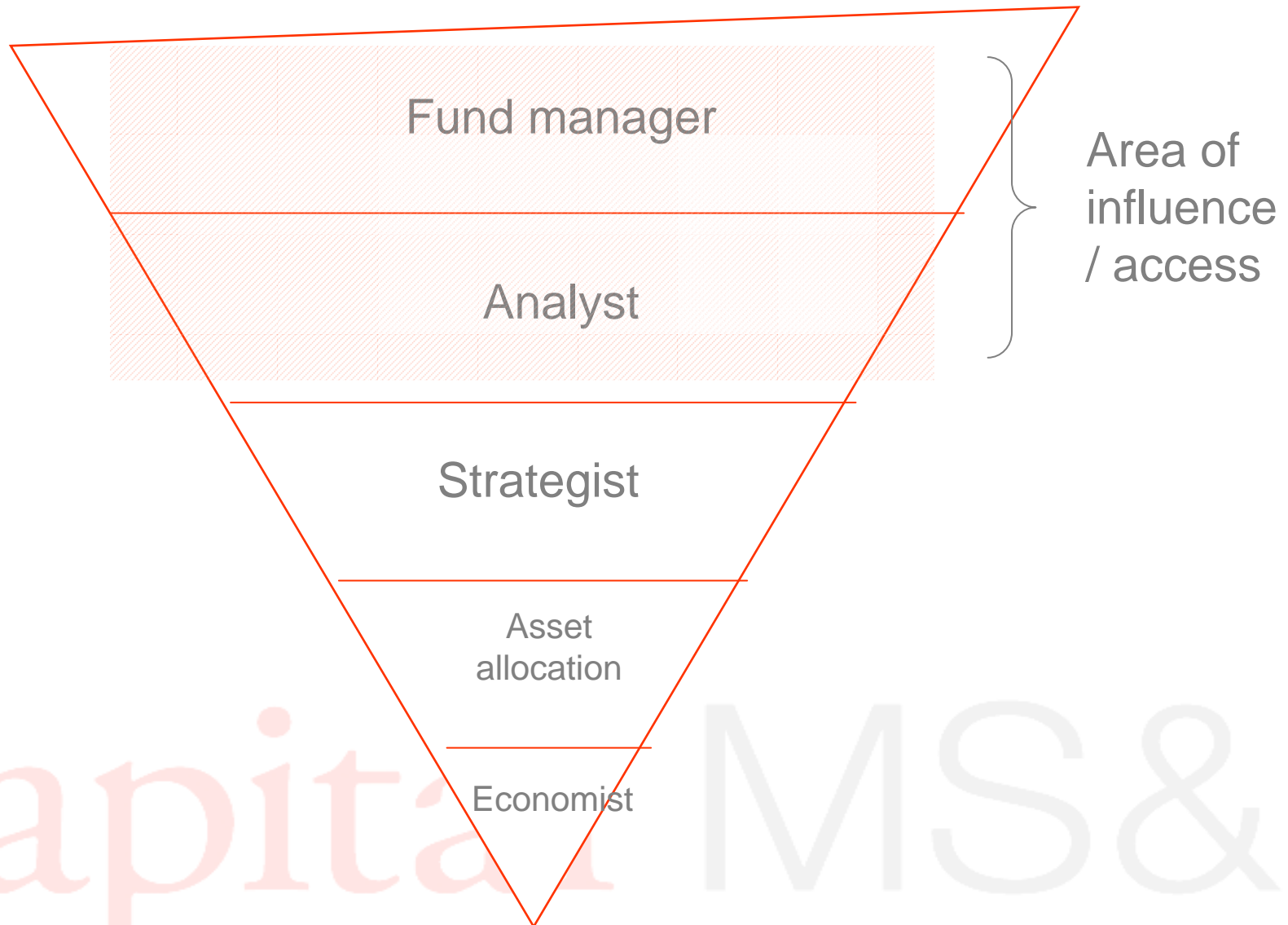
Crafting An Investment Message

Steffan Williams – Capital MS&L

Three primary channels of communication



The investment process



Goals for good investor communication

A photograph of an older man with glasses, wearing a grey suit and a red tie, sitting in a chair. He is looking towards the camera with a slight smile. His hands are clasped in his lap. The background is a dark, textured wall. The text 'Goals for good investor communication' is overlaid at the top in white. A bullet point with the text 'KEEP THE MESSAGE SIMPLE : Investors should walk away with a simple understanding of why they should own the stock and both historical and future expected performance' is overlaid on the right side of the image.

- **KEEP THE MESSAGE SIMPLE** : Investors should walk away with a simple understanding of why they should own the stock and both historical and future expected performance

Goals for good investor communication

- **PREDICTABILITY** : Publicly available disclosure should be sufficient to make earnings predictable



Goals for good investor communication

- **CONSISTENCY** : Sequential operating metrics regarding operating & financial performance v history & peers allow investors to easily understand performance of assets and management

Goals for good investor communication

- **CLARITY ON USE OF CASH**



Goals for good investor communication

A portrait of an older man with grey hair and glasses, wearing a dark suit jacket. He is looking directly at the camera with a slight smile. The background is a textured, brownish-gold color.

- **KEEP THE MESSAGE SIMPLE** : Investors should walk away with a simple understanding of why they should own the stock and both historical and future expected performance
- **PREDICTABILITY** : Publicly available disclosure should be sufficient to make earnings predictable
- **CONSISTENCY** : Sequential operating metrics regarding operating & financial performance v history & peers allow investors to easily understand performance of assets and management
- **CLARITY ON USE OF CASH**

Institutional Investor Research / Rankings : A good source of who does what well

- “The companies on this list excel
- where it matters most to
- shareholders : they focus on
- *frequent* and *open* investor
- relations, they determine
- executive compensation based
- on *shareholder value*, and they
- ensure equal voting rights to all
- shareholders...These are the
- companies [investors] feel good
- about seeing in their portfolios”
-



What successful communications cover

- **Review of operations**
- **Review of markets**
- **Review of projects**
- **Outlook on “controllable metrics”**
- **Earnings / Cash Flow estimates based on uncontrollable metrics**
- **Use of cash flow**

A close-up photograph of a man with dark hair, wearing a light blue shirt and a dark tie. He is holding a black mobile phone to his ear with his right hand and has a very intense, shouting expression on his face, with his mouth wide open. The background is blurred, showing what appears to be an office or public space with other people in the distance.

Show me the MONEY!

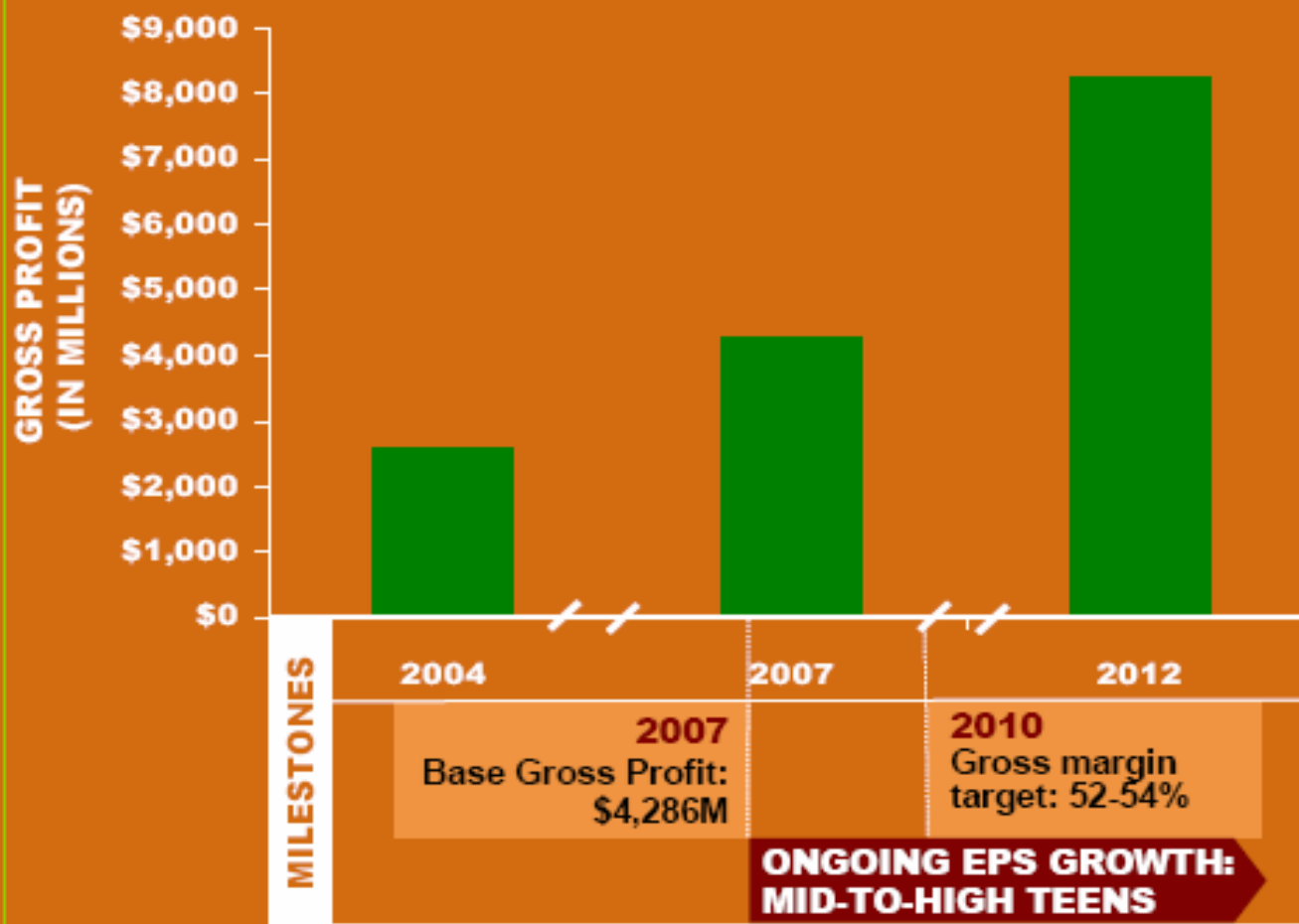
- **VALUE, VALUE, VALUE :**
- **communicate that you...**
- **focus on it,**
- **that you've delivered it,**
- **that your stock price offers it**

**Highly praised companies make it
EASY to understand what they
can be**

Capital MS&L

Given Growth Opportunities, Monsanto Has Potential to More Than Double Gross Profit Over the Next Five Years

MONSANTO GROSS PROFIT GROWTH TARGET



2012 GROWTH RANGE

Gross profit targeted to double from 2007 through 2012

STRATEGIC PLAYBOOK

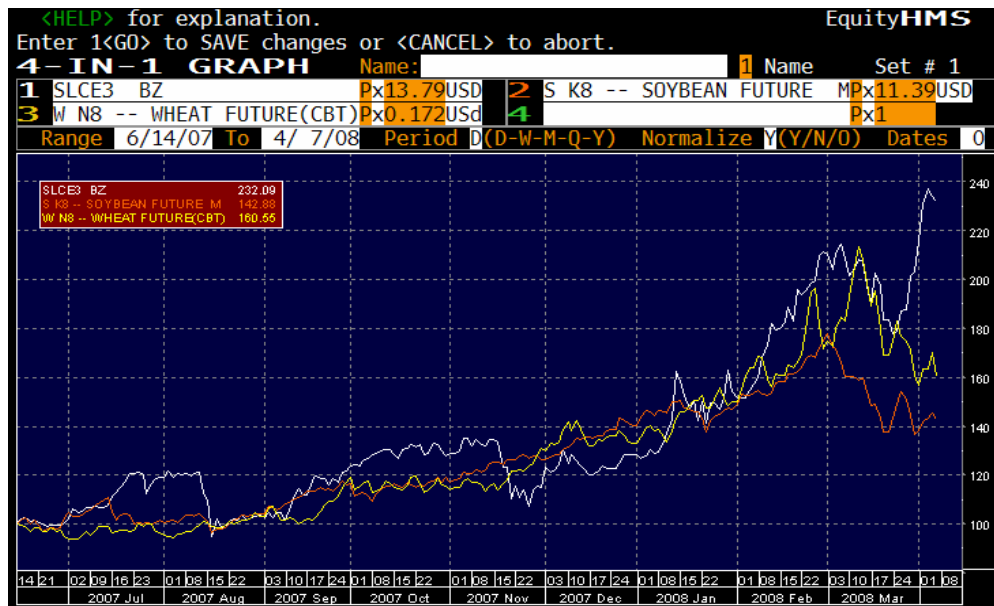
All growth is organic, from base business and pipeline

- ① U.S. Corn
- ② International Corn
- ③ Soybeans
- ④ Cotton
- ⑤ Seminis
- ⑥ R&D Pipeline

Acquisitions to be pursued, but are not included in this growth projection

Earnings continue to translate into operating cash, and value created for shareowners through combination of acquisitions, share repurchases and dividends

Case study 1 : SLC Agricola



- “Brazilian farm company is an example of a company with limited liquidity, a recent IPO, but whose disclosure and investment in helping people understand the business, its performance, and its detailed financials has helped it develop a superior investor base which increasingly gets the story.
- “The stock has materially outperformed the agricultural commodity basket”

Case study 2 : Emeco

- *“Emeco is an example of a company whose poor disclosure, lack of marketing time/interest, and flimsy IR infrastructure has lead to a consensus of investors hating the company.*
- *“The deeper this problem, the bigger the challenge for a value-oriented management team to improve stock price performance.”*

About Emeco Group

Company Reports

| Document | Date |
|--|-------------------|
| Emeco Holdings Limited Annual Report 2007. | 4 October 2007 |
| Emeco Holdings Limited financial results - half year ended 30 December 2006. | 22 February 2007 |
| Emeco Holdings Limited Annual Report 2006. | 27 October 2006 |
| Emeco Holdings Limited Annual Results 2006. | 15 September 2006 |
| Emeco Holdings Limited Prospectus. | 3 July 2006 |
| Emeco Holdings Limited Supplementary Prospectus. | 27 July 2006 |

Case study 3 : Century Aluminum

- *“Century is a small-cap company that is exceptional in taking time to meet investors, explain the story SIMPLY, and walk through project economics and the strategy behind capital decisions.*
- *“Their presentations are sometimes sparse, but the richness of content on their calls – and enabled by their accessibility to ALL investors – helps to make a difference.*
- *“These 4 slides – plus CLEAR explanations of the detail behind them provided on the calls, are all you need to know.”*

2008 Items

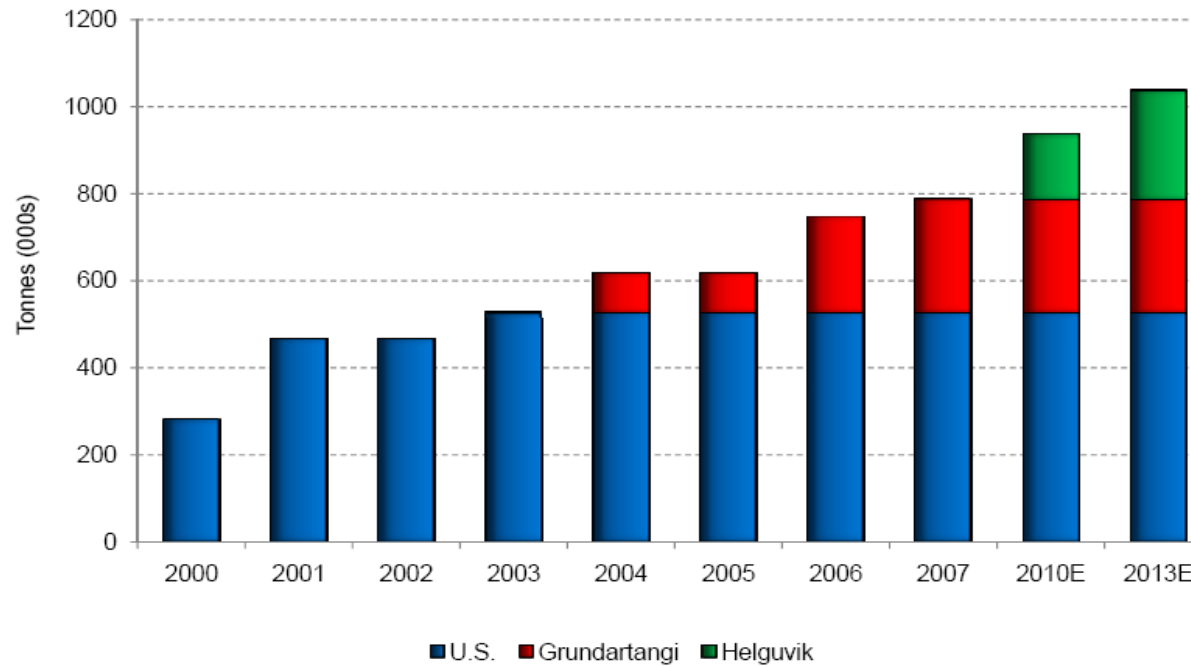
| | |
|-------------------------------|--|
| Volume | |
| U.S. | ~ 530K tonnes |
| Iceland | 265-267K tonnes |
| Forward sales | |
| CF hedges | 9K tonnes; Q1 maturity |
| Derivatives | 200.4K tonnes (assumes base volume is doubled) |
| Alumina | Ravenswood and Mt. Holly ~1% of LME lower; freight unfavorable |
| U.S. power | |
| Ravenswood | ~5-6% year over year increase (7/07 tariff increase) |
| Mt. Holly | Flat to modest increase; coal price dependent |
| Hawesville | Similar to 2007; new contract est. 08/09 price ~2007 |
| SG&A | ~\$12MM/Q (excl. Helguvik project expense) |
| Capex (excl. Helguvik) | ~\$75MM (Hawesville upgrade ~\$30MM) |
| Helguvik capex | \$200-250MM (timing dependent) |
| D&A | -\$70MM depreciation; -\$15MM amortization* |

*Assumes 12 months of power contract intangible amortization. Upon signing the new contract at Hawesville, intangible will be written off.

Capital MS&L

Strong Growth Profile

Year End Primary Aluminum Capacity



Grundartangi Expansion Complete

- World class operating/productivity metrics
- Globally competitive long-term power supply

Grundartangi as Acquired in 2004

- 90K mtpy capacity
- 1 production line
- ~\$125MM sales (8-months annualized)

Grundartangi Today

- 260K mtpy capacity
- 2 production lines
- \$473MM sales in 2007

Helguvik Greenfield Project in Iceland

- Site, harbor and power supply contracts signed
- Environmental Impact Assessment completed
- Commence construction by end of Q108
- 150-180K mtpy by late 2010; 250K mtpy by 2013

2007 Overview

- Strong market fundamentals
- Stable operations
- Completed Grundartangi expansion on schedule/budget
- Significant progress on Helguvik project
- Development on growth initiatives
- Strong financial results

Case Study 4 : Freeport McMoran

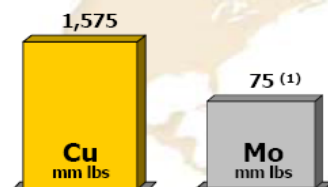
- *“For me amongst single-commodity companies, FCX has reliably been THE gold standard – you know exactly what you are going to get and what management targets have been and are today from their reporting format.*
- *“Their superior multiple to peers is deserved. Like Century, management is also very focused on FREQUENTLY meeting investors (FCX has had 6 investor appearances since the end of Q3).”*

2008e Sales and Unit Production Costs by Region

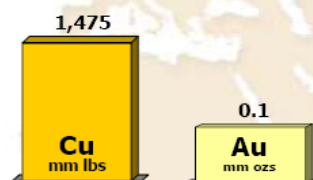


2008e Sales by Region

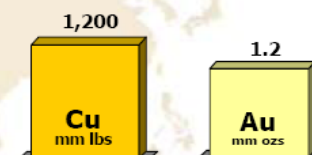
North America



South America



Indonesia



(per pound of copper)

Cash Unit Costs⁽²⁾

| | North America | South America | Indonesia | Consolidated |
|---|---------------|---------------|---------------|---------------|
| Site Production & Delivery ⁽³⁾ | \$1.50 | \$1.14 | \$1.31 | \$1.32 |
| Royalties ⁽³⁾ | - | - | 0.10 | 0.03 |
| Treatment Charges | 0.08 | 0.14 | 0.24 | 0.15 |
| By-product Credits | (0.58) | (0.23) | (0.85) | (0.54) |
| Net Cash Unit Costs | \$1.00 | \$1.05 | \$0.80 | \$0.96 |

(1) Includes Cerro Verde moly

(2) Estimates assume average prices of \$3.00/lb for copper, \$800/oz for gold and \$30/lb for molybdenum for 2008. Quarterly unit costs will vary significantly with quarterly metal sales volumes.

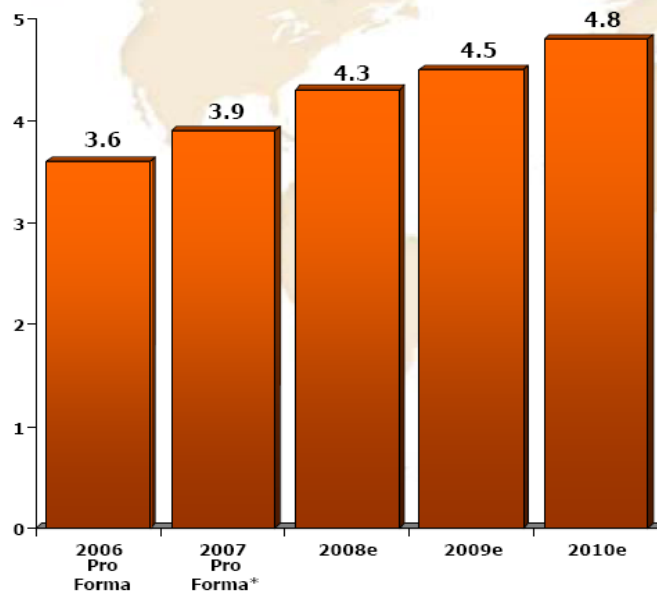
(3) Production costs include profit sharing in South America and severance taxes in North America

Note: Amounts are projections. See Cautionary Statement.

Sales Profile 2007 - 2010e



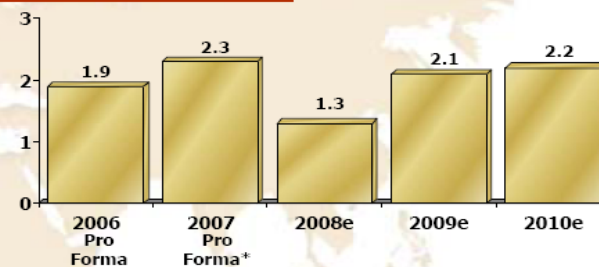
Copper Sales (billion lbs)



Note: Consolidated copper sales include approximately 535 mm lbs in 2006, 647 mm lbs in 2007, 700 mm lbs in 2008e, 750 mm lbs in 2009e and 775 mm lbs in 2010e for minority interest; excludes purchased copper.

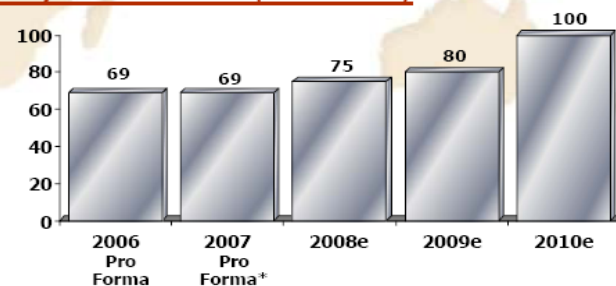
* 2007 includes pre-acquisition sales of 505 mm lbs of copper, 18 k oz of gold and 17 mm lbs of molybdenum

Gold Sales (million ozs)



Note: Consolidated gold sales include approximately 185 k oz in 2006, 228 k oz in 2007, 135 k oz in 2008e, 210 k oz in 2009e and 220 k oz in 2010e for minority interest

Molybdenum Sales (million lbs)



Note: Consolidated molybdenum sales include approximately 3 mm lbs in 2008e, 4 mm lbs in 2009e and 4 mm lbs in 2010e for minority interest; excludes purchased molybdenum

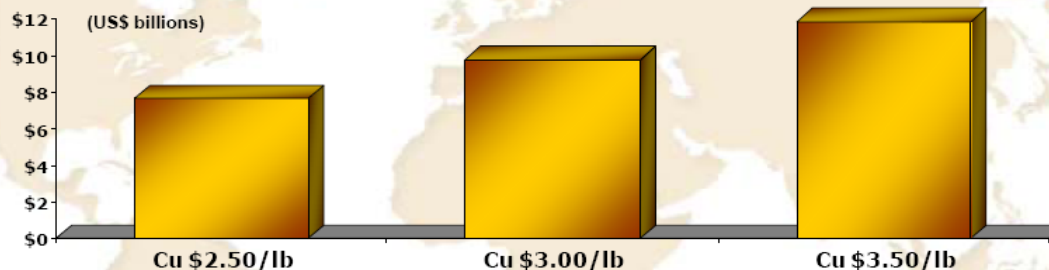
e = estimate. Please see cautionary statement.

EBITDA and Cash Flow at Various Copper Prices



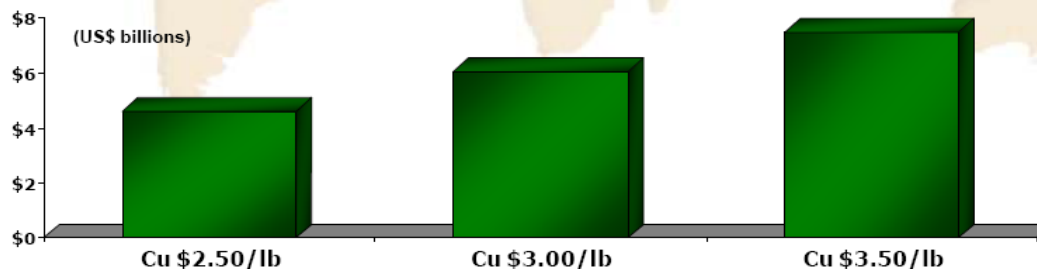
Average Annual EBITDA 2008e-2009e

(\$800 Gold & \$25 Molybdenum)



Average Annual Operating Cash Flow 2008e-2009e

(\$800 Gold & \$25 Molybdenum)

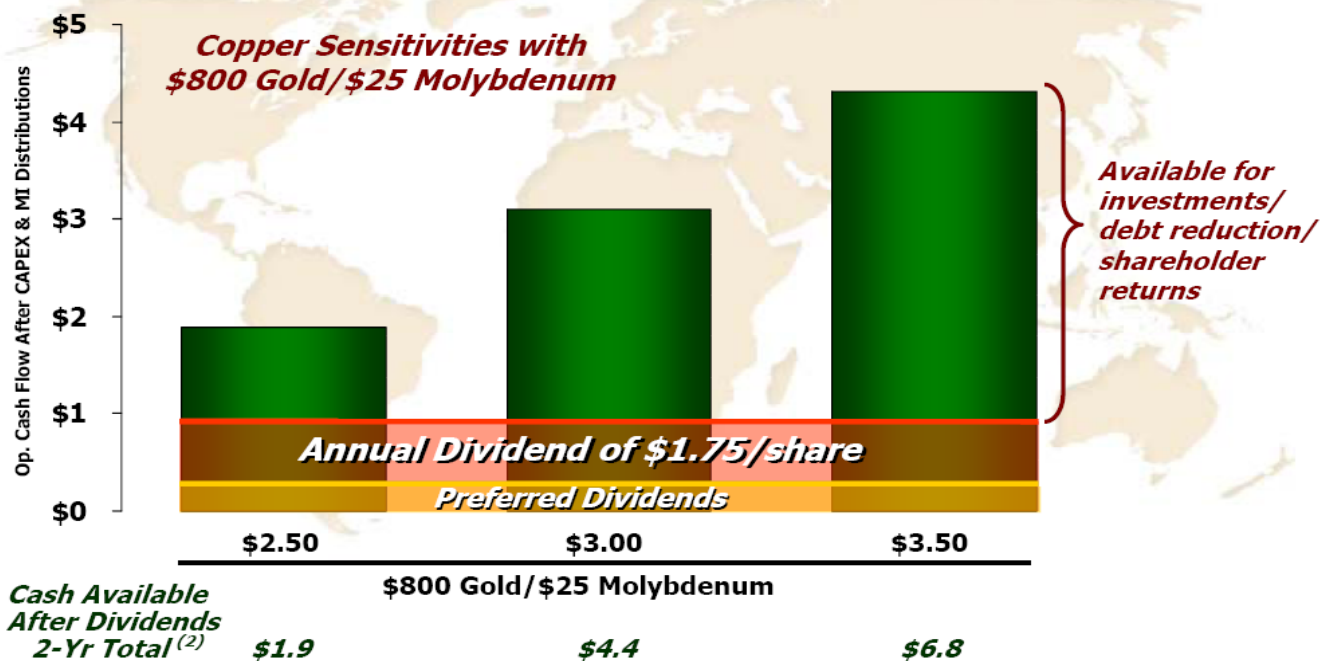


Note: Prices as noted for 2008 – 2009. On an annual basis, each \$50/oz change in gold approximates \$90 million to EBITDA and \$50 million to operating cash flow; each \$2.00/lb of molybdenum equates to \$140 million to EBITDA and \$100 million to operating cash flow. EBITDA equals operating income plus depreciation, depletion, and amortization, and excludes purchase accounting impacts.

Average Annual Excess Cash Flow ⁽¹⁾ 2008e – 2009e

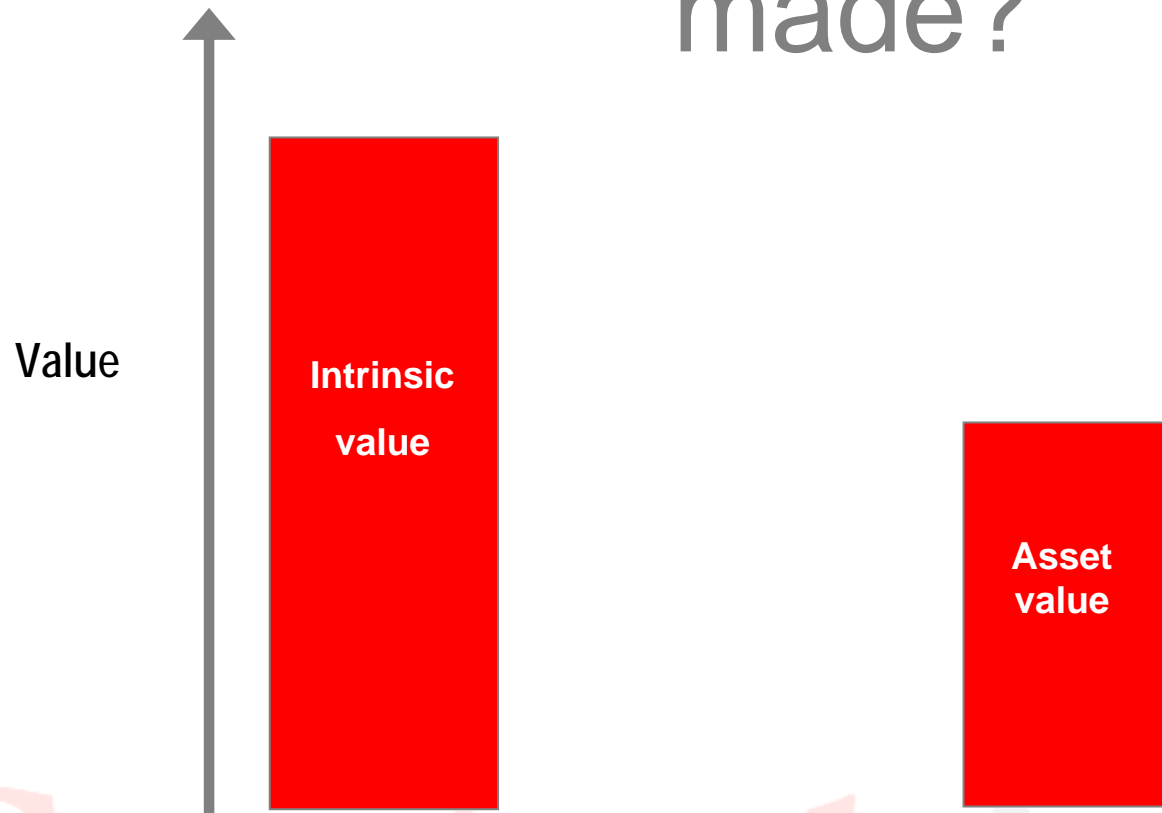


(\$ in billions, except copper, gold and molybdenum prices)

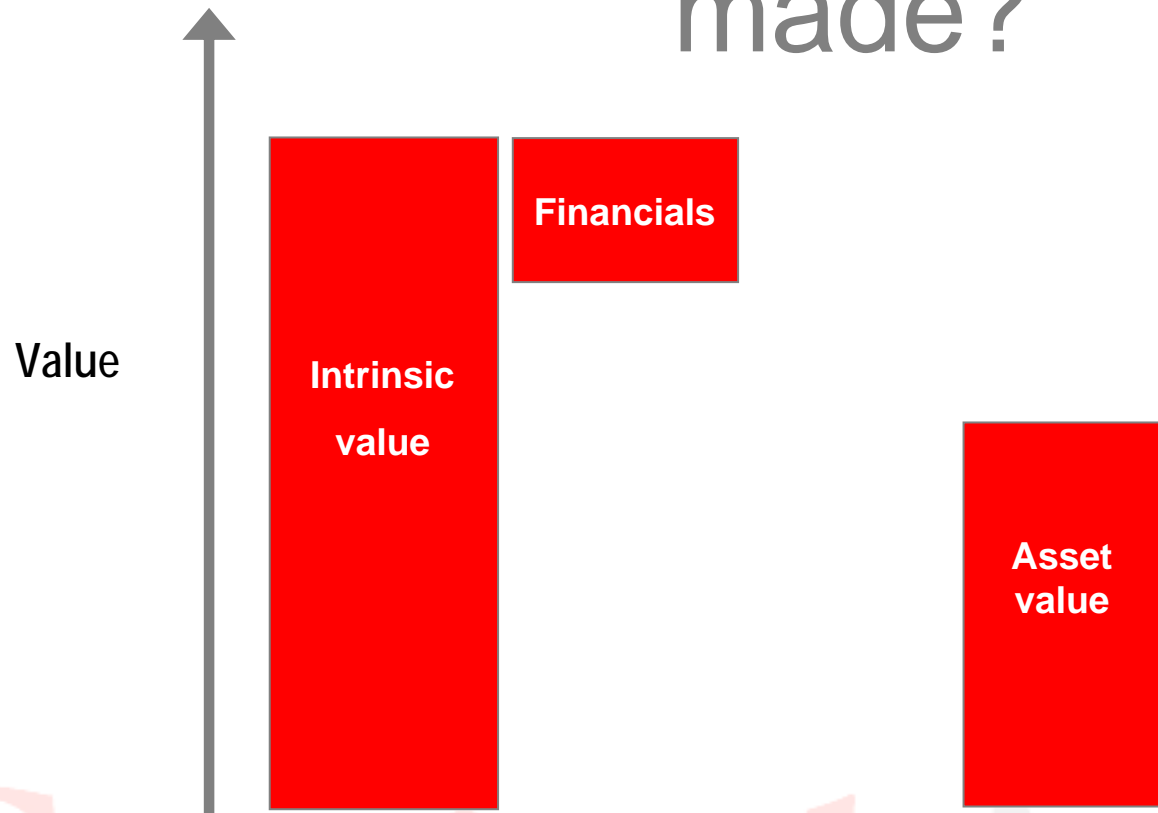


NOTE: 2008 excess cash flows expected to be less than the average as a result of working capital uses.
(1) Average annual operating cash flow after capital expenditures and minority distributions.
(2) After annual dividend of \$1.75 per share and preferred dividends

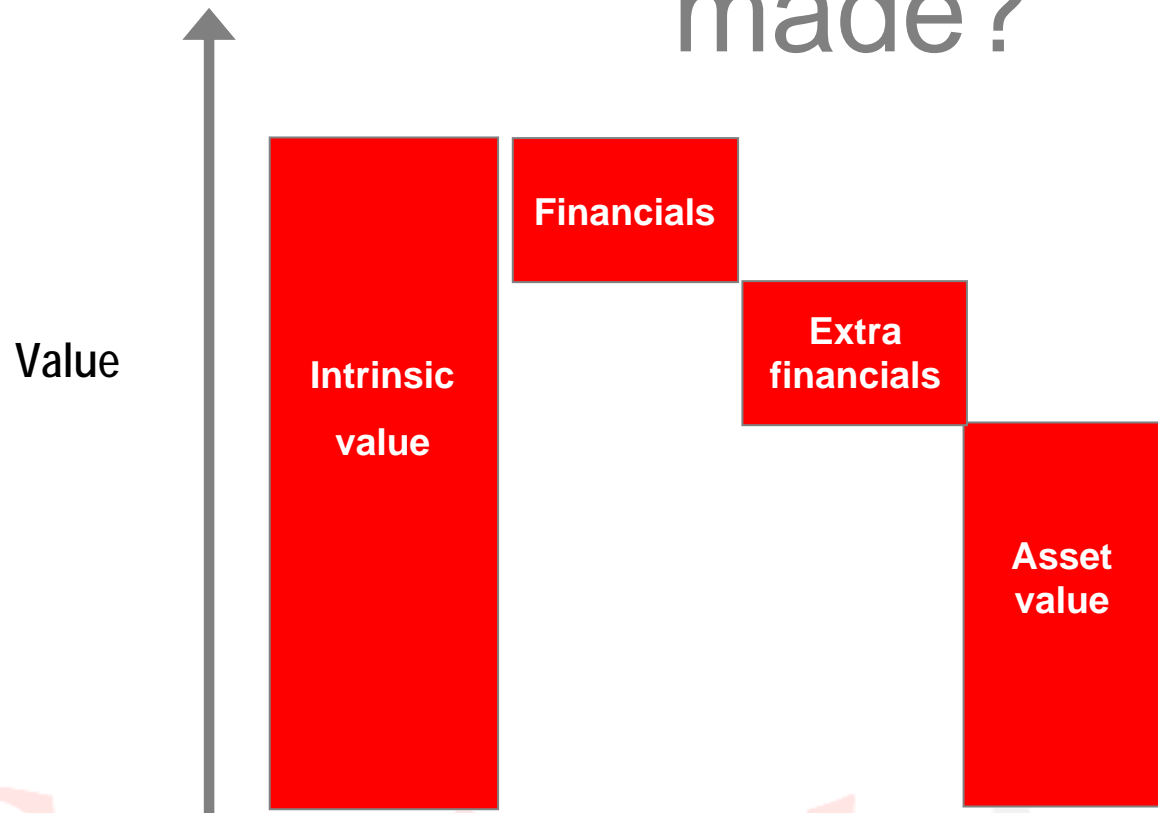
How are investment decisions made?



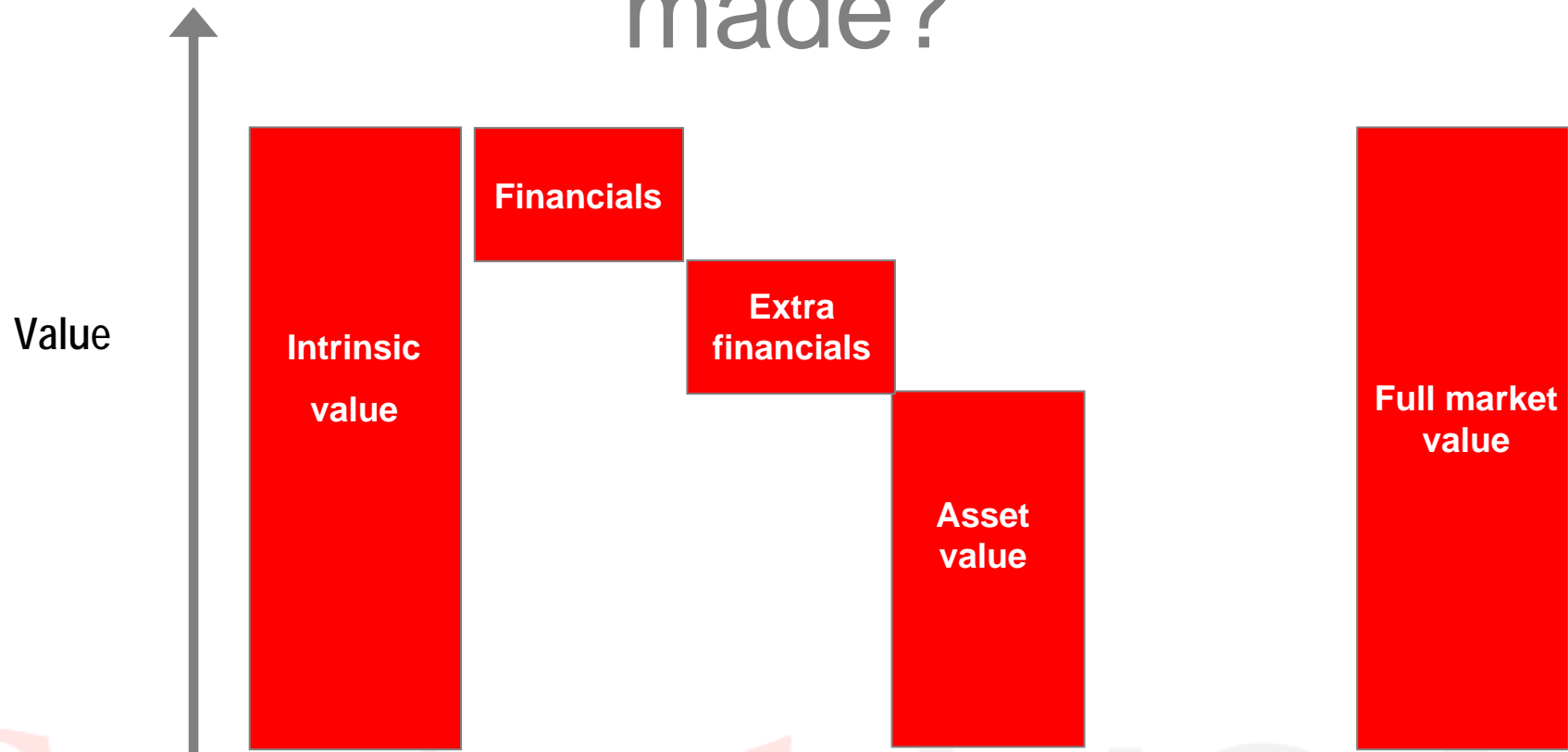
How are investment decisions made?



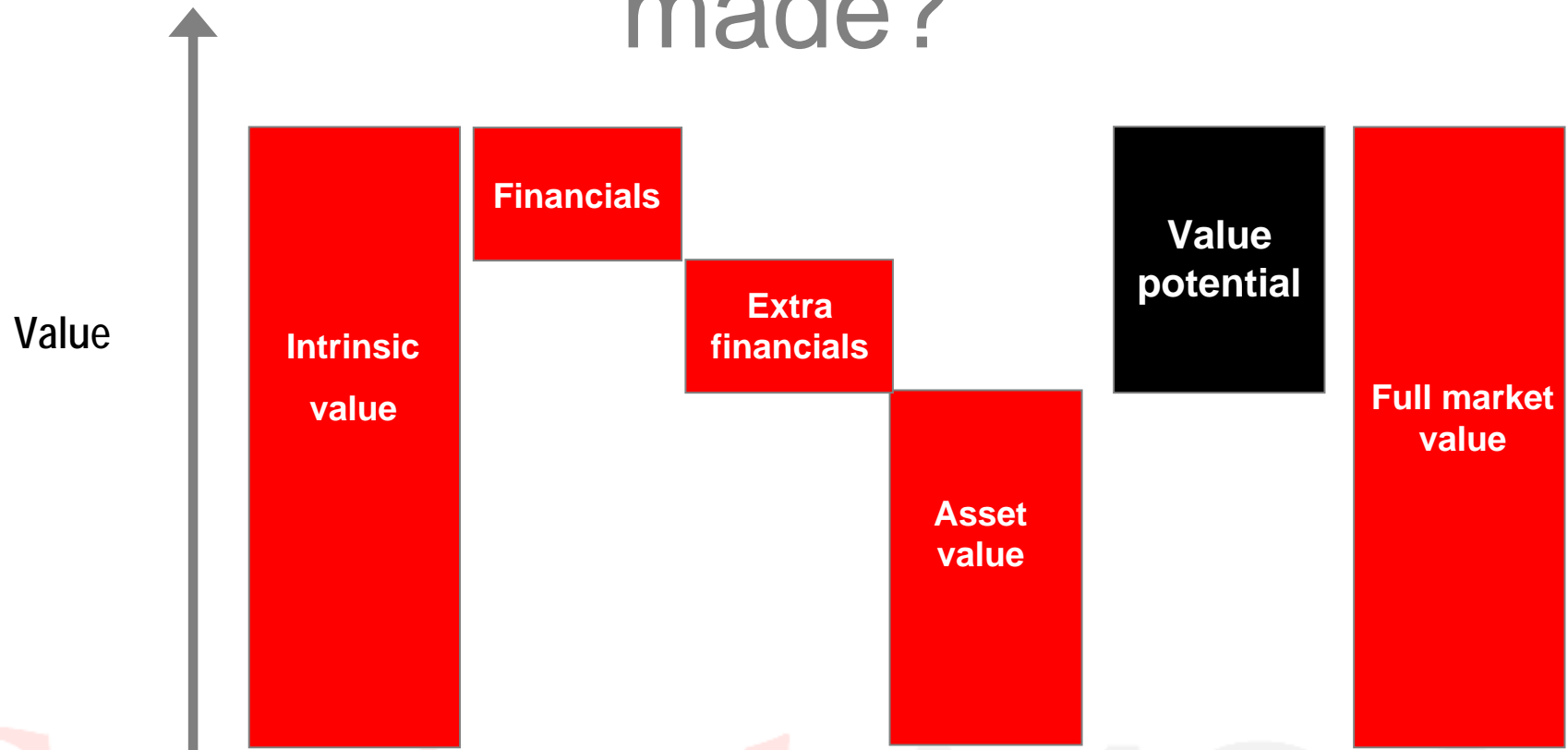
How are investment decisions made?



How are investment decisions made?



How are investment decisions made?



Checklist

- Where are you now?

Checklist

- Where are you going?

Checklist

- How will you get there?



Checklist

- Five metrics (only one financial)

Checklist

- Where are you now?
- Where are you going?
- How will you get there?
- Five metrics (only one financial)

How rational are capital markets?

- *“People in the city believe that a beard conceals a weak face and that the man behind it has something to hide...”*
 - *“ Be aware of any business where there is a cult of personality or the business is led by a charismatic individual’*
- *“Does the HQ have a flagpole and are the secretaries and receptionists absurdly glamorous?”*
 - *“Watch out for art in the offices”*
- *“A third leg to the business that everyone hails as strategic diversification, ever seen a 3 legged dog, it doesn't walk*

BP vs Shell

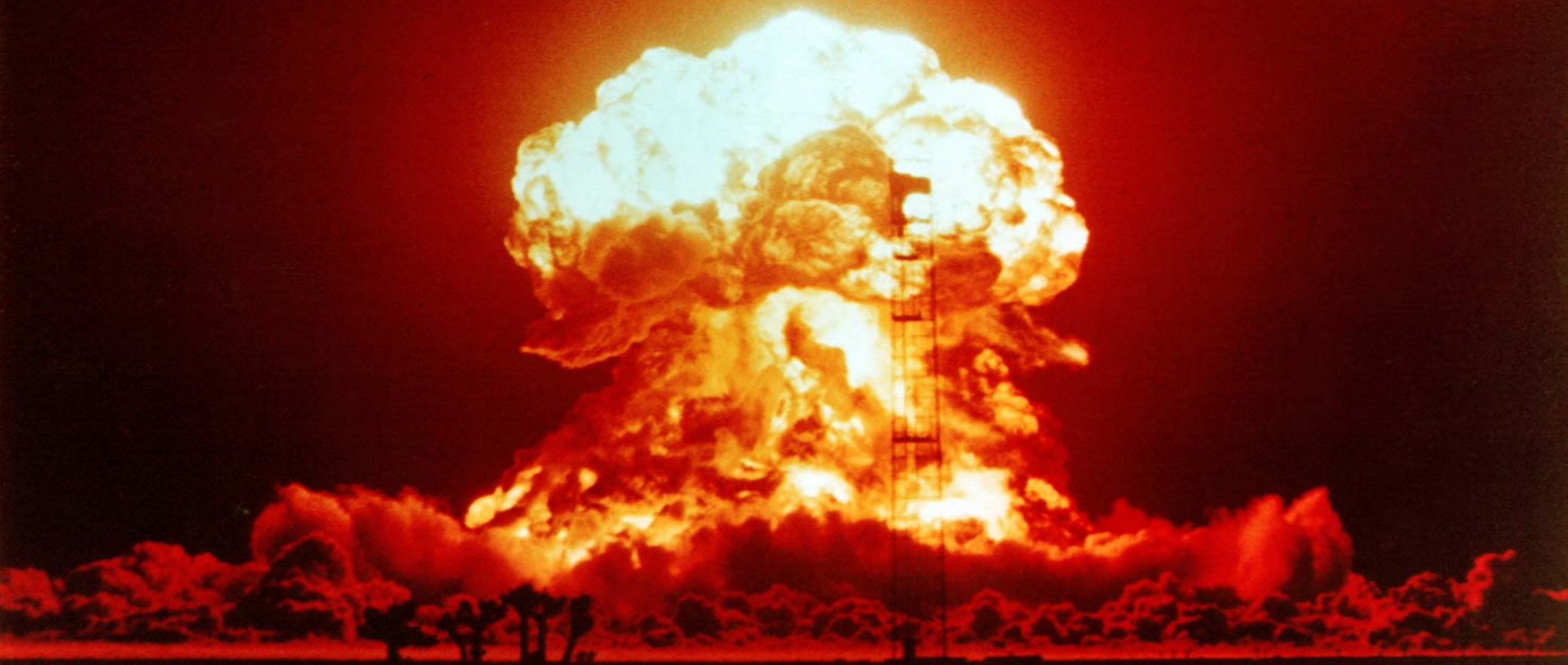
- “BP’s Lord Browne [is] a boss to whom the City has warmed, who delivers on a regular basis the most comprehensive performance and financial updates and who is widely credited with having transformed the business. There are few in the country who are held in higher regard.
- “Sir Philip, on becoming Chairman of Shell, has not made anything like the same kind of impression. His brushes with analysts, and to a lesser extent, with the media have been one of the defining points of his regime.
- “The rest is greyness. The image of Shell as a bureaucratically-driven company is as strong now as when he assumed the top job.”
- *Anthony Hilton, Evening Standard, June 2005*



Feedback is vital



Crisis!



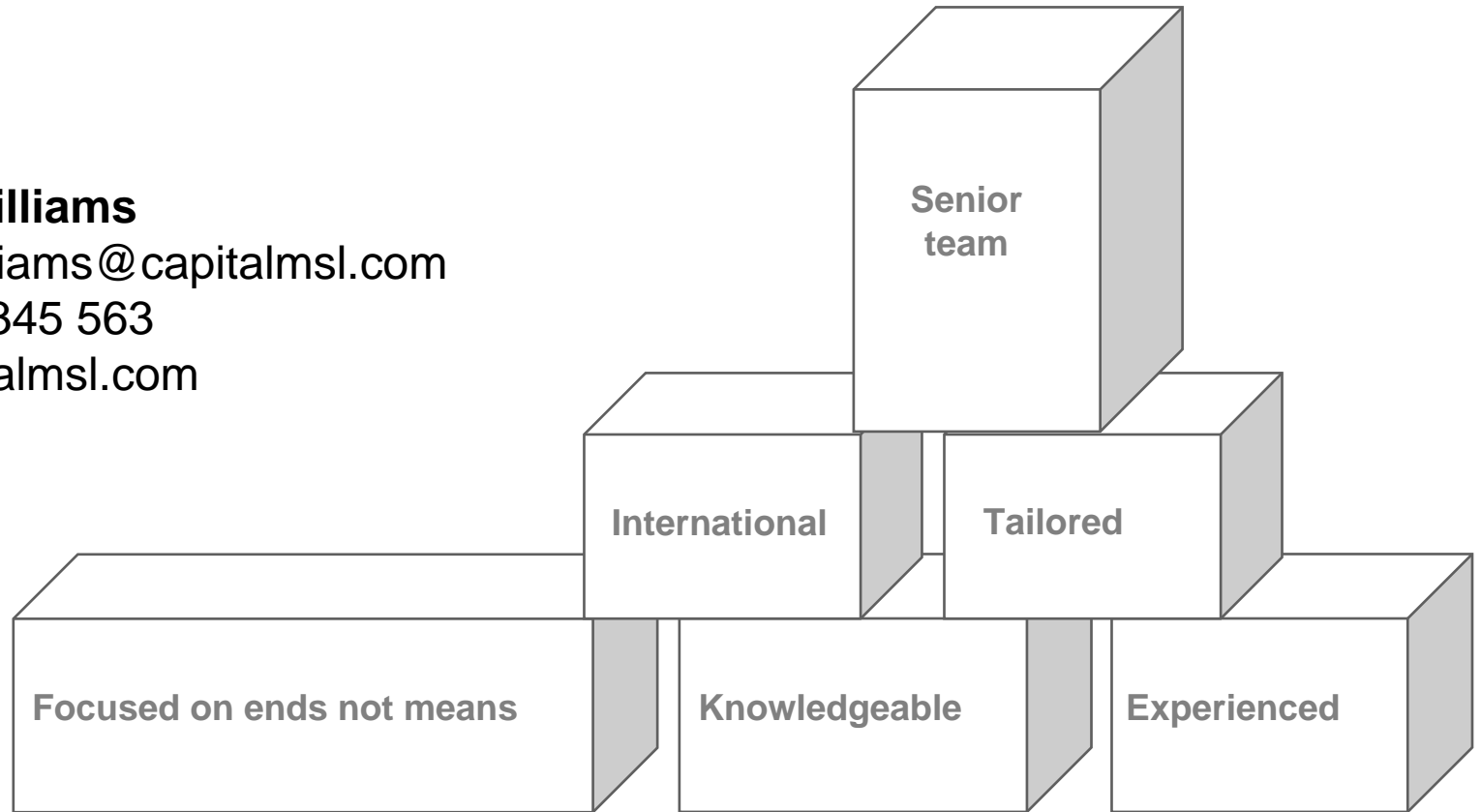


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Capital MS&L



THE BANK OF NEW YORK MELLON

Agenda – Friday 16th May

Friday 16th May

8.30am

COFFEE

9.00am

Communicating with Investors, Analysts & The Media: An interactive workshop - *Ann Mayhew, M:Communications*

11:00am

COFFEE BREAK

11:30am

Leveraging Technology to Communicate Your Story Efficiently - *Diane Faulks Cantos Communications*

12:30pm

LUNCH

1.30pm

Global Thematic Investing: a perspective from Newton - *Paul Markham, Portfolio Manager, Newton / Simon Pryke, Investment Leader, Global Research, Newton*

2.30pm

Strategic Roadshows: Making the most of your time with investors & analysts - *Perry Hall, City Savvy*

3.30pm

Closing Remarks

Section I.

Communicating with Investors, Analysts & The Media

Ann Mayhew – M:Communications

You've done your homework ...



- Perception research.....
- Monitored peer group announcements.....
- Previewed key market issues.....
- Decided on 3-5 core messages.....

Now how do we make these key messages stick?

- Let's first check they're the right core messages ...
- Ask yourself *"why would I buy my company's shares TODAY?"*
- Are they:
 - Forward looking?
 - Believable, credible?
 - Exciting? Frisson ...

What is an investor presentation?



- A relationship-building dialogue aimed at showing that your
- company's shares offer the best investment opportunity available
 - which matches the Fund Manager's investment criteria

Experiencing empathy



- Research suggests that people do not receive and experience empathy as a nurturing 'warm and fuzzy' focus on their feelings
- Rather they sense empathy as a *discerning and thoughtful appreciation* of their situation



1. Avoid distracting thoughts
2. Listen in order to understand, not just to respond
3. Describe the problem before offering the solution
4. Use paraphrase
5. Analyse your 'talk-listen' ratio



- **“Building Rapport”**

2 different opportunities to persuade investors with different challenges



- **One-on-one meetings:**

- Building rapport
- Trust
- Inspiring confidence

- **Group meetings:**

- Professionalism
- Charisma
- Engagement
- IMPACT

Firing up sell-side analysts

- A “Brokable story”
- Themes and message
- Industry – market share – differentiators
- Growth drivers
- **Inspiring the media**
- Sound bites and substance
- In tune with current issues
- Ross’ notes

The shocking statistics about public speaking

- **57% of communications body language**
 - **37% tone of voice**
 - **6% content**
-
- Inspiration to look more deeply
 - Investor is not Rational Economic Man – his decisions are firstly emotional, then reasoned

Let's practice



- **“The Challenge”**

Section II.

Leveraging Technology to Communicate Your Story Efficiently

Diane Faulks – Cantos Communications



“where business
speaks for itself”



Contents

| | |
|--------------------------|----|
| Introduction to Cantos | 3 |
| The online space today | 4 |
| IR audience requirements | 6 |
| IR activities online | 8 |
| Appendices | 16 |





What is Cantos

- Cantos specialises in producing and distributing corporate communications on video and online
 - enabling management to talk direct to all key audiences – internal and external
 - demonstrating the strategy in action on the ground
- Cantos services enable a joined up approach for corporate communications to all audiences
 - investors, potential investors and analysts, media, employees
 - partners, NGOs, governments and wider stakeholder groups
- Cantos has established an editorial reputation amongst financial institutions and the media
- The Cantos offer is distinctive because it combines:
 - advisory expertise (investment banking, corporate communications and technical)
 - content creation (broadcast producers, directors, journalists and cameramen in-house)
 - a quality additional audience, distribution and feedback
- Cantos works with clients as an insider, alongside their other advisers

Standard Chartered: investor documentary



BP: webcast



ING: in-depth interview



“

The online space today



- Simple, visual, vivid
- "You" broadcast



- Picture and description together
- Central and visual billing on the page
- The faces 'humanise' the content



”



IR website online space today

Your website is a primary channel - not just a library

- Company information
 - 'About Us' – why to invest
- Financial data
 - comprehensive
 - assorted formats
- Relevant news
 - strategy and operating environment
- Shareholder information
 - breakdown and analysis
- Bondholder information
 - outstanding, credit ratings
- Corporate Governance
 - how is the company managed
- Corporate Responsibility





IR audience information requirements

- Accessibility to management
 - available anytime, anywhere
- Responsiveness of company (and individuals):
 - returning calls and e-mails
 - answering indepth questions
 - responding to feedback from shareholders and analysts
- Consistency on timing and content
 - Information released at similar date, at same time, every time
 - Layout of information same time format numbers lay out etc
- Accuracy
- Good disclosure

Prudential: indepth interview



Carrefour: investor documentary



VTB Bank: webcast





Communication during financial results

Typical schedule on announcement day:

- 07:00 Announcement to the appropriate stock exchange/s
- 07.30 Press interviews
- 09.30 Analyst/investor meeting
- 14.00/afternoon US analyst/investor meeting/call
- Afternoon One on one investor meetings
- Following days/week, depending on existing and target shareholder base, roadshow in:
 - Home market
 - London
 - Europe
 - North America
 - Asia

“

Results

Diageo: webcast



Hikma: indepth interviews



HSBC: indepth interviews



- Webcasts of analysts presentations: video and audio, live and on-demand
- Indepth interviews with senior management
 - focusing on the questions the market wants answered
 - getting across the key messages from the company in full and direct
 - virtual "one-on-one" at the desk top
 - filmed in advance and published immediately following the announcement

”



Strategic announcements

Akzo Nobel: employee structure



UBS: profit warning and management reorganisation



Aviva: new CEO's first set of results



- Set the agenda and tone for the day
 - launching new initiatives
 - positioning the leadership team
 - demonstrating thought leadership
 - explaining concepts
- Important for both external and internal audiences



Deals

First Group: Laidlaw acquisition



Smiths Group: Sale of Smiths Aerospace to GE



BHP Billiton: Rio Tinto approach



- Communicate the rationale of the deal instantly and widely, within regulatory framework
- Creation of effective video content
 - interviews encapsulating the key messages in a controlled way
 - webcasts of analyst and media presentations
- Building gateways and microsites for all relevant content to restrict viewers as appropriate
- Confidential and compliant, consistent with all other deal communications





Investor seminars

SABMiller: Investor documentary



Rolls-Royce: 2007 Investor Day, Germany



- Showing breadth, depth and quality of management and frontline staff
- Focusing on the key areas of investor interest and concern
- Documentaries for playing into the live event and publishing online
- Bringing the business alive on the ground; virtual site visits - video as 'evidence', not 'marketing'





Investor seminars: reaching the wider audience

HBOS: video webcasts



ING: risk seminar



- Live and on-demand webcasts to relay full detail and enable interactive Q&A
- Interviews to highlight key themes and messages
- Documentaries to provide virtual site visits and contextualise businesses and opportunities
- Online distribution provides greater reach and longer shelf life
- Ability to mix and match different formats to suit the event: documentaries, interviews, video/audio webcasts



Corporate responsibility and reputation

Barclays: summarising the CR report



BHP Billiton: case study in Mozambique



GSK: fighting Lymphatic Filariasis



- Making it real – evidencing CR in practice in the business
- Demonstrating senior management commitment to corporate responsibility
- Illustrating community engagement
- Explaining CR in context – how it links to the business



Presenting video online – the extremes

Shell: home page



Standard Chartered: home page



IR home page



Results & events centre



- On the home page, central, compelling the audience to watch
- Using the video to talk about issues central to the business

- Listing video deep in the archive, with no visuals
- Invisible to those who don't know to search for it

"I was a great sceptic and am now a huge Cantos fan. I know a lot of our analyst and investor community watch because they ring and tell me. It is a great way to get our key messages out to as broad an audience as possible - including our very important internal audiences around the world."

Head of Communications

PRUDENTIAL

"My concern about the use of video for investors had always been that it can come across as marketing. The way Cantos does it is different. We use them for live investor events and online. They manage to translate our key investment messages onto camera and the result is really successful. That is the vast difference and value add for us."

Director of IR

APAX PARTNERS



Appendices

“where business
speaks for itself”



Cantos.com

- Cantos.com aggregates client content
- Every client company has their own page
- Attracts a wide audience: buy-side, sell-side, media, regulators and industry peers
- Viewers in over 2,000 financial institutions
- 22,000 registered users have signed up to e-mail alerts
- Over 800 new registrations per month
- Plus wider online distribution relationships: Dow Jones Newswires, Reuters 3000xtra, Barclays Stockbrokers, 3 mobile phones and PRNewswire to journalists and financial portals such as Yahoo! Finance

The screenshot displays the Cantos.com interface with several key sections:

- Header:** Navigation tabs for Home, FTSE100, FTSE250, Technology, and Small Capital.
- Main Content Area:**
 - Rolls-Royce Investor Day 2007:** Features a video player with a man speaking. To the right, there's a section for 'Investor Day 2007 Overview' with a transcript option.
 - Investor Documentaries:** A grid of video thumbnails with titles like 'Operations', 'Technology', 'Clean Machine Power', and 'Services'.
 - Archive programming:** A list of past events with dates and titles, such as 'Investor results', 'Preliminary results', and 'Investor Seminar'.
- Right Sidebar:** A 'Send a friend' section with instructions on how to share content.

Latest content

Publishable transcript

Investor documentary

Archive programming

Latest regulatory headlines



Live share price and other data

This screenshot displays the 'Company Info' section for Rolls-Royce. It includes a brief overview of the company, a list of key executives with their photos and titles, and a section for 'More links' with various external website addresses.

Company info and site links

Company home page



Relevant, credible and timely content

"From the horse's mouth"

"This is a very useful service because I got to hear the CEO's views early in the day. The fact that the company was able to set out their agenda definitely adds value. It is a great opportunity for them to get their views across whilst not being hit by questions from analysts which can change the tone and direction of a meeting."

Rated analyst, TOP 5 FINANCIAL INSTITUTION

"This was my first look at Cantos and it beats everything else out there. It was perfect as it hit all the top points and really got me in front of the Chief Executive."

Sell side analyst, NEW YORK

"The fact that it gets distributed at 7 in the morning is useful because the tone and tenor of the company statement does not come across in RNS whereas Cantos gives another angle – you can get to see the whites of the director's eyes."

Director (Investment Management), MERRILL LYNCH

"The Cantos interview was so useful that I referred it to some of my clients to help them prepare for their subsequent meetings with the company."

Equity sales, GOLDMAN SACHS

"If you've watched the Cantos interview then you can get more out of your one-to-one because you can get to more specific issues that concern you"

Fund manager, JPMORGAN FLEMING

Influencing investment decisions

"I used four sources to make that decision, one of which were the Cantos interviews first thing in the morning."

Fund manager, TEACHERS INVESTMENT MANAGEMENT

"We hadn't planned to see them, but after the interviews we felt that we should call them in."

Buyside analyst, JUPITER ASSET MANAGEMENT

"The bottom line for me going into their results was that I was looking to sell the stock. But watching the interview persuaded me not to sell. It made me step back and listen to what the company had to say rather than rely on the various investment banks and analysts notes. The Cantos interview reassured me."

Fund manager, MAJOR INVESTOR IN UK EQUITIES

"The interview definitely affected my view of the company, particularly at the time that I saw it. Everything else, the other information I got, was second hand – either our own commentary or the newspapers – so it definitely informed my view."

Credit sales, ABN AMRO

"The interview was perfect timing – it got us up to speed with the stock and we changed our recommendation of the back of the interview and the conference call after."

TD WATERHOUSE

"I am certainly more inclined to invest at some stage – we have now put the stock on our monitoring list whilst previously it didn't even hit the radar."

Fund Manager, CLOSE WEALTH MANAGEMENT



Cantos.com

Institutional viewers in 61 countries





Cantos.com

Viewers in the top holders of equities in UK:

| Institution | Location |
|-------------------------------------|---------------|
| AIM Trimark Investments | Toronto |
| AXA Framlington Group | London |
| AXA | London |
| AXA Rosenberg | London |
| Aberdeen | Aberdeen |
| Abu Dhabi Investment Authority | Abu Dhabi |
| Aegon | Edinburgh |
| AllianceBernstein | London |
| AllianceBernstein | New York |
| Artemis | Edinburgh |
| BNP Paribas | Paris |
| Baillie Gifford | Edinburgh |
| Barclays Global Investors | San Francisco |
| Barclays Global Investors | London |
| Barrow, Hanley, Mewhinney & Strauss | Dallas |
| BlackRock | Edinburgh |
| Brandes | San Diego |
| Brewin Dolphin | London |
| Capital International | London |
| Capital Research & Management | Los Angeles |
| Cazenove Capital Management | London |
| Credit Agricole | Paris |
| Credit Suisse Asset Management | Zurich |
| Credit Suisse Asset Management | London |
| Davis Selected Advisors | New York |
| Deka Investment | Frankfurt |
| Deutsche | London |
| Dodge & Cox | San Francisco |
| F&C | London |

| Institution | Location |
|---------------------------|------------------|
| Fidelity International | London |
| Fidelity Investments | Boston |
| Franklin Templeton | Edinburgh |
| GAM | London |
| Gartmore | London |
| Goldman Sachs | London |
| HSBC Halbis Partners | London |
| Harris Associates | Chicago |
| Henderson | London |
| Hermes | London |
| ING | The Hague |
| INVESCO | Henley-on-Thames |
| IXIS | Paris |
| Insight | London |
| Investec Asset Management | London |
| JPMorgan | London |
| Jupiter | London |
| Lansdowne | London |
| Lazard | London |
| Legal & General | London |
| Liontrust | London |
| M&G | London |
| MFS | Boston |
| Merrill Lynch | London |
| Mondrian | London |
| Morgan Stanley | New York |
| Morgan Stanley Quilter | London |
| Morley | London |
| NWQ (Naveen) | Los Angeles |

| Institution | Location |
|------------------------------|-----------------|
| New Star | London |
| Newton | London |
| Nordea | Copenhagen |
| Old Mutual | London |
| OppenheimerFunds | New York |
| Pioneer | Dublin |
| Putnam | Boston |
| RCM | London |
| Rathbone | London |
| Rensburg Sheppards | London |
| Resolution | Glasgow |
| Royal London | London |
| Russell Investment Group | London |
| Societe Generale | London |
| Schroder | London |
| Scottish Widows | Edinburgh |
| Silchester | London |
| Speirs and Jeffreys | Glasgow |
| Sprucegrove | Toronto |
| Standard Life Investments | Edinburgh |
| State Street | Boston |
| State Street | London |
| Templeton Investment Counsel | Fort Lauderdale |
| The Alliance Trust | Dundee |
| Threadneedle | London |
| UBS Global | Zurich |
| UBS Global | London |
| Union Investment Group | Frankfurt |
| Wellington | Boston |





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AIM Investments
Allegiant Asset Management
AllianceBernstein
AltaRock Partners
American Express
American International Group
Bank of America
Bank of New York
Barrow, Hanley, Mewhinney & Strauss
Batterymarch Financial Management
Bear Stearns
Berthel Fisher
Blackhawk Capital
BMO Capital Markets
Brandes
Calypso Capital Management
CB Richard Ellis
Charles Schwab
CIBC World Markets
Citigroup
Civic Capital Group
Concord Capital
Convergence Partners
Crane Asset Management
Cypress Tree
Davis Selected Advisors
DePrince, Race & Zollo
Dodge & Cox
Dresdner Kleinwort

DuPont Capital Management
Eagle Capital Partners
Edward Jones
Epsilon Funds
Evergreen Investment Management
Fidelity International
Fidelity Investments
Flinker
Fortis Americas
Fortune Asset Management
Framtiden
Franklin Templeton Investments
Gabelli Company
Gardner Russo & Gardner
General Electric Company
Goldman Sachs
GSIC
Halcyon Asset Management
Harding, Loevner Management
Hovde Capital Advisors
INVESCO
Investcorp
Jackson National Life
Janus Capital
JPMorgan
Kallisto Investments
Lehman Brothers
Liberty Mutual Insurance
Lipper Advisory Services

Loeb Partners
Loomis, Sayles
MacKay Shields
Manulife Financial
Maverick Capital
Mellon
Mercator Asset Management
Merrill Lynch
Millennium Management
Morgan Stanley
Myers Capital Partners
Natexis Bleichroeder
Neuberger Berman
North Sound Capital
North Star Partners
Oaktree Capital Management
Old Mutual Asset Management
Opus Capital
Pacific Western Bank
Paradigm Capital
Pioneer Investments
Prudent Wealth Management
Prudential Financial
Prudential Securities
Putnam Investments
Putnam Lovell
RBC Capital Markets
Robeco
Robert W. Baird
Sanford C. Bernstein

Silchester
Smith Barney
South Dakota Investment Council
State of Michigan Retirement System
State Street Global Advisors
Stifel, Nicolaus & Company
Sun Life
SunTrust
Third Point
Thompson, Siegel & Walmsley
Thrivent Financial for Lutherans
Tiger Global Management
Torrey Pines Capital Management
Tovey & Company
Triology Capital Partners
Trusco Capital Management
U.S. Trust Company
United Nations Pension Fund
Wachovia Securities
Weber Capital Management
Wellington Management Company
Wexford Capital
WR Huff Asset Management
Xerion Capital
Zuckerbraun Argyle Associates





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Viewers in over 350 European institutions, including:

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ABG Sundal Collier
ABN AMRO Asset Management
ABP Investments
ACOFI
Active Capital
ADI (Alternative Investments)
Adinvest
AEGON Asset Management
Aequitas
AFA Forsakring
Ahorro Corporación Financiera
Allianz Dresdner Asset Management
Allianz Global Investors
Allied Irish Bank
Alor Group
AMB Generali Asset Managers
AMERAC
Aviva
AXA Investment Managers
Banca Intermobiliare
Banca Intesa
Banca Popolare Italiana
Banca Zarattini
Banco Espirito Santo
Banco Santander Central
Bank Cantonale de Geneve
Bank Julius Baer
Bank Oyens & van Eeghen

Bank Sarasin
BankInvest
Banque Audi
Banque Finama
Bayerische Landesbank
BDF Gestion
Berenberg Bank
BNP Paribas Asset Management
BPI Asset Management
Braun, von Wyss & Müller
Bryan, Garnier
BSI
BZ Bank
CA Cheuvreux
CAAM SGR
Calyon CIB
CDC IXIS Asset Management
CM-CIC Securities
Commerzbank
Credit Agricole
Crédit Mutuel
Credit Suisse Asset Management
Danske Capital
Deka Investment
Delta Lloyd Asset Management
Deutsche Bank
Dexia Asset Management
DIT Deutscher Investment Trust
DnB NOR Asset Management
DNCA Finance

Dresdner Bank
DVB Bank
DWS Investments
DZ Bank
Effectenbank Stroeve
Enskilda
Exane BNP Paribas
FBS Bankiers
Fineco Asset Management
Fortis
Generali Asset Management
Government of Gibraltar, Treasury
Handelsbanken
Hauck & Aufhäuser
Helaba
Hellenic Investment Company
Helvea
HSBC
HSBC Trinkaus
Huet & Cie
HypoVereinsbank
IAM Independent Asset Mgmt
ING Investment Management
IXIS Securities
Kaupthing Bank
KBC Asset Management
Kepler Equities
Krekova DZU
Lazard Asset Management
Lombard Odier Darier Hentsch

Luzerner Kantonalbank
Metzler Investment
MPSS (Komerčni Banka)
Natexis Bleichroeder
National Bank of Greece
NCB Stockbrokers
Nedlloyd Pension Fund
NIBC Bank
Nordea
NPM Capital
Oddo Securities
Östgöta Brandstodsbolag
Petercam
Pioneer Alternative Investments
R. Zürcher Consulenze
Rabo Securities
RBC Investments
SEB Asset Management
Skandia Life
SNS Asset Management
Société Générale Asset Mgmt
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UBS Global Asset Management
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Viewers in over 140 hedge funds, including:

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Adage
Adelphi
AltaRock
Altrinsic
Amaranth
Ampere
Aquamarine
Argyle
Armor
Artis
Aspect
Avenue
Axis
Bailey Coates
BlueCrest
Bradshaw
Brevan Howard
Buttonwood
Calypso
Cambrian
Cap Z Investment
Caxton Associates
CBI
Centaurus
Cerberus
Chesapeake
Cheyne

Christopher Weil
Citadel
Closeburn
Cross
CypressTree
Dalton Strategic
Davidson Kempner
De Putron
Delwar
Digital Century
Dunmore
Duquesne
Dye
Egerton
Elgin
Elliott & Associates
Elysian
Emergent
Farallon
Feirstein
FinCap
Focus
Fortune
Gabelli
Genesis
GLG
GMP
Goodwood

Guggenheim
H Lundén Kapit.
Hadron
Halpern
HBK Europe
Highbridge
Highside
Horseman
Hovde
Independence
K Capital
KEA
Kilkenny
King Street
Kingdon
Langlade
Lansdowne
LGT
Liberty Funds
Libra Equity
Litespeed
Loeb
Mail
Man
Manticore
Marble Bar
Marblehead
Mark

Marshall Wace
Matador
Meditor
Merrion
Metropolitan
Millennium
Millgate
Milton
Monam
Morant Wright
MPC
Muse
Myer
Narragansett
Newman Ragazzi
Noble
Odey
Olympus
ORN
OSS
Owl Creek
Oxburgh
Paradigm
Pequot
Petercam
Pioneer
PM
Polygon

ProMed
Ramius
RBH
RMF
Rogge
SAB
SAC
Sandell
Second Curve
Sector
Senvest
Shorewater
Sierra
Sisu
Soros
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ToscaFund
Trafalgar
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Weaving
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“where business
speaks for itself”

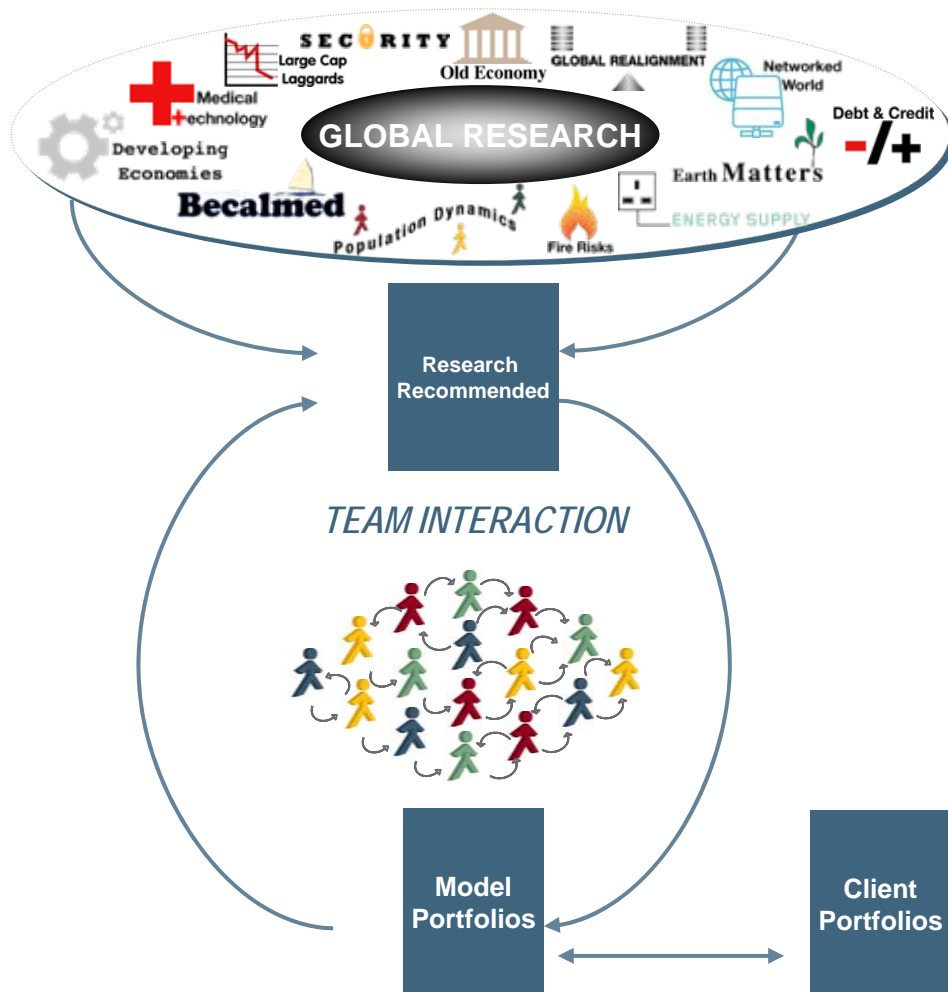
Section III.

Global Thematic Investing

Paul Markham & Simon Pryke - Newton

Investment process

Overview



- Themes provide long term orientation
 - 'big picture' to avoid short term focus
 - Career research analysts split by global sector
-
- Each analyst provides +/- 10 global stock ideas
 - compensation based on success of these
 - Research Recommended Lists act as stock menus
-
- Single location essential
 - enables rapid idea generation and implementation
 - Communication culture
-
- Directly invested, seamlessly constructed portfolios
 - Commonality is naturally occurring
 - model portfolios
 - client portfolios exceed 95% commonality
 - Quantitative assessment by Portfolio Analytics Team

London based, performance fee oriented

Idea generation

Themes efficiently focus our research



- Themes are our interpretation of key forces that drive change
- Themes provide a stimulus for debate at the widest level
- Themes continually evolve prompting a stream of new ideas

Themes make us better stock pickers

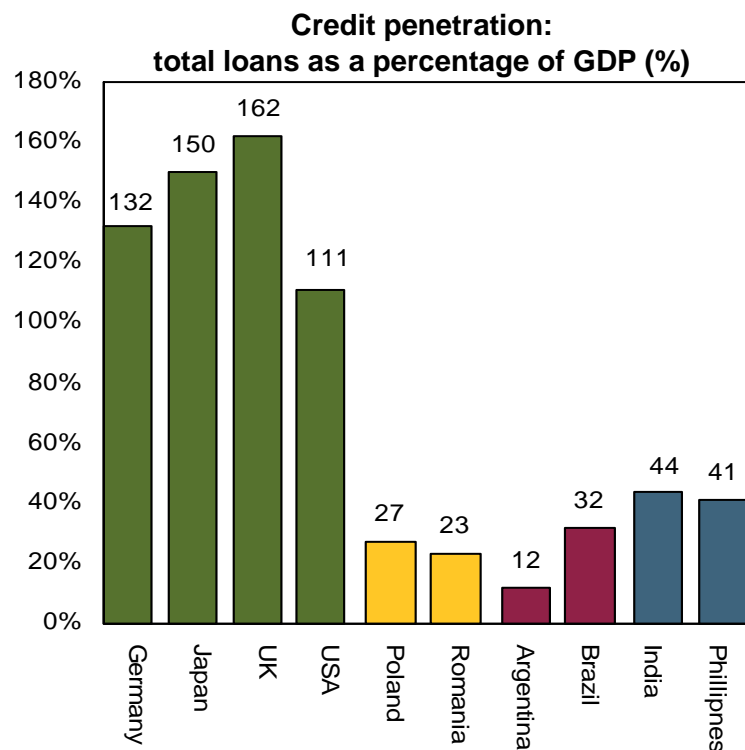
Debt & Credit



The era of disinflation has fostered a supercycle of credit growth in many of the developed economies. In recent years the pace of credit expansion has accelerated in response to global financial deregulation, relatively loose monetary policy and innovations in structured finance. The resulting high level of corporate and individual leverage in these economies is in stark contrast to that prevailing in the developing world where savings rates remain high.

Features and Scope

- Globalisation of credit markets
- International carry trades
- Securitisation, derivatives and structured finance multiply credit availability
- Volume driven lending
- Successive record debt / GDP ratios
- Geographic variation in debt / savings levels



Opportunities / Risks

- Plentiful liquidity
- Generalised inflation risks
- Has facilitated strong consumption and asset bubbles
- M&A, trend towards 'efficient' balance sheets
- Uncertain central bank responses, sensitivity to interest rates
- Developing world financials have superior risk / reward profiles

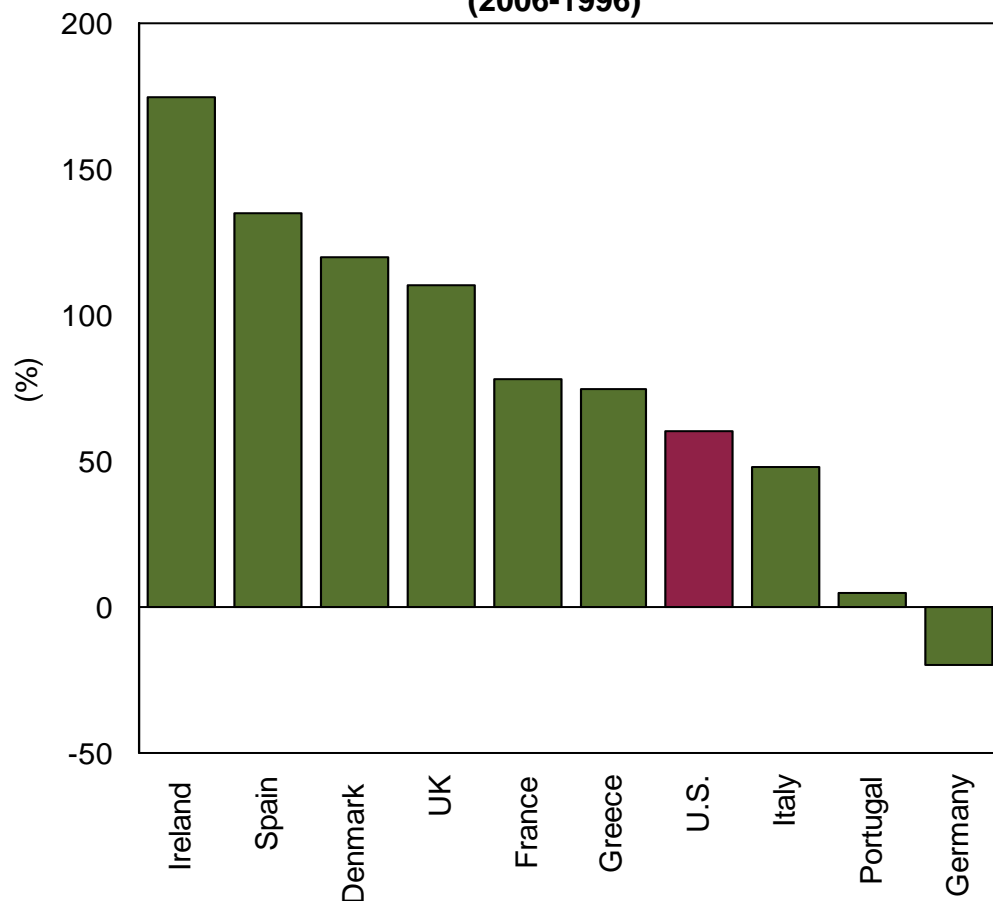
*Note: Most data end-2005, some end 2004, some ML estimate
Source Central Bank Data, Merrill Lynch estimates*



Idea generation

Banking sector – global perspective is key

Real house prices changes over the last ten year
(2006-1996)



- 2007: The credit cycle turned – a painful year for the banking sector
- Outlook: fundamentals remain very challenging
 - Falling property markets and weaker economic environment increasing bad debts
 - Challenging banking environment impacting revenue growth prospects
 - Regulatory backlash and litigation risk inevitable
 - Equity issuance and dividend cuts expected

NEWTON VIEW: Continue to avoid US and European banks

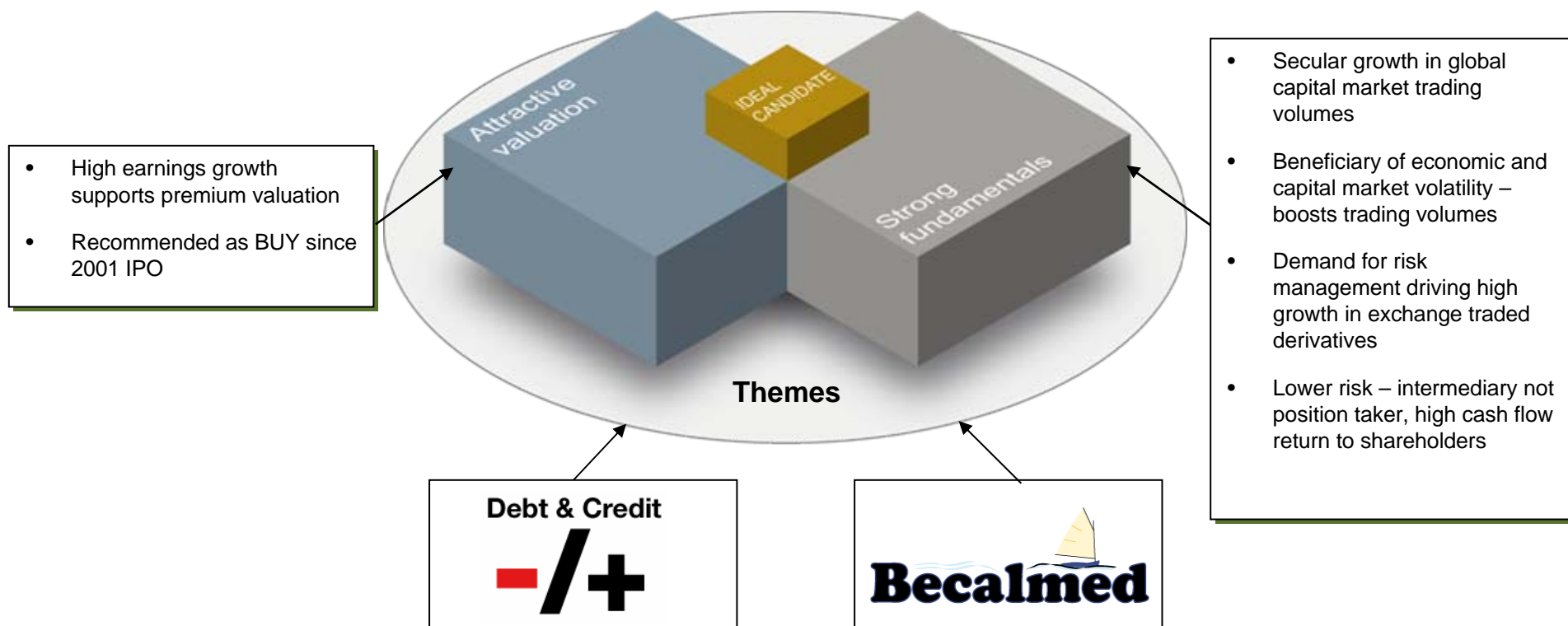
Source: Bank of England, Morgan Stanley Research

Idea generation

How we select stocks

Stock: Deutsche Boerse

Recommendation: Buy

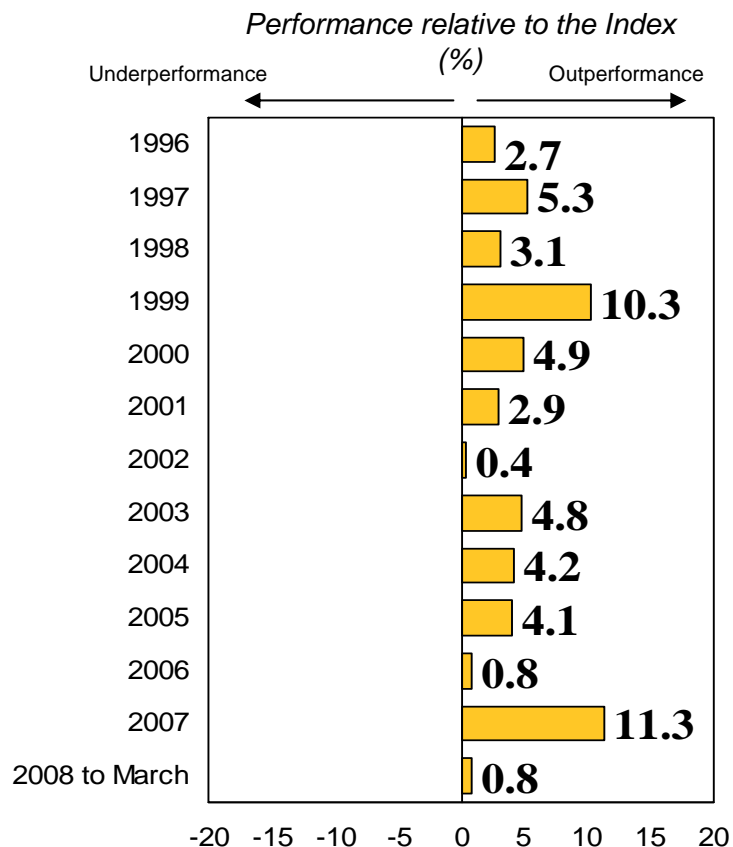


Portfolio holdings are subject to change at any time without notice and should not be construed as investment recommendations
Source: Newton

Newton's appeal

Our process delivers

Newton Global Equity Institutional Composite Versus MSCI World NDR Index



- Exceeded benchmark in each of the last 12 calendar years
- Annualised outperformance since composite inception (Apr 1, 95 – Dec 31, 07): +4.5% p.a.
- 10 year information ratio 1.0*

- Stock picking with conviction
- Strong performance regardless of investment environment
- High information ratios – strong risk adjusted returns
- The process has worked for 30 years

Our performance has stood the test of time

Please see appendix for full disclosure information

Source: Internal Composite

*Period to 12/31/07, USD

Section IV.

Strategic Roadshows –
Making the most of your time with investors and analyst

Perry Hall – City Savvy

Creating Value Through Strategic Roadshows

Success Is in the Messaging

May 2008

The Financial Markets Landscape

What Investors Think...

(comments taken May 2008)

Investor perspectives: Transparency

“I have found that so many companies do not understand the importance of good corporate governance and the link with transparency. All companies will talk to this issue, but I invest in companies with good governance policies who demonstrate their ability to follow those policies.”

Russell Investment, Global Portfolio Manager

“The weakest thing about emerging markets companies is the quality and consistency in communications – the content and analysis, how they describe their business strategy, and the way they piece it together.”

Merrill Lynch, Emerging Markets Portfolio Manager

Investor perspectives: Consistency

“Companies need to understand that lack of access to management, transparency and detailed information means the share price will trade at a discount because investors have to factor in and assume more risk.”

UBS, Buy-side Analyst – Global Markets

“...serious institutions don't want hype. We want real business models, real growth stories, strong management teams, and a stable political and economic environment.”

Russell Investment, Emerging Markets Portfolio Manager

Investor perspectives: Competition

“I always view a DR listing as a positive because it raises the company’s profile and it demonstrates the company’s commitment to meeting international disclosure and transparency expectations.”

Baring Asset, Emerging Markets Portfolio Manager

“Each company needs to realise they are competing for investment capital with other companies and other markets. The money will go to the most compelling stories with the greatest growth potential relative to the current share price.”

UBS, Buy-side Analyst – Emerging Markets

Investor perspectives: Management

“If we haven’t met management, we usually don’t invest in them.”

Griffin Capital, Global Analyst

“When we don’t trust management, we don’t go near the company.”

Jupiter Asset, Emerging Markets Analyst

What investors want...

- Compelling demonstrable stories that demonstrate future results
- Clear value relative to the market and competitors
- A well-defined peer group
- Messaging that addresses their specific investment strategy
- A dominant market position
- Access to management

A Successful Beginning

Strategic Planning & Messaging



Setting your roadshow priorities

- Raising your financial-market profile
- Updating current shareholders
- Meeting potential investors
- Increasing DR liquidity & trading volume
- Expanding analyst relationships
- Discussing company developments
 - ▶ Earnings
 - ▶ Acquisitions
 - ▶ Restructuring
 - ▶ New management
 - ▶ R&D, technology, products, markets

Make the most of your roadshow by knowing what you want to achieve

One, some or all of these may be relevant to your roadshow

The messaging audit

- Analyst research & opinions in the financial markets based on the company, its sector and industry peers
- Pre-roadshow interviews with analysts and fund managers
- Media opinions, perceptions, corporate positioning and commentary in the relevant press
- Interviews with journalists
- Peer analysis: Media coverage comparisons
- Analysis of existing company communications materials

Know your audience

Know their investment interests

*Know what they understand
AND
misunderstand about you*

Investors Analysts Journalists Research reports Media review Corporate peers

Company / market messaging alignment

- Is the information accessible to the market accurate?
- What are the misperceptions?
- What is the real investment opportunity?

The Audit
(perception vs. reality)

The Equity Story
(buy vs. not buy)

- The growth perspective
- Your distinct market niche
- Your competitive advantage

Financial & business
media

Investors

Analysts

The roadshow presentation

Building an IR Profile

Minimizing the
Risks !!!



Successful messaging

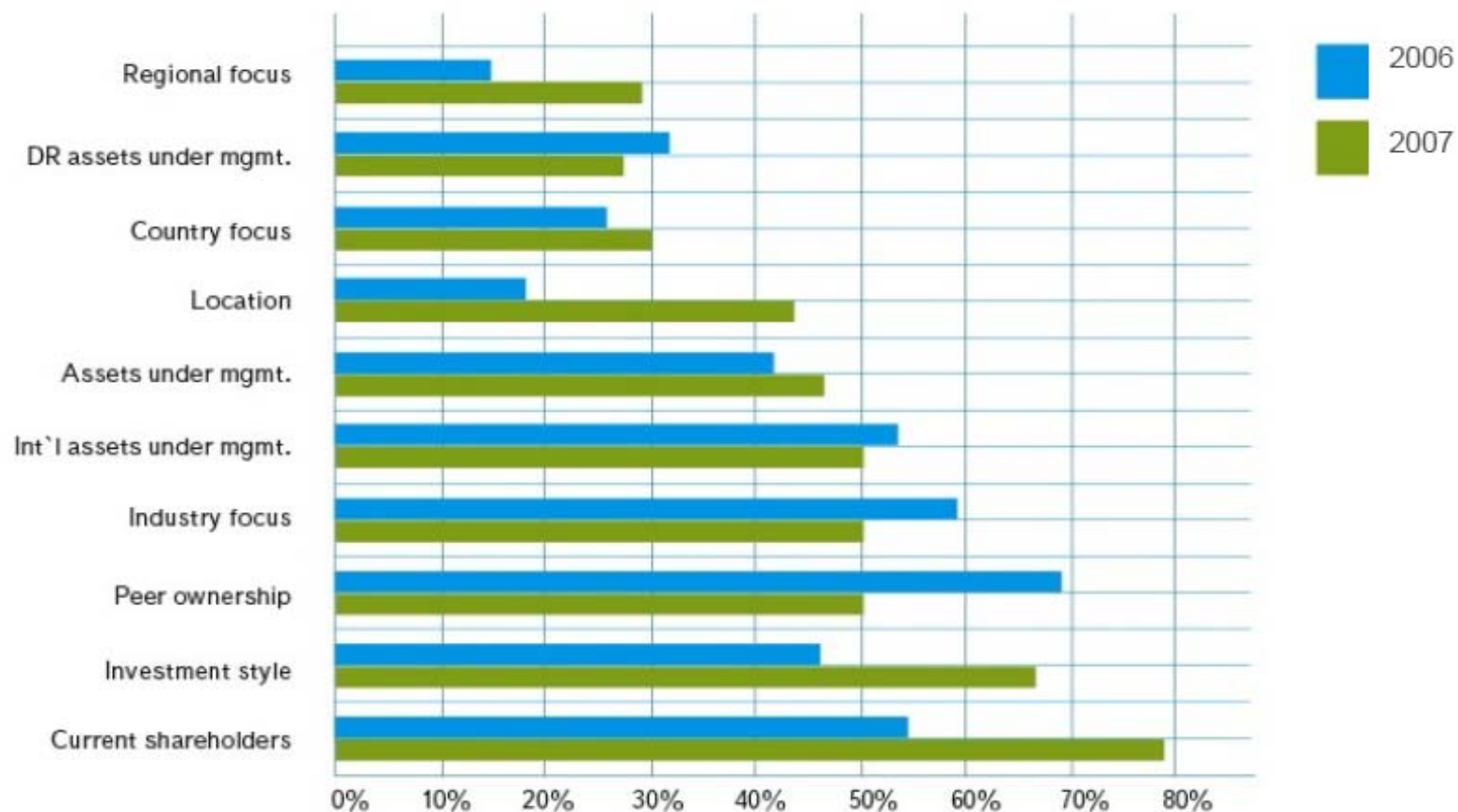
- Well-defined, consistent information
- Measurable objectives consistent with corporate strategies
- A clear set of operating principles
- Refinement of business model to address changing business environment
- Good disclosure practices

Roadshow Targeting

Who Do You Meet?



How does the IR Department target its investment audience?

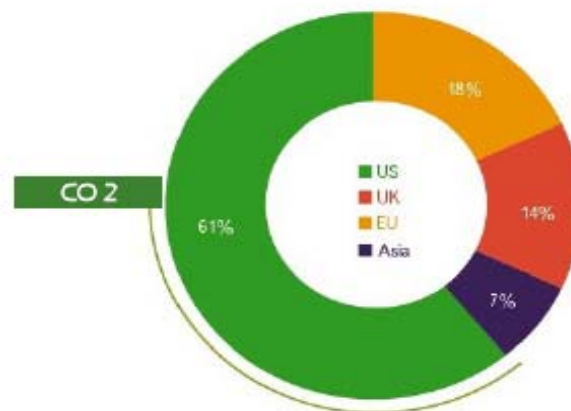
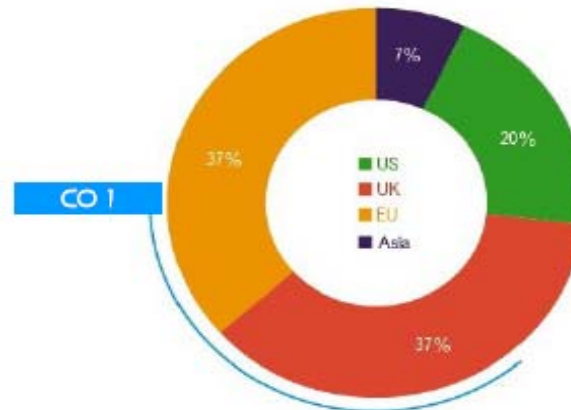
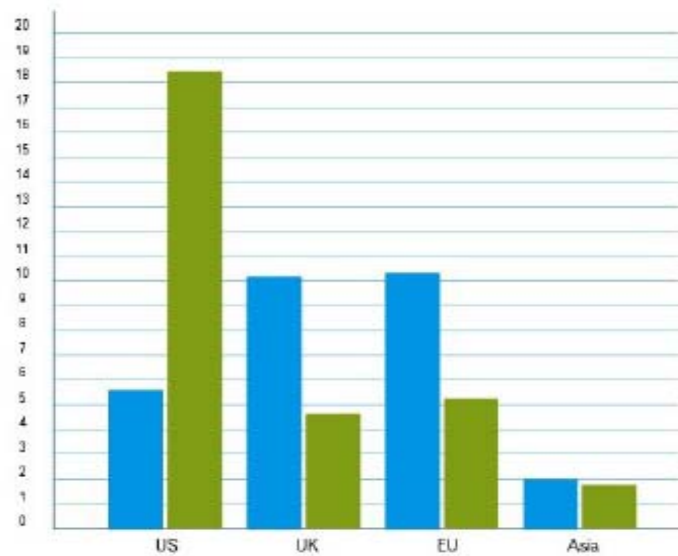


Targeting methodology

- Current shareholders
- Sector & industry
- Geographic and regional investment interest
- Investment style and strategies
- Market location
- Peer comparisons

Targeting: A sample peer comparison

| | CO 1 | CO 2 | CO 1 | CO 2 |
|------|------------|------------|------|------|
| US | 5,467,321 | 18,267,925 | 20% | 61% |
| UK | 10,242,761 | 4,179,351 | 37% | 14% |
| EU | 10,256,399 | 5,369,492 | 37% | 18% |
| Asia | 2,023,989 | 1,977,500 | 7% | 7% |
| | 27,990,470 | 29,794,268 | 100% | 100% |



**Emerging
Markets
Peers**

Shareholders to meet...

| <u>Buyers</u> | <u>Location</u> | <u>Total Shares</u> | <u>Share Inc.</u> |
|---|-----------------|---------------------|-------------------|
| Capital Research & Management | US | 3,179,391 | 1,132,491 |
| JP Morgan Asset Management | UK | 2,761,529 | 1,968,700 |
| <u>Blackrock Investment Management*</u> | <u>UK</u> | <u>2,447,310</u> | <u>2,447,310</u> |
| <u>Griffin Capital Management*</u> | <u>UK</u> | <u>1,965,000</u> | <u>1,965,000</u> |
| UBS Global Asset Management | Switzerland | 1,711,208 | 1,187,341 |
| Swedbank Robur Fonder | Sweden | 1,565,000 | 778,000 |
| Jupiter Asset Management | UK | 1,520,145 | 817,930 |
| Union Investment Privatfonds | Germany | 1,365,900 | 136,400 |
| <u>DWS Investment*</u> | <u>Germany</u> | <u>1,350,000</u> | <u>1,350,000</u> |
| Deka Investment | Germany | 931,250 | 625,000 |
| SEB Investment Management | Sweden | 799,500 | 616,700 |
| <u>Seller</u> | | | |
| Columbia Wanger Asset Management | US | 775,000 | (37,500) |

Investor targets

| INVESTMENT FIRM | LOCATION | PEER HOLDING |
|------------------------------|-------------|--------------|
| Baring Asset Management | UK | 208,313 |
| Charlemagne Capital | UK | 190,300 |
| Grantham, Mayo, Van Otterloo | US | 320,100 |
| ING Investments | UK | 410,000 |
| Merrill Lynch | UK | 187,549 |
| Pictet Asset Management | Switzerland | 2,080,900 |
| Russell Investment Group | UK | 241,900 |
| T. Rowe Price | US | 1,221,116 |
| Two Sigma Investments | US | 194,600 |
| Vertex One Asset Management | Canada | 452,800 |
| Vostok Nafta Investment | Sweden | 588,700 |

Other considerations: Analysts & Media

Independent Analysts

- ▶ Analysts can reach a much broader investor base
- ▶ They have significant influence on investment decisions
- ▶ Diverse coverage gives the company greater credibility and an increased market profile
- ▶ Roadshows can establish new analyst relationships and launch opportunities for future coverage

Financial Media

- ▶ Financial media are excellent resources for raising your corporate profile
- ▶ They have strong influence by shaping the way your company is perceived
- ▶ Roadshows are good opportunities to form new relationships and establish goodwill
- ▶ Localise the story: Make your investment story relevant to their readers and market

Who schedules the roadshow...?

Company

- ▶ Relationships: You know who you talk to and who you need to meet
- ▶ Timeliness: You can more easily co-ordinate a quick roadshow around your changing and hectic diary
- ▶ Flexibility: You can meet as often with investors as you feel necessary

FACT: Company accessibility

24% conduct mini-roadshows quarterly

36% conduct monthly mini-roadshows

(But large-cap, blue chip companies, over 50% conduct monthly meetings)

Who schedules the roadshow...?

Broker-sponsored

- ▶ Cost-effective: Broker roadshows are included in your service fee
- ▶ New investors: Brokers have extensive contacts and will introduce you with new investors
- ▶ Purchase-power: Brokers will candidly speak with investors following your meetings and can better encourage purchase of shares for a productive roadshow

Agency-coordinated

- ▶ Comprehensive: Full service covers preparation, messaging, presentation development, targeting, meeting co-ordination, all logistics, and a detailed follow-up report of investor comments on the meetings and investment potential
- ▶ Independent: Agencies identify new investor opportunities in line with the company's objectives
- ▶ Creative: Agencies look for additional ways to gain exposure including analysts and media

Roadshow Success

The Cardinal Rules



Rules to roadshow success

1. Be consistent: make sure everyone gets the same message
2. Know your audiences: tailor your message to suit their valuation process
3. Maintain an “open-door” policy: consider yourself a market resource for shareholders, investors and analysts
4. Know your boundaries: speak candidly about strategies, goals, successes AND failures, but know when to say “No”
5. Remember the spotlight: everything you say is public

The
impact
of
information
flow

Unanswered questions /
doubts / concerns



Uncertainty



Higher Risk



Lower Valuation



Less demand for shares



Lower Share Price

Share price value

- Timely, credible forecasts with proven historical performance
- Performance predictability
- Visible financial controls
- Transparency
- Discussion of earnings drivers with well-defined milestones & benchmarks
- Consistent information
- Accessible management
- Long-term strategic focus
- Effective management of market expectations
- Realistic discussion of market dynamics: Political and economic issues

Investor perspectives: Value

“Show us growth, and we’ll buy shares.”

Fidelity, Emerging Markets Portfolio Manager

Thank You

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