

ANALYST DAYS – BEST PRACTICES

THOMSON REUTERS - CORPORATE ADVISORY SERVICES

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AGENDA

- Why Host an Analyst Day?
- Analyst Day Planning & Logistics
- Attendees and Presenters
- Analyst Day Structure
- Other Considerations
- Measuring Success
- Suggested Timeline
- Questions & Answers

WHY HOST AN ANALYST DAY?

- Ideal venue to articulate the strategy and long-term goals of the company
- Opportunity to showcase the breadth & depth of the management team
- Chance to build confidence and credibility in the story and ability to execute
- Efficient means to communicate with the entire Street

WHY HOST AN ANALYST DAY?

Analyst Day statistics:

- Overall, 78% of companies said they host Analyst Days
- An equal number of companies said Analyst Days are among the most important means of communications in achieving their IR objectives
- For 2007, roughly 60% of companies held or planned to hold an Analyst Day

Have you held, or do you plan to hold an analyst day in 2007?	Yes	No
All Companies	57.9%	42.1%
Region		
North America	55.5%	44.5%
Europe	83.8%	16.2%
Asia	60.0%	40.0%
Market Capitalization		
Micro	40.7%	59.3%
Small	46.4%	53.6%
Mid	62.6%	37.4%
Large	74.4%	25.6%
Mega	73.1%	26.9%
Industry		
Consumer Discretionary	46.4%	53.6%
Consumer Staples	72.2%	27.8%
Energy	56.0%	44.0%
Financials	57.9%	42.1%
Health Care	73.2%	26.8%
Industrials	52.5%	47.5%
Information Technology	59.0%	41.0%
Materials	65.6%	34.4%
Telecommunication Svcs	58.8%	41.2%
Utilities	52.2%	47.8%

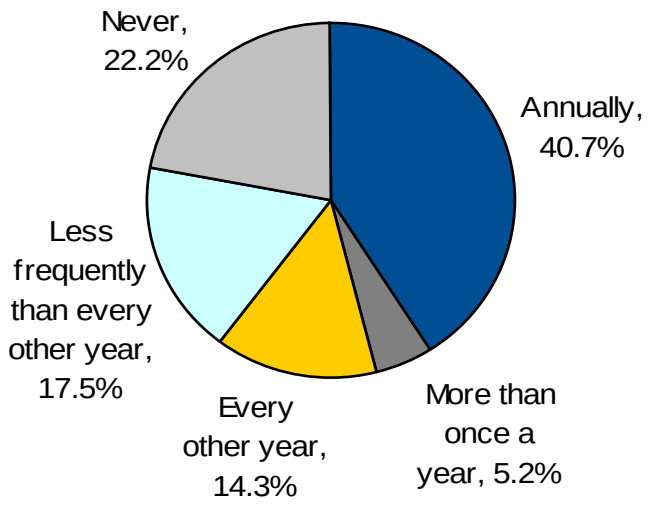
ANALYST DAY PLANNING & LOGISTICS

Factors to consider or avoid when selecting the date:

- Popular holiday and vacation times
- Earnings season, including quiet periods
- Industry conferences or peer events - avoid overlap but potentially leverage

How often should you host an Analyst Day?

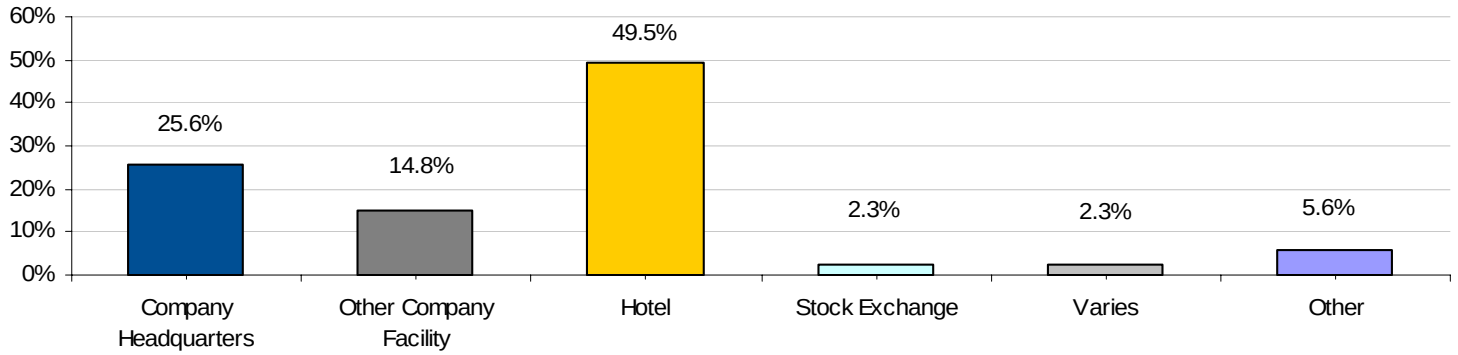
- Annual events are the most popular method



ANALYST DAY PLANNING & LOGISTICS

Where should the event be held?

- Hotel or company headquarters/facility
- Major city, notably New York (40%)



How long should it be?

- Half-day events are most common from a company perspective and the most preferred from a Wall Street perspective

ANALYST DAY PLANNING & LOGISTICS

Preparing to set the agenda:

- Solicit feedback (outbound calls, survey, perception study) from Street in advance to ensure event addresses key topics and prevalent concerns
- According to survey of two dozen investment professionals, defining characteristics of best-in-class analyst day are:
  - Strategy discussion – detailed, comprehensive, forward-looking
  - Access to management – especially operating managers and division heads
  - Segment Dives – in-depth presentations on individual business segments

ANALYST DAY PLANNING & LOGISTICS

Other things to consider:

- Webcast your Analyst Day
  - Extend the reach of your message
  - Consider incorporating rich media
- Distribute your event
  - Make sure your Analyst Day reaches key institutional investors
- Extend the life of your Analyst Day
  - Archive your webcast
  - Provide a transcript
- Align PR & IR Communication Strategies
  - Consider inviting journalists
  - Showcase your products onsite

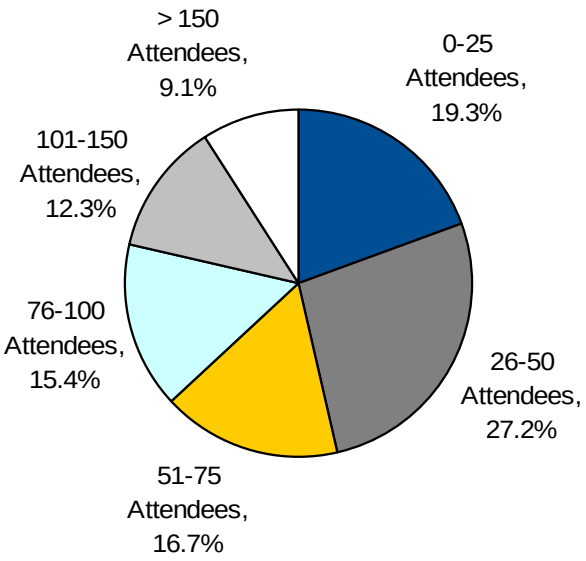
"The web has really helped with IR. When you host an analyst day everybody in the country does not have to attend in person. They can see it on the webcast." **– Buy-side portfolio manager**

ATTENDEES AND PRESENTERS

Who should be invited?

- Buy-side investors – existing shareholders and potential investors
- Sell-side analysts – covering and non-covering
- Media
- Industry groups
- Retail investors

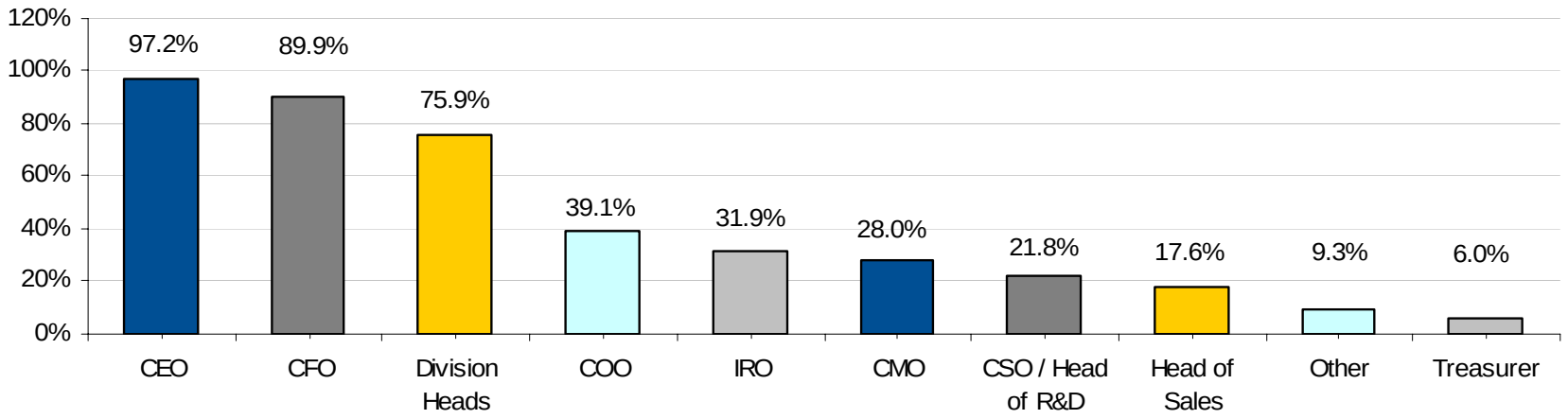
Who is invited to the analyst day? (select all that apply)	All Companies
Buy-side	98.2%
Sell-side	98.7%
Media	24.1%
Retail Investors	10.6%
Industry Groups	7.5%



ATTENDEES AND PRESENTERS

Who should present?

- CEO and CFO are “critical”
- Business Heads are also “must haves”
- Sector-specific considerations (i.e. Healthcare – Head of R&D; Tech and Consumer – Head of Sales)



ANALYST DAY STRUCTURE

Components to consider:

- Strategy discussion
- Historic financials
- Current financials
- Financial guidance
- Q & A sessions
- Product demos
- Facilities tours
- Panels or breakouts

"The topics that are a must cover for an Analyst Day are long-term strategy and where growth is going to come from." **– Buy-side analyst**

"There is no point in having an Analyst Day if the company does not plan to discuss the roadmap for the next couple of years." **– Buy-side analyst**

OTHER CONSIDERATIONS

Other factors to consider:

- Themes
- Handouts
- Gifts, and use of logo
- Meals or cocktail events before/after the meeting
- Scheduling investor meetings surrounding the event
- Posting all slides, audio and transcripts to the website

Trendy or common gifts:

- Charitable Donations
- USB flash drives
- Gift cards
- Product samples
- Over the shoulder tote bags
- Hats, T-shirts, golf shirts, golf balls
- Pens, notebooks, stationery

Which types of events do you hold around or during your company's analyst day? (select all that apply)	All Companies
One-on-One Meetings	27.7%
Breakfast	29.8%
Lunch	53.4%
Dinner	77.2%
Cocktail Hour	25.1%

MEASURING SUCCESS

Quantitative measurements:

- Rankings via survey, perception study
- Stock price
- Number of Buys/Sells/Holds
- Changes in price targets
- Buying and selling of shares
- Attendance

Qualitative measurements:

- Published equity research, sell-side sentiment
- Investor feedback via survey, perception study, direct dialogue
- Management or Board perception
- Perceived understanding of the strategy/message in follow-ups

How do you gauge the success of an analyst day? (select all that apply)	All Companies
Specific calls to attendees	44.8%
Perception study	28.0%
Satisfaction surveys sent after the event	26.4%
Satisfaction surveys distributed at the event	20.5%
Other	13.5%

SUGGESTED TIMELINE

Three to Six Months Before:

- Select city and hotel/other venue for event
- Identify current and prospective shareholders
- Send “save-the-date” invites
- Launch perception study to gauge analyst opinions, identify topics/concerns

90 Days Before:

- Meet with management/board to review topics of discussion and event goals
- Develop theme and key take-aways, incorporating findings from perceptions
- Release press release announcing Analyst Day
- Set-up webcasting/teleconferencing and confirm venue can support
- Determine presentation storyline, speakers, timeline, etc.
- Identify who will provide presentation content about financials, strategy, etc.

SUGGESTED TIMELINE

30 Days Before:

- Send official invite with Analyst Day agenda
- Develop speaking points for each slide/presenter
- Verify accuracy of financials, operating and business metrics to be presented

Two Weeks Before:

- Conduct a pre-event dry-run
- Review presentation, discuss Q&A, examine and confirm all financials
- Ensure legal review of all presentation materials, including your safe harbor statement
- Pull together investor kits/attendee materials/presentations and ship
- Final review of presentations

Day Before:

- Rehearsal on-site with AV/Webcasting Team

SUGGESTED TIMELINE

Day of Event:

- Webcast the event

Immediately Following Event:

- Obtain internal feedback
- Review transcripts of the event
- Post presentation and supporting materials on your IR Web site
- Conduct a post-event perception study to review analyst feedback from analysts and shareholders
- Execute a post event shareholder identification and variance analysis to identify any change in your shareholder base
- Identify which institutions accessed your Analyst Day webcast, and which added you to their StreetEvents watch list

QUESTIONS & ANSWERS

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