This guide is dealing with an important instrument in company-to-investor-communications: the so-called analyst presentation. Despite the omnipresence of analyst presentations in professional Investor Relations (IR) – in fact, the vast majority of stocklisted companies in all capital markets disclose corporate performance data in the format of a deck of slides in Microsoft Powerpoint® format or as a PDF – very little attention has been given by academics, standard setters, regulators and the investment community to the instrument per se.

DVFA GmbH (DVFA), the operational division of the German Society of Investment Professionals, and PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft (PwC) have teamed up to compile this guide. DVFA organises more than 200 analyst presentations of German stock-listed companies p.a. and for years have worked on improving standards of investor-aimed financial communication. PwC’s specialists have a well-known experience and competence gained through the long standing audit of public companies and developed from that an expertise in the fields of in financial reporting and IR. DVFA and PwC for years have shown an exceptional cooperation in sustainability issues and have jointly established the German section of CRUF, the Corporate Reporting Users’ Forum.

We seek to explore and describe quality and success criteria for analyst presentations well knowing that this is only a first step in seeking to standardise the structure of an instrument the importance of which, so far, has been neglected.

Let us begin with semantics.

Although the instrument is typically referred to as analyst presentation its target group includes more target groups than equity sell-side analysts. Investment professionals from the buy-side e.g. fund managers, asset managers, equity strategists, but also investment decision intermediaries such as rating analysts, M&A and corporate finance staff, sustainability analysts, wealth managers and advisors form the audience of analyst presentations. For the description of the instrument and for historic reasons the term analyst presentation might be sufficiently precise but one should keep in mind that the audience is far wider and more diverse than the name would suggest.

Secondly, the word presentation seems to suggest that the main purpose of an analyst presentation is to serve as the vehicle with which corporate senior managers structure the content of a live presentation to an audience e.g. in an analyst meeting. However, analyst presentations are also disseminated through webpages independent of any physical meeting, they often serve as complimentary information in the context of conference calls e.g. when companies report quarterly performance data and they also often are the type of brief information package used by investment professionals when quickly scanning the corporate for concise performance data (“what is new at company XYZ?”). By the way: closer scrutiny, yet again, shows that analyst meetings are not only attended by financial analysts. Typically, professional investors and their support functions are also prominent in meetings between corporate senior management and their capital market audience, in fact, they often outnumber financial analysts. Interestingly, from both corporate and investor standpoints it is the access to management and the accessibility for investors which motivate companies to go on roadshows or present at sector conferences (rather than meeting financial analysts whose job it is to keep good rapport to companies in any way.)

Let us continue with the observation that analyst presentations are merely one information source for investors and financial analysts out of a host of different media.

Regulators and standard setters have a love for annual reports. Important as these vehicles are they mostly are too bulky. Annual reports of large caps often contain more than 300 pages including some content highly irrelevant to investment professionals e.g. letter to the shareholder, photos of employees and customers, lengthy descriptions of products etc. This is perceived wisdom and yet most regulatory acts around the globe in the recent past have focused very closely on annual reports. In fact, most regulatory acts have focused on disclosure of data rather than what is reported or communicated e.g. in direct and personal company-to-investor dialogue.
Besides the fact that, say, a fundmanager with a portfolio of European mid caps cannot possibly read all annual reports of all companies in his/her portfolio, the omnipresence of data providers such as Bloomberg, ThomsonReuters, FactSet, Compustat to name but a few seems to indicate that professional investors and financial analysts rely on complementary sources of corporate performance data for making or evaluating investment decisions. It is also a perceived wisdom that investment decisions require quick and effective means to process large sets of data quickly and efficiently. While XBRL eXtensible Business Reporting Language is still a young technology with the potential to make “as reported” data available to investors in an unknown quality and speed we know that today investment professionals use data vendors and their technologies as a means for rapid access to and electronic processing of corporate data. So why all this emphasis on the annual report when the majority of investment professionals seems to make do with (typically) normalised, non as-reported data from electronic media?

The truth is that other information sources and vehicles play an important role, far more important than annual reports. Investors appreciate corporate access i.e. being given the opportunity to speak with company management at investor conferences or in direct conversations (in the notorious capital market lingo termed “one-on-ones”). Hardly surprising, corporate web-pages with dedicated IR sections as information centres have gained significance over printed paper in the last years. New media spread has paved the way for email alerts and RSS feeds, although adoption of new media by investment professionals in general seems to be lagging behind general adoption in the public area.

To make matters even more complicated it is fair to assume, that investment professionals do not only utilise different sources of information, but also utilise different sources depending on the size of the company, the disclosure frequency of performance reports, the situation of a company (growths, crisis, restructuring, M&A transaction etc.) and, moreover, depending on their investment styles, their investment policies, fiduciary duties and, last but not least their individual preferences. There simply is no such thing as a standard way in which investment professionals absorb, process and digest corporate data.

This may seem a truism for many readers but it is important to realise that the (still) prevailing concept of man in the economic realm is homo economicus, a rational human being who neither knows emotion, nor angst, who arrives at perfectly rational decision without bias, prejudice, bounding rationality, limitations of cognition. That despite all the excellent work on behavioural finance, game theory, systemic management which clearly demonstrate that if anything man behaves as rational or irrational in economic terms as he/she does in other spheres of life.

Given the notion of bounded rationality (which is by no means equivalent to irrationality!), bounded for time constrictions, biased by choice prevalence, predetermined by a cognitive but not 100% rational information processing routine which typically is not linear but navigates from top to bottom, from left to right, from details to overview, through crossreference back to the origin – it becomes clear that between an encyclopedia (if you like the annual report) and a minimalist data tag e.g. a 5-line news boilerplate on Reuters News the analyst presentation – if in good quality that is – builds the lowest common denominator for investor communication.

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1 A recent survey by Brunswick Research shows that only 4% of a global sample group of approx. 500 investment professionals consider blogs, message boards, social networking sites etc. as an influential sources for making investment decisions, whereas 55% of this group rate information direct from companies and 24% primary market research as important sources. http://www.brunswickgroup.com/documents/New_Media_Charts_September.pdf, September 2009
Analyst presentations are those vehicles for financial communication and reporting which most effectively fulfil Herbert Simon’s criteria of satisficing\(^2\): they do not present the optimal and all encompassing means of presenting corporate performance. Rather, they are sufficiently detailed for forming an ad-hoc opinion and yet sufficiently concise to be consumed quickly. Pair this with the straight-through availability on a Microsoft platform and the relatively low level of skills needed to write, modify, dissect and put together again an analyst presentation it becomes clear why the medium as such is handy. Analyst presentations in essence and in idealiter are the executive summary of a company’s financial communication output.

But let us not become victim of our own theoretical elaborations: the fact that DVFA and PwC jointly worked on this best practice guide indicates that we do see ample way for improving many corporates’ analyst presentations and give them more effect by applying a systematic approach and a standard structure.

Be it that companies perceive a tighter coercion of regulation which suggests to “say it all at once in one go”, be it for companies being ignorant of the function of analyst presentations – many analyst presentations counteract its potential effect through insufficiently addressing the expectations of the target audience. An analyst presentation with 55 slides hardly deserves to be treated as an executive summary. A deck of slides which keeps me as an investor wait until page 15 for performance data on the recent period but instead offers me a cumbersome tour-de-force over 5 pages through the company’s history cannot fulfil its purpose of a lowest common denominator.

Although the aim of this study is to make recommendations for improving analyst presentations by ways of applying standardisation we clearly do not see a case for the regulator or legislator to step up to enforcing or regulating analyst presentations. First of all, our surveys show that analyst presentations typically do not contain data or contents which expand the realm of already regulated financials or other elements of reporting such as risk reporting. Secondly, we would prefer investor relations officers (IRO) to understand the task on hand as an act of aligning to customers needs. We gather that this task can be accomplished by well-trained and attentive IROs without the “helping hand” of mandating. We propose standardisation, not regulation!

Consequently, standards can be derived of this guideline a ground for assurance including a validation of the data underlying the reliability of the presentation for investors. Such assurance is aimed for by companies and is highly appreciated by analysts and investors. PwC’s experience with the audit of sustainability-related data and reports has also shown that voluntary assurance works reasonably and effectively without a regulatory mandate.

Why should companies follow our recommendations?

Firstly, we consider companies aligning to investors’ needs as an act of signalling which was defined elsewhere as “In economics, more precisely in contract theory, signalling is the idea that one party conveys some meaningful information about itself to another party”\(^3\). Companies using our guidance for better structured and thus more informative and usable analyst presentations demonstrate that they care for their customers (and respect that not all of what they would like to present may be relevant or value-adding for the addressee). DVFA’s Principles for Effective Financial Communication which are based on records from investors and financial analysts on what makes up good investor relations speak a clear language: consistency and reliability are virtues of good IR, not entertainment and variety.


Secondly, standardising the analyst presentations can significantly reduce the preparation of road shows, analyst meetings and one-on-ones. It is the one standard used for ongoing and repetitive communication to the market which – if standardised – only requires modification the news section and updating performance numbers.

Thirdly, we understand IR as a function whose (often little perceived) value lies in communicating market demands back into the company and to senior management. Using a market-oriented format for the analyst presentation is a commitment to customer-focus and an acknowledgement of the way investment professionals would like to be served with data. We also understand that in many instances senior management takes the ultimate decision and responsibility for which data and information are disclosed. Still, we see the IRO function as pivotal and encourage IROs to the adoption of customary processes and tool, thus – directly or “behind the scenes” – trying to give their senior management guidance.

A final word: accountants and standard setters typically are not renowned for having visions. (We are well aware that occasionally regulatory and standard setting acts may look like born out of acts of delusion. What we mean here is vision in the sense of ideation.) In the last chapter of this book we have included a future scenario of embedding the analyst presentation in the workflow together with other tools such as the IR webpage and XBRL. Making an analyst presentation accessible to investors which contains interactive data (XBRL) from a webpage, linking the vehicle by hyperlinks to additional sources of data or to more detailed sections on the specific item mentioned and letting users build their own analyst presentation from a variety of section to be selected through the homepage is technically already feasible. It is at this very point of data dissemination that we strongly encourage corporates to apply creativity and offer services “off the beaten track”. As long as the contents as such follows principles of customer-orientation and allows for comparability. This is what we term a good level of standardisation.

Ralf Frank, Managing Director, DVFA

Nadja Picard, Partner, PricewaterhouseCoopers
Methodologically, the authors have used two distinct techniques.

First of all, criteria for well-designed (and not so well designed) analyst presentations were established through the Critical Incident Technique (CIT). CIT was defined elsewhere as "a set of procedures used for collecting direct observations (...) A critical incident (CI) can be described as one that makes a significant contribution either positively or negatively to an activity or phenomenon (Wikipedia, 03 Nov 2009). Methods for identifying CIs included direct participation in analyst and investor meetings aiming at understanding how addressees of analyst presentations would respond to presentations. Also, desktop research through the IR homepage was applied. The collection of subsequent feedback from addressees upon imminent findings supported tracking (potential) reception of analyst presentations.

Secondly, we have discussed our recommendation extensively with a sounding board consisting of several groups of investment professionals, namely CRUF Corporate Reporting Users’ Forum, DVFA Committee on Effective Financial Communication, DVFA Small Cap Working group and individual fund managers and financial analysts. The sounding board's suggestions and comments were then included so that the “finished product” may truly be said to be aligned towards users' needs and requirements.

Language

The language of capital markets is English. Even German-speaking investment professionals consult English publications. Analyst conferences and conference calls with international participants are already held exclusively in English. It would thus be inefficient to arrange for a German translation of the analyst presentation.

The language on the slides should also reflect the customs and needs of investors and analysts, i.e. the language on the slides should be concise, and should be set out in bullet points rather than in lengthy prose. The language style used in analyst reports should be used as a guide. The aim should be to ensure that the wording in the updates and reports of analysts is reproduced and thus multiplied in the market.

And in their verbal communication, speakers should communicate their messages by means of short sentences, with as few digressions as possible. Good English which is not over-elaborate is taken for granted. Capital markets like to see specialist knowledge communicated in an authentic manner.
Based on clearly expressed needs and expectations by investors, on our own professional experience, and on the good practices we have observed at our research work, we recommend the following procedures:

1. **Timing**

On the date of publication, the presentation should be placed in the Internet and sent by email at least 30 minutes before the start of the analyst conference, irrespective of whether the analysts attend the conference in person or whether the conference is a conference call. The same set of slides should be used. The typical time for presenting the documents on the reporting date (release, report, analyst presentation, etc.) is and should be between 07:00 a.m. and no later than 08:00 a.m. Analysts and investors are then able to evaluate and communicate the data in their morning meetings and morning notes. If the information is published later, the result is a lower level of attention on the reporting date (DVFA principle 1.2.5, p. 9/10).

2. **Online Presentation and Archiving**

In addition to the analyst presentation, the annual report or interim report, Excel® documents and the link to live streaming should also be placed online at a point which can easily be found, and are then archived in a meaningful structure. An attractive additional element is the availability of a transcript of the conference, which enables participants to read comments of management, answers to questions, etc. and to integrate them in written reports." (DVFA principle 1.2.5 p. 10)

3. **Duration and Time Considerations**

The optimum time for holding the analyst conference (attended by participants in person or a call conference) is the late morning or early afternoon; this enables players from the East Coast of the USA to join the conference.

The pure speaking time is approx. 45 minutes, with time equally split between the CEO and CFO. The overall time of the presentation should not exceed 50 minutes. The Q&A session is of crucial importance to many players, and lasts between 30 and 60 minutes, depending on the contents which have been reported. One hour should always be planned for Q&A. And, of course, all speakers must be available to answer questions until the end of the conference.

4. **Recording and Transmission of the Analyst Presentation**

The analyst presentation should always be transmitted via a telephone conference. The following set-up has proved to be best practice:

- Before the presentation, investment professionals are notified of log-in data and a password which they can use to log into the transmission of the conference call in parallel with those participants who attend the conference in person;
- The spoken word of the company’s management is transmitted simultaneously into the telephone conference;
- Logged-in participants are able to contribute to the proceedings, and are able to take part in the Q&A session;
- A service provider, e.g. Premiere Global Conference or Equity Story, can be used to make the presentation slides available online so that slides in the physical conference room are forwarded simultaneously. The spoken work is transmitted to participants via a telephone line, and the slide presentation is transmitted in parallel via the Internet.

The analyst presentation, incl. the question and answer session, should always be recorded and made available in the form of an MP3 file via the company’s homepage for at least 12 months (DVFA principle 1.2.5 p. 10).
We have observed that companies use a variety of presentations similar to the analyst presentation, depending on event, occasion and target group. On the other hand, some companies use “one for all”, or none of them, and others mix them up. In order to ease and support analysts’ of investors’ choice of the relevant presentation, we opt for a more standardised usage of IR presentations.

These are the prevalent formats with the common definitions and terms:

1. **Full Version and Live Version**

Some companies distinguish between the complete information package for analysts and investors on the one hand and the set of films which actually accompanies the presentation of management on the other. The latter is thus a considerably compressed subset of the complete package. This is very meaningful particularly in the case of very large analyst presentations (> 40 slides), as management can thus concentrate on the essential aspects. However, the slides should be provided with references to the full package.

2. **Special Events**

It is considered to be good practice to organize conference calls, where possible with management board involvement, in the case of events and news which, when published, stimulate the particular interest of market participants and which give rise to open questions, i.e. situations which usually lead to the obligation to publish an ad-hoc release. This call is accompanied by a special analyst presentation which provides an extensive explanation of the situation and which is made available to everybody when placed online. The following are examples of special events:

- M&A transactions
- Capital measures
- Business results not in line with expectations
- Market events which may have a material impact on the company’s business model
- Revised forecasts
- Personnel matters at the executive level.

3. **Road Show Handout**

Unlike the analyst presentation, the sets of slides for investor meetings (also called "General IR Presentation") include not only the current quarterly information but also fundamental information concerning the company and its equity story. Because, investors who are dealing with the company for the first time, are frequently met. Slides with up-to-date data (e.g. financials, market data or the outlook) must always be included; they are updated on a quarterly basis and are based on the analyst presentation.

Of course, the handouts are made available to all market participants and are archived on the IR online sites.

4. **Fact Book**

A fact book is a compendium of slides which in general is updated every year. It could almost be described as an annual report “translated in PowerPoint”; this is because the fact book features all figures, data and facts which are relevant for capital market players. Not only financials but also operating data, information concerning the market, risk data and CSR data are featured in the fact book.

It is accordingly not so much an instrument for the first investor meeting or for the quarterly update; instead, it is used mainly as backup for research. Because of its comprehensive nature, the fact book is particularly suitable for coverage initiation by the sell side.
5. Interaction with Annual Report

All information and statements should be derived from (audited) data from financial statements and the management report. The annual report should accordingly be used as a master version for all contents made available to the market. On the other hand, the analyst presentation with information being tailored for investment professionals is a trigger for annual reports, which should adapt these visual representations.
In the following, we propose an example structure of an analyst presentation. Certainly, the relevance of the items (i.e. slides) proposed differs among industries. Therefore, on the table in the appendix (page 44) five levels of priorities are assigned to the structure of analyst presentation with regard to each industry sector. In defining the sectors we rely on the 19 supersectors of the icb - Industry Classification Benchmark, ground of the FTSE and Dow Jones index worlds. We recommend using the table in cooperation with the following structure.

**A Highlights**

**I Dashboard**

**Relevance:** Market players wish to access the key financials as quickly as possible on the morning of publication; under ideal conditions, they wish to access the key financials right at the beginning of the analyst presentation without having to search for them in the income statement or balance sheet.

**Presentation:** 3-4 diagrams are used to show the key indicators (also from the market’s point of view, e.g. sales, EBITDA, RoCE), with a comparison with previous year figures.
II Achievements

**Actual-to-target comparison: What was announced – actual performance – new targets**

**Relevance:** Investors and analysts also wish to compare delivered figures with the outlook as quickly as possible. This is the main criterion for measuring the performance of companies and management. Companies should confidently document that they have achieved their original targets, or that they have even been able to provide a positive surprise. Or they should provide precise reasons indicating why guidance has not been met.

**Presentation:** A very clear solution is to provide a table setting out the main indicators, including the announced outlook, actual figures, a symbol (tick) indicating as delivered as well as the new guidance for the following year. Of course, not only financial but also qualitative targets can be disclosed at this point.

**Best Practice example "Performance vs. Guidance"**: KPN – Annual Results 2008 presentation, slide 16

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**Performance vs. guidance**

Guidance for 2008 met on all metrics

<table>
<thead>
<tr>
<th></th>
<th>Guidance 2008</th>
<th>Reported 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>€ 5.0 bn</td>
<td>€ 5.06 bn</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>~ € 2.0 bn</td>
<td>€ 1.93 bn</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>&gt; € 2.4 bn</td>
<td>€ 2.60 bn</td>
</tr>
</tbody>
</table>

**Comments**

- High single-digit growth at Mobile International
- EBITDA growth in the Netherlands excluding acquisitions and book gains on real estate
- € 132 mn book gains on real estate
- Step-up from 2007, related to higher investments in All-IP and Cybercenters in the Netherlands and 3G in Germany
- € 418 mn improvement in working capital
- € 180 mn proceeds from real estate
- € 126 mn increase in interest payments
III Peer comparison

Relevance: Apart from service for analysts and investors, such a comparison documents research orientation and confident transparency, assuming that the data are consistently disclosed.

Presentation: The margin (e.g. EBITDA, EBIT, gross margin) is shown in numeric and graphic form, so that it can be compared with the main peers. This chart is rounded off by the peer group average and the prior year comparison.

Best Practice example "Peer comparison": Lanxess – FY 2008 Results Presentation, slide 7

LANXESS levels with peer group
IV Milestones of the financial year in chronological order

Relevance: A list of highlights again focuses attention on the main events for the company in the reporting period. As a result, the business highlights and results can be linked more easily.

Presentation: All relevant events are listed in chronological order. Companies convince with credibility if they list critical points alongside positive milestones. If they are meaningful, the events can also be linked to the share price performance.

V Share price development compared with peers

Relevance: With a chart, the company underlines its capital market orientation, and also underlines the importance of the external valuation, also in comparison with the peer group.

Presentation: The performance of the share price in the reporting period is shown on a chart, and is compared with the main peers and the main benchmark (index). Further information regarding the valuation can also be provided at this point (e.g. market capitalization, enterprise value, volumes traded, etc.).

Best Practice example “Share price performance”: Deutsche EuroShop AG – “The Third Place” Annual Earnings Conference Call FY 2008 Results, slide 7

**Highlights 2008**

**Share**

Performance 2008:
- DES: +7.9%
- MDAX: -43.2%
- EPRA: -48.6%

Index ranking MDAX March 2009:
- 23. (Market Cap)
- 44. (Turnover)
VI Outlook for two years

Relevance: Apart from the fact that DRS (Deutscher Rechnungslegungsstandard) 15 requires a two-year forecast in the management report, a meaningful and quantifiable outlook is at the heart of all capital market communication. Even in very difficult times where a quantified outlook may not be possible, the market expects to be provided with support to enable the development of realistic assumptions for valuation. Without such guidance, investors lose confidence in the company and will turn to a different investment option.

Presentation: This aspect is central on every quarterly release. 2-3 slides should be devoted to this subject. The slides should first set out the assumptions for the outlook. Typical in this respect are assumptions for the development of GDP, commodity prices, interest rates or the market size.

Best Practice example "Outlook": BASF AG – Analyst Conference FY 2008, slide 26

Assumptions for outlook 2009

Basic assumptions for 2009:

- Decline in global gross domestic product (–0.3%) and in global chemical production (excluding pharmaceuticals, –2.0%)
- Low interest rates in the U.S. and Europe as a result of the crisis
- Average exchange rate of $1.30 per €
- Average oil price of $50/bbl

The outlook itself should contain two year forecasts (quantitative where possible) for the main indicators, also from the point of view of the capital market; where possible, these indicators should go beyond sales and results. Typical examples are as follows:

1. Operations (e.g. sales, subscribers, PAX)
2. Sales (also broken down according to segment)
3. EBIT/EBITDA
4. EBIT/EBITDA Margin
5. Net income
6. Cash flows, operating, Capex, FCF, FFO
7. Value/yield indicators, e.g. RoCE
8. Dividend

An outlook history over the recent quarters provides a very useful insight into the company’s guidance and forecast policy and also the accuracy of the company. Adjustments to guidance are justified in a meaningful manner. A useful tool in this respect is an adjustment bridge which makes this background information quantifiable.
Group guidance for 2009

**Group OpCF (OIBDA-CapEX) (€ in millions)**

- **2008 A**: 14,519
- **2008 adjusted for guidance**: 14,201
- **2009E**: +8%/+11%

**Group OIBDA (€ in millions)**

- **2008 A**: 22,919
- **2008 adjusted for guidance**: 22,602
- **2009E**: +1%/+3%

**Group CapEx (€ in millions)**

- **2008 A**: 8,805
- **2009E**: +7.50%

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Best Practice example "Forecast, assumptions bridge comparing to prior year’s reported operating profit":
Ricoh, Consolidated Results September 30, 2009, slide 17
Investors with a longer-term focus in particular are interested in information and targets beyond the next two years. Medium-term targets indicate that a company is far-sighted in financial and strategic terms, and document reliable planning systems. **Best Practice example “Outlook, mid-term targets”:** RWE AG – “Steady course through stormy waters” Investor and Analyst Conference FY 2008, slide 51.

### Mid-term financial targets:
**We are also a stable post-crisis investment**

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Result</td>
<td>&gt; 5 – 10% CAGR(^1) to 2012 (excluding Essent) based on an average realized price for German electricity forwards of at least €60/MWh</td>
</tr>
<tr>
<td>Recurrent net income</td>
<td>&gt; In the order of 10% CAGR(^1) to 2012 (excluding Essent) based on an average realized price for German electricity forwards of at least €60/MWh</td>
</tr>
<tr>
<td>Dividend</td>
<td>&gt; Payout ratio of 50 – 60% of recurrent net income</td>
</tr>
<tr>
<td>Capital structure</td>
<td>&gt; Compliant with at least “A flat” rating category</td>
</tr>
<tr>
<td>Efficiency</td>
<td>&gt; €1.2bn improvement in annual operating result by year-end 2012 vs. 2006</td>
</tr>
</tbody>
</table>

\(^1\) based on 2008
B Strategy – Business Update (CEO)

1 Strategy

1. Presentation of the strategic direction, focusing on the current financial year

Relevance: Investment professionals use strategic information as the basis of obtaining a picture of the future allocation of capital. The business model which is presented is the basis of all entrepreneurial decisions, and thus has a major impact on the direct development of the enterprise value.

Presentation: The fundamental aspects of the strategy have to be specified, together with the key financial and non-financial performance indicators. The strategic direction (e.g. strengthening of the company’s domestic market) should be used as the basis for detailing the key measures initiated by management.

Best Practice example "Strategy": Metro AG – Metro Group Analyst meeting FY 2008, slide 48

<table>
<thead>
<tr>
<th>Strategy: Value Enhancement Process</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reorganisation</strong></td>
</tr>
<tr>
<td>• Clear concept segmentation: World Class Shopping, Galeria, Kaufhof</td>
</tr>
<tr>
<td>• Process-related management responsibilities</td>
</tr>
<tr>
<td><strong>Asset Optimisation</strong></td>
</tr>
<tr>
<td>• Store network</td>
</tr>
<tr>
<td><strong>Cash Focus</strong></td>
</tr>
<tr>
<td>• Capex reduction, e.g. for fixtures and furniture</td>
</tr>
<tr>
<td>• Decrease working capital</td>
</tr>
<tr>
<td><strong>Assortment Improvement</strong></td>
</tr>
<tr>
<td>• Demand-driven assortment</td>
</tr>
<tr>
<td>• Enhancement of exclusive brands &amp; private labels</td>
</tr>
<tr>
<td>• Optimisation of stock &amp; space management</td>
</tr>
<tr>
<td><strong>Strengthen Domestic Market</strong></td>
</tr>
<tr>
<td>• Premium customer loyalty programme</td>
</tr>
<tr>
<td>• Dinea integration</td>
</tr>
</tbody>
</table>
2. Specify and update the strategic targets, measurable (financial and non-financial), incl. “Remaining challenges”

Relevance: When it specifies strategic targets, the company commits the intended development. In this way, the company creates transparency and provides investment professionals with key indications for valuing the development of the company. This also means that the company’s success as well as management performance can also be measured. Targets which have been set in the past can be compared with the current situation, and a more realistic assessment can be made.

Presentation: Strategic targets must be specified, with an indication of time to achievement. Investment professionals should be able to derive short-term and long-term targets and compare targets of prior periods with actual performance towards target achievement.

In general, it is advisable to concentrate on the key targets – which however should be presented in a specific manner.

II Value-based management

Relevance: For purposes of management and measuring success, management focuses on indicators which depend on the individual circumstances and the conviction of management. Accordingly, the indicators are the basis for the future direction of the company, and assuming its consistency, they are essential for understanding the company.

Presentation: Provide details of the development of key indicators. In addition to past and current data, the presentation should also include targets and forecasts. Examples of relevant indicators are: The RoCE, WACC or the value added. Further details should be provided in the appendix of the presentation (see D XIV).

Best Practice example "Strategic outlook": E.ON AG – Analyst & Investor Conference FY 2008, slide 2

Solid earnings growth and record investments

![Graph showing earnings growth and investments]

- **Highlights of the 2008 annual results**
  - Adjusted EBIT up 7% to € 9.9 bn
  - Adjusted net income +9% to € 5.6 bn
  - Net income attributable to shareholders € 1.3 bn due to non-operating earnings
  - ROCE 12.9% following € 26 bn of economic investments
  - DPS up 9.5% to € 1.50 per share

- **2009 target and 2010 guidance**
  - 2009 adjusted EBIT to reach 2008 level,
  - adjusted net income to be around 10% below 2008 level
  - New guidance for adjusted EBIT 2010 of € 11.0 bn

1. Adjusted EBIT guidance before portfolio measures
III Efficiency programs

**Relevance:** Efficiency programs are closely linked with the strategy and, in the form of a catalogue of strategic measures, aim specifically to boost the enterprise value. Because of this aspect, and also because of their project character, these programs attract the particular interest of investment professionals.

**Presentation:** The type of presentation depends on the nature and purpose of the program. The target and key measures should be known or should be presented. It is a particularly important aspect for analyst presentations that the status quo of the program is communicated. The presentation should emphasize what has already been achieved and whether the company is still in line with its own targets and milestone planning. Reasons for positive as well as negative deviations should be specified.

**Best Practice example "Roadmap to Value":** Deutsche Post World Net – Investor Relations Package FY 2008, slide 4

<table>
<thead>
<tr>
<th>Roadmap to Value</th>
<th>Update</th>
</tr>
</thead>
</table>
| **Profitability** | • Target of € 500 m in profit improvements and cost reductions in 2008 achieved  
• New € 1 bn target to reduce operating and non-operating spending successfully initiated |
| **Cash Generation** | • Substantial NWC improvements achieved, € 400m better yoy  
• Capex substantially below last year’s level  
• M&A spend minimized |
| **Payout** | • The company will propose to the AGM a 2008 dividend payout of € 0.60 |
| **Transparency** | • New treatment for the Return on Plan Assets further improves account visibility |
| **Organic Growth** | • Strong growth in developing regions continues (+7.5% in Q4 and +14.8% for the Full Year)  
• Growth rate with GCS customers +8.5% YTD |
IV Markets – Customers – Sector

1. Market position / shares in the key markets / for the main products

Relevance: The market situation is an indication of successful business in previous years. For investors however, it is also an indication of sales opportunities and a company’s position as compared to the competition. The market share is associated with advantages and disadvantages compared with competitors. Accordingly, changes in existing circumstances in particular have an impact on the development of the enterprise value.

Presentation: The presentation should provide an impression of the current and potential position of the company on the market. In addition to information regarding the market volume, percentage figures concerning the past, current and future distribution of the market together with the main competitors should also be provided. Further, effects of changed drivers should be highlighted and quantified where possible. Further information should be included in the appendix of the presentation (see D XV).

Best Practice example "Market position, growth share, products": Novo Nordisk – Investor Conference Call 9M 2009, slide 7

Key products continue to drive growth – first nine months of 2009

Sales as reported

- Diabetes care +15% 73%
- NovoSeven® +15% 14%
- Norditropin® +15% 8%
- HRT +10%

Sales of DKK 38.0 billion
(+15% as reported and +11% in local currencies)

Growth analysis

<table>
<thead>
<tr>
<th>Local currencies</th>
<th>Growth</th>
<th>Share of growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modern insulins</td>
<td>24%</td>
<td>82%</td>
</tr>
<tr>
<td>Human insulins</td>
<td>-5%</td>
<td>-12%</td>
</tr>
<tr>
<td>Protein-related sales</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>OAD</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Diabetes care</td>
<td>11%</td>
<td>76%</td>
</tr>
<tr>
<td>NovoSeven®</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Norditropin®</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>HRT</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Biopharmaceuticals</td>
<td>10%</td>
<td>24%</td>
</tr>
</tbody>
</table>
2. Customer differentiation

**Relevance:** Customers are value drivers and an integral part of the value-add chain. Their relationship with the company is crucial for the company’s position in the market, and is an indication of the company’s sales strength. The resulting advantages and disadvantages are integrated in management strategies and company valuations.

**Presentation:** The presentation should provide a differentiated view of customers. Major customer groups should be listed. Performance data are linked to specific customers in order to identify any excessive exposure of the company to individual customers. This comprises the following:

- A list of top customers
- Customer profitability (sales / customer [group])
- New customer rate / churn rate

**Best Practice example “Customer differentiation”: DeutscheEuroShop AG – “The Third Place” Annual Earnings Conference Call FY 2008 Results, slide 8**

<table>
<thead>
<tr>
<th>Shopping Centers</th>
<th>Tenants Structure Top 10 tenants*</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Chart" /></td>
<td><img src="image.png" alt="Chart" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro-Group</td>
<td>5.1%</td>
</tr>
<tr>
<td>Douglas-Group</td>
<td>4.6%</td>
</tr>
<tr>
<td>Peek &amp; Cloppenburg</td>
<td>2.7%</td>
</tr>
<tr>
<td>H&amp;M</td>
<td>2.2%</td>
</tr>
<tr>
<td>Inditex</td>
<td>2.0%</td>
</tr>
<tr>
<td>New Yorker</td>
<td>1.9%</td>
</tr>
<tr>
<td>Deichmann</td>
<td>1.9%</td>
</tr>
<tr>
<td>dm-Drogeriemark</td>
<td>1.4%</td>
</tr>
<tr>
<td>REWE</td>
<td>1.3%</td>
</tr>
<tr>
<td>Engelhorn &amp; Sturm</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Total 24.4% (Low level of dependence on the top 10 tenants)

* in % of total rents as at 31 Dec 2008
3. Expansion by developing new areas of operation or geographical markets

**Relevance:** The process of developing new areas of operation and geographical markets has an impact on the business model and the structure of the company. The assumed success and the associated investments are included in the assessment of investment professionals and have a considerable impact on the enterprise value, depending on the specific dimension.

**Presentation:** Intended expansions should be presented including a time scale. Capex volumes and planned sales figures should be specified. Major risks and opportunities should be explained at least in the appendix.

**Best Practice example “Expansion”:** RWE “Steady course through stormy waters” Investor and Analyst Conference FY 2008, slide 6

**Substantial investment needs in Europe offer ample opportunities for financially strong players**

![Electricity markets in Europe](image)

- **Market size:** 390 TWh p.a.
  - **Market growth:** (+)

- **Market size:** 1,420 TWh p.a.
  - **Market growth:** (-)
  - **Investment need by 2020:** €50 – 50bn

- **Market size:** 200 TWh p.a.
  - **Market growth:** (+)
  - **Investment need by 2020:** €40 – 60bn

- **Market size:** 670 TWh p.a.
  - **Market growth:** (+) Investment need by 2020: €120 – 140bn

- **Market size:** 270 TWh p.a.
  - **Market growth:** (++)
  - **Investment need by 2020:** €20 – 40bn

- **Market size:** 390 TWh p.a.
  - **Market growth:** (++)
  - **Investment need by 2020:** €40 – 60bn

- **Market size:** 1,420 TWh p.a.
  - **Market growth:** (-)
  - **Investment need by 2020:** €20 – 40bn

- **Market size:** 270 TWh p.a.
  - **Market growth:** (+)
  - **Investment need by 2020:** €40 – 60bn

- **Market size:** 200 TWh p.a.
  - **Market growth:** (-)
  - **Investment need by 2020:** €30 – 50bn

- **Market size:** 670 TWh p.a.
  - **Market growth:** (+) Investment need by 2020: €120 – 140bn

- **Market size:** 270 TWh p.a.
  - **Market growth:** (++)
  - **Investment need by 2020:** €20 – 40bn

- **Market size:** 390 TWh p.a.
  - **Market growth:** (++)
  - **Investment need by 2020:** €40 – 60bn

- **Market size:** 1,420 TWh p.a.
  - **Market growth:** (-)
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- **Market size:** 270 TWh p.a.
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- **Market size:** 390 TWh p.a.
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- **Market size:** 1,420 TWh p.a.
  - **Market growth:** (-)
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- **Market size:** 270 TWh p.a.
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- **Market size:** 670 TWh p.a.
  - **Market growth:** (+) Investment need by 2020: €120 – 140bn

- **Market size:** 270 TWh p.a.
  - **Market growth:** (++)
  - **Investment need by 2020:** €20 – 40bn

- **Market size:** 390 TWh p.a.
  - **Market growth:** (++)
  - **Investment need by 2020:** €40 – 60bn
V Operating highlights

Relevance: The success of operations provides confirmation of the business model, and is of crucial importance for the future development. Major changes and indicators should be presented by management because they form the basis for strategic decisions and forecasts.

Presentation: The development of the following components should be detailed. This means that current data are compared with historic data. Analyses of forecast variances and the identification of major effects are also useful for investment professionals.

- Order intake (orders in hand and order range)
- Sales (products – units)
- Development of market prices (impacting sales or opex)

Best Practice example "Order intake": metso – Financial Statements Review 2008*, slide 10

Order backlog about EUR 4 billion
VI Brand management

**Relevance:** Depending on the particular business model, the importance of the company’s own brands is crucial for success and failure on the market. Investors require information concerning the performance of such brands in order to be able to make a realistic assessment of sales strength and market position.

**Presentation:** The brands should be listed with performance-related data (e.g. sales/brand). Depending on the size of the presentation, information should be provided concerning the brand strategy, namely how existing brands are protected and expanded and also how new brands are established.

**Best Practice example “Financial highlights”:** adidas group – 2008 Full Year Results Analyst Conference*, slide 24

<table>
<thead>
<tr>
<th>Record Group Gross Margin</th>
<th>Q4 2008</th>
<th>Full Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>adidas</strong></td>
<td>47.0%</td>
<td>48.6%</td>
</tr>
<tr>
<td></td>
<td>+0.6pp</td>
<td>+1.2pp</td>
</tr>
<tr>
<td><strong>Reebok</strong></td>
<td>34.1%</td>
<td>37.0%</td>
</tr>
<tr>
<td></td>
<td>-4.0pp</td>
<td>-1.7pp</td>
</tr>
<tr>
<td><strong>TaylorMade</strong></td>
<td>41.0%</td>
<td>44.3%</td>
</tr>
<tr>
<td></td>
<td>+5.1pp</td>
<td>+0.5pp</td>
</tr>
<tr>
<td><strong>adidas Group</strong></td>
<td>46.4%</td>
<td>48.7%</td>
</tr>
<tr>
<td></td>
<td>-0.2pp</td>
<td>+1.3pp</td>
</tr>
</tbody>
</table>

1) Includes HQ/Consolidation
VII R&D

**Relevance:** For certain companies – for instance in the pharmaceutical or automotive industries – success in the field of research and development is crucial for the company’s future. A first class performance in this respect is reflected subsequently on the market. Investors and analysts take account of this by anticipating costs and projects with the expected market success.

**Presentation:** Even if the future success of R&D activities cannot be stipulated in relation to the investment volume, it is at least an indication and should be specified. Percentage of completion and sales expectations should be quoted in relation to current projects. This is difficult, but is possible by way of showing various scenarios. Performance-related data for new products are an indicator for the quality of past R&D activities (e.g. percentage of overall sales, margins, new product rate).

VIII M&A / Investments / Capex programs

**Relevance:** This aspect is relevant for the presentation because major transactions are involved and also because returns enable conclusions to be made with regard to the future development and quality of management.

**Presentation:** According to the following
1. Capex - split according to segment/project/expansion (acquisitions) – maintenance
2. Capex - result effect
3. Capex - planning (5 years, projects, splits)
4. Acquisition strategy and plans
5. For acquisition (also sale): Pro forma combined for sales and EBITDA
6. For acquisition (also sale): Profile target - transaction volume – further investment – expected cash flows – financing – interest – percentage – term (e.g. franchise) – key aspects of transaction – valuation – decision-making criteria – key aspects – KPIs for the target – description of the synergies (complementary aspects as well as overlaps) – planning integration

**Best Practice example “Capex programs and plans”:** BT Group, 2008/09 FY results, slide 49

**Capex driving strategic investment**

- More cost effective utilisation of networks
- Efficient product development
- Improving management of customer contracts
- Better productivity
- Reduced Undertakings spend
IX Capital measures (if relevant, see “2. Special Events” under “Derived Formats” on page 9)
1. Bond issue (Volume – Maturity – Coupon – Spread – Yield)
2. Pay-out – Share buy-back program

X Corporate responsibility management

Relevance: Inadequate coordination of corporate responsibility activities may result in internal information problems, encourage misrepresentations of the company in public. Using the presentation of CR management, investment professionals are interested in assessing the probability of any damage to the reputation of the company. However, they are also particularly interested in the opportunities arising from sustainable management. ESG targets are formulated for the future on the basis of business success.

Presentation: It is useful to provide a visual presentation of the main sustainability issues; a table of the relevant CR targets which the company aims to meet in the course of the next few years as well as a presentation of management structures in the form of organigrams. Details of the main ESG indicators (greenhouse-gas emissions, energy consumption in relation to sales, staff fluctuation, etc.) compared with previous year figures indicate the importance of tracking sustainability targets in the company.

Best Practice example "Sustainability": Syngenta, EFFAS/DVFA – Taking ESG into Account Conference 2009, pages 8-9

Food security: need for change

Conserving Biodiversity
Our food supply is dependent on the rich variety of plants and animals

Increasing Water Efficiency
40% of water used in agriculture is lost through inefficient practices

We have to grow more from less

Broader Access to Technology
Technology is available, but many governments make it hard for farmers to access it

Resourceful Land Use
By 2050 global agricultural output has to double...but we can’t double our farmland
Syngenta positioned to lead integrated solutions with partners

<table>
<thead>
<tr>
<th>Partners</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enduring plants</td>
<td>Nitrogen use efficiency, GM modification for drought tolerance</td>
</tr>
<tr>
<td>Water efficient plants</td>
<td>Breeding/engineering of water efficient qualities</td>
</tr>
<tr>
<td>Water Storage (in soil)</td>
<td>Soil polymers</td>
</tr>
<tr>
<td>Water uptake facilitators</td>
<td>Moddus®</td>
</tr>
<tr>
<td>Endurance and vigor boosters</td>
<td>Cruiser®, Amistar®</td>
</tr>
<tr>
<td>Stress management agents</td>
<td>Invinsa®</td>
</tr>
<tr>
<td>Physical protection</td>
<td>Mulch, net houses, nano coating</td>
</tr>
<tr>
<td>Water delivery</td>
<td>Irrigation and transportation</td>
</tr>
<tr>
<td>Water supply to/on the farm</td>
<td>Water treatment, harvesting, recycling/reuse, forecasting</td>
</tr>
</tbody>
</table>
C Financials (CFO)

I Financial highlights (Q/Ytd)

Relevance: A more analytical presentation of the key indicators compared with the dashboard is the traditional starting point of the CFO before he presents individual aspects in greater detail (income statement, balance sheet, segments).

Presentation: Sales, earnings and cash flow parameters are shown on a quarterly and YTD basis compared with the previous year. Balance sheet indicators as of the reference date.

II P&L indicators

Relevance: With the income statement, a company reports on the financial performance achieved in the course of the last financial year. In their analysis, investors and analysts are reliant on information concerning the development and the drivers of sales, cost structure, results (EBITDA/EBIT with corresponding margins), depreciation, financial results, taxes and EPS. This is the only way in which they can make a sound valuation.

Presentation: The (max. 5) most relevant income statement indicators are shown compared with the previous year. The text highlights the main drivers which for instance have resulted in operational costs increasing disproportionately to sales.

III Sales bridge compared with the prior year

Relevance: A sales bridge enables the main factors which have influenced the development of sales compared with the previous year to be quickly recorded and allocated.

Presentation: The delta compared with the previous year is illustrated by means of a bridge in which the main factors are shown. These may include volume, prices, currency effects, consolidation as well as segment sales. Such a bridge is also suitable for EBITDA, EBIT, cash flows, etc.

Best Practice example "Sales bridge": Danone – Results FY 2008, slide 5
IV Sales split according to regions

**Relevance:** A sales split according to regions not only documents the international footprint and the presence of a company in global markets. It also provides market participants with information concerning the company’s exposure to certain regions, or information concerning to what extent a company is able to participate in growth markets.

**Presentation:** A pie chart with the sales split according to the main regions or countries is the most efficient way of providing an initial overview. In addition to the relevant percentage of overall sales, further interesting aspects are absolute sales and the development of absolute sales compared with the previous year. The presentation is rounded off by details of the currency-adjusted development.

V Group KPIs: Development and illustration

**Relevance:** Analysts and investors need to receive more detailed information particularly with regard to the key indicators. Companies can meet this need by illustrating 2-3 indicators on a chart with increased transparency.

**Presentation:** Increased transparency is achieved by highlighting the breakdown, main factors and special effects in a clear manner. Of particular interest are operating results (EBITDA, EBIT and the corresponding margins) as well as cash flow components (e.g. operating cash flow, Capex, working capital).

**Best Practice example "Group indicators":** Gas Natural – Fourth Quarter 2008 Results, slide 14

### EBITDA breakdown

<table>
<thead>
<tr>
<th>(€ million)</th>
<th>2008</th>
<th>2007</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gas:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up + Midstream</td>
<td>650</td>
<td>604</td>
<td>46</td>
<td>7.6</td>
</tr>
<tr>
<td>Wholesale &amp; Retail</td>
<td>185</td>
<td>158</td>
<td>27</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>Electricity:</strong></td>
<td>465</td>
<td>446</td>
<td>19</td>
<td>4.3</td>
</tr>
<tr>
<td>Spain</td>
<td>516</td>
<td>338</td>
<td>178</td>
<td>52.7</td>
</tr>
<tr>
<td>Mexico</td>
<td>366</td>
<td>279</td>
<td>87</td>
<td>31.2</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>97</td>
<td>-</td>
<td>97</td>
<td>-</td>
</tr>
<tr>
<td><strong>Distribution:</strong></td>
<td>53</td>
<td>59</td>
<td>(6)</td>
<td>(10.2)</td>
</tr>
<tr>
<td>Spain</td>
<td>1,389</td>
<td>1,323</td>
<td>66</td>
<td>5.0</td>
</tr>
<tr>
<td>LatAm</td>
<td>886</td>
<td>863</td>
<td>23</td>
<td>2.7</td>
</tr>
<tr>
<td>Italy</td>
<td>467</td>
<td>425</td>
<td>42</td>
<td>9.9</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>36</td>
<td>35</td>
<td>1</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Total EBITDA</strong></td>
<td>2,564</td>
<td>2,277</td>
<td>287</td>
<td>12.6</td>
</tr>
</tbody>
</table>
Best Practice example "Group indicators": FMC – "FY 2008 Earnings", slide 21

2004 - 2008 – Operating Margin Development

EBIT-Margin North America

2004 2005 2006 2007 2008

13.8% 14.1% 16.0% 17.0% 16.7%

EBIT-Margin International

2004 2005 2006 2007 2008

15.2% 16.5% 17.8% 17.9% 17.1%

EBIT-Margin TOTAL

2004 2005 2006 2007 2008

13.7% 13.9% 15.5% 16.3% 15.8%

Analyst Meeting February 10, 2009 © 2009 Fresenius Medical Care AG & Co. KGaA

Best Practice example "Group indicators": E.ON – Analyst and Investor Conference March 2009, slide 22

Reconciliation of operating cash flow 2007 vs. 2008

in € billion

+0.8 -0.4 -0.3 -0.7 -0.8 -0.8 +0.2

2007 6.7

CE Nordic, price effect; operations
CE Cost of energy; price changes
UKE Effect from revaluation; losses
CEFE Increased receivables; retail
CEP DE; certificates
CE/Other

2008

8.7
VI Segments / divisions

Relevance: Valuation models of analysts generally have a bottom-up structure. This means that the models are “fed” with the maximum depth of detail. Accordingly, there is a corresponding need for extremely detailed financial information.

Presentation: Companies should therefore indicators and explanations at the segment level. Concise income statements (if procurable right through to EBIT) are the basis in this respect. There is always a demand for further indicators such as cash flow figures or information concerning value management. Textual explanations for the main factors should where possible be formulated in the concise style of analyst reports. A consistent and reliable sales sub-split is always very well received on the market.

Best Practice example "Segments": Lanxess FY 2008 Results Presentation, slide 20

Performance Chemicals: customer industry shutdowns trigger weak Q4

<table>
<thead>
<tr>
<th>[€m]</th>
<th>Q4 2007</th>
<th>Q4 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>456</td>
<td>392</td>
</tr>
<tr>
<td>EBIT</td>
<td>14</td>
<td>-33</td>
</tr>
<tr>
<td>Depr. / Amort.</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>EBITDA</td>
<td>37</td>
<td>-8</td>
</tr>
<tr>
<td>EBITDA pre exceptionals</td>
<td>47</td>
<td>16</td>
</tr>
<tr>
<td>Margin</td>
<td>10.3%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Capex</td>
<td>32</td>
<td>36</td>
</tr>
</tbody>
</table>

Sales by BU

- Price increases and favorable currencies only mitigate volume collapse
- All BUs with price increases and volume declines, except MPP on stable level
- IPG with still relatively solid volumes due to order backlog from previous quarter
- Price increases overcompensated rise in raw materials but volume decline too significant, impacting margin; additional burden of ~5 million EUR inventory write off
- BUs RUC, RCH and LEA were most notably impacted due to their exposure to customer industries such as automobile OEMs, construction and furniture

Sales performance bridge [€m]

<table>
<thead>
<tr>
<th>Q4 2007</th>
<th>Price</th>
<th>Volume</th>
<th>Currency</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>456</td>
<td>+9%</td>
<td>-28%</td>
<td>+5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

(Stark, 2009)
**Best Practice example "Segments":** Deutsche Post World Net – Investor Relations Package FY 2008, slide 26

**Total full year revenue stable vs. previous year**

Mail divisional overview – revenue development (FY 2008 vs. FY 2007)

€ m

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail Com.</td>
<td>6,096</td>
<td>6,031</td>
</tr>
<tr>
<td>Dialogue Marketing</td>
<td>2,914</td>
<td>2,856</td>
</tr>
<tr>
<td>Press Serv.</td>
<td>822</td>
<td>826</td>
</tr>
<tr>
<td>Parcel</td>
<td>2,558</td>
<td>2,583</td>
</tr>
<tr>
<td>Retail Outlets</td>
<td>836</td>
<td>815</td>
</tr>
<tr>
<td>Global Mail</td>
<td>2,102</td>
<td>1,967</td>
</tr>
<tr>
<td>Pensionserv.</td>
<td>85</td>
<td>89</td>
</tr>
<tr>
<td>Consolid./Other</td>
<td>-844</td>
<td>-804</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,569</td>
<td>14,393</td>
</tr>
</tbody>
</table>

YOY growth

<table>
<thead>
<tr>
<th></th>
<th>Total YoY growth</th>
<th>Organic YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1.2%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Mail Com.</td>
<td>-1.1%</td>
<td></td>
</tr>
<tr>
<td>Dialogue Marketing</td>
<td>-2.0%</td>
<td></td>
</tr>
<tr>
<td>Press Serv.</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Parcel</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Retail Outlets</td>
<td>-2.5%</td>
<td></td>
</tr>
<tr>
<td>Global Mail</td>
<td>-5.0%</td>
<td></td>
</tr>
<tr>
<td>Pensionserv.</td>
<td>+4.7%</td>
<td></td>
</tr>
</tbody>
</table>

**Best Practice example "Segments":** Deutsche Post World Net – Investor Relations Package FY 2008, slide 29

**Strong operating cash flow in Q4/2008**

Mail operating cash flow and Capex

€ m

**Operating cash flow**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion rate</td>
<td>113%</td>
<td>137%</td>
<td>143%</td>
<td>143%</td>
</tr>
<tr>
<td>Excl. repay-ment EU line</td>
<td>24%</td>
<td>382</td>
<td>675</td>
<td>675</td>
</tr>
<tr>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1/2008</td>
<td>144</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2/2008</td>
<td>462</td>
<td>382</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3/2008</td>
<td>954</td>
<td>675</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4/2008</td>
<td>113</td>
<td>86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 After changes in Net Working Capital
MAIL result negatively affected by increased factor costs and market decline

Mail division highlights (Q4/2008)

Performance highlights

- Key financials indicate slight decline in YoY performance
  - Revenue down by 4.4% mainly driven by stop of DHL@home product in the US, F/X effects and economic downturn
  - EBIT at € 491 m affected by increased factor costs (€ -66 m) and a market decline especially in direct marketing
- Total mail volume slightly lower than in Q4/2007 (-2.0%)
- Mail Communication volumes above last year (+1.7%)
- Revenue Dialogue Marketing (-5.2%) affected by a slowdown in advertising investments of our customers
- Parcel revenues higher than last year (+2.0%)
- Global Mail revenues below previous year (-21.9%, due to F/X effects and stop DHL@home)

Market/competition highlights

- Ongoing e-substitution in Mail Communication
- We are maintaining our position with all major key account clients, and we extended our market share
- Overall we have won back more business from the competition than we have lost, largely due to our high quality
- We are providing more customer contact points and drop boxes to our customers for easy network access

Investment/growth outlook

- Focus on replacement of older assets and investment in equipment to maintain highest technological standard
- Mail liberalization/regulation:
  - Combination of proven old pricing regime with new pricing flexibility
  - High flexibility for cost adjustment, if needed
  - Legal framework for VAT still in discussion
VII Highlights of the main investments and subsidiaries

Relevance: Investments and subsidiaries generally are a fixed component of the business model and thus have an impact on the development and success of business. It may be very useful to provide a separate presentation for investments and subsidiaries which permit an isolated assessment.

Presentation: In addition to the key operating data, this presentation shows the key financials and the degree of consolidation. Reference points also illustrate the highlights and business drivers.

Best Practice example "Holdings": Fraport Analysts Presentation FY 2008, slide 24

---

External Activities

Business Development in Majority Holdings

Figures before consolidation

**Analysis**

Proportionate consolidation, 34 % Fraport share

<table>
<thead>
<tr>
<th>€ mil.</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>64.6</td>
<td>79.3</td>
<td>22.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td>26.1</td>
<td>57.9</td>
<td>&gt;100</td>
</tr>
<tr>
<td>EBIT</td>
<td>1.7</td>
<td>22.3</td>
<td>&gt;100</td>
</tr>
</tbody>
</table>

- Strong traffic increase
- First full year accounting of new concession incl. domestic terminal operated by Fraport
- Change in consolidation due to new concession as of Sept. 2007, new consolidation 34 %
- 3rd Terminal will join concession in Sept 2009

**Lima**

Full consolidation, 70.01 % Fraport share

<table>
<thead>
<tr>
<th>€ mil.</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>88.5</td>
<td>93.2</td>
<td>5.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>23.2</td>
<td>24.3</td>
<td>4.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>16.3</td>
<td>18.2</td>
<td>11.7</td>
</tr>
</tbody>
</table>

- First time full consolidation for full year
- Strong positive traffic development
- Negative US-5 impact in revenue and EBITDA
- Sale of 29.99% shares effective as of June 1, 2008

---

*Updated September 13, 2007 inclusive concession with 100 % equity share (Chemnitz 1 only);
airside September 1, 2007 new concession tax Chemnitz Terminal with 31 % voting rights and 24 % equity share.

Fraport Analysts Presentation FY 2008
### VIII Balance sheet and balance sheet structure

**Relevance:** Although the capital market does not normally devote its primary attention to the balance sheet, and mainly considers the income statement and cash flow, the balance sheet is nevertheless essential for the work of investment professionals because it provides information concerning the source and application of capital employed.

**Presentation:** In addition to a simplified balance sheet (assets and liabilities compared with the prior year), indicators, and in particular indicators relating to the capital structure should also be shown. These include the equity ratio, gearing, net debt as well as a target capital structure.

In connection with the capital structure, the medium-term dividend policy should also be considered. Dividend targets are best formulated using typical indicators such as pay-out ratio, dividend yield or dividend per share.

**Best Practice example "Balance sheet":** Software AG Ergebnisse Q4 / Full Year 2008, slide 12

#### Konzernbilanz

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquide Mittel</td>
<td>96,9</td>
<td>81,3</td>
</tr>
<tr>
<td>Forderungen aus L+L</td>
<td>264,5</td>
<td>225,0</td>
</tr>
<tr>
<td>Vorräte/ sonst. Vgg.</td>
<td>29,8</td>
<td>26,8</td>
</tr>
<tr>
<td>Latente Steuern</td>
<td>66,7</td>
<td>55,5</td>
</tr>
<tr>
<td>Rechnungsabgrenzungsposten</td>
<td>50</td>
<td>44,9</td>
</tr>
<tr>
<td>Anlagevermögen (Goodwill 442,7/431,6)</td>
<td>647,1</td>
<td>628,9</td>
</tr>
<tr>
<td>Bilanzsumme</td>
<td>1.111,0</td>
<td>1.023,3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kurzfr. Verb.</td>
<td>246,4</td>
<td>196,4</td>
</tr>
<tr>
<td>davon Finanzverb. (61,4/46,7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Langfr. Verb.</td>
<td>138,5</td>
<td>197,6</td>
</tr>
<tr>
<td>davon Finanzverb. (105,8/167,6)</td>
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<td></td>
</tr>
<tr>
<td>Latente Steuern</td>
<td>73,8</td>
<td>79,6</td>
</tr>
<tr>
<td>Rechnungsabgrenzungsposten</td>
<td>103,2</td>
<td>87,2</td>
</tr>
<tr>
<td>Eigenkapital (Ratio 49,45/45,25)</td>
<td>549,1</td>
<td>462,5</td>
</tr>
<tr>
<td>Bilanzsumme</td>
<td>1.111,0</td>
<td>1.023,3</td>
</tr>
</tbody>
</table>
Best Practice example "Balance sheet KPIs": Ricoh, Consolidated Results September 30, 2009, slide 13

**Balance Sheet Indexes**

- **Total assets turnover (per month)**
  - End of 2000: 0.90
  - End of 2001: 0.90
  - End of 2002: 0.97
  - End of 2003: 1.60
  - End of 2004: 0.88
  - End of 2005: 0.91

- **Equity ratio**
  - End of 2000: 43.2%
  - End of 2001: 47.5%
  - End of 2002: 47.7%
  - End of 2003: 48.8%
  - End of 2004: 38.6%
  - End of 2005: 40.2%

- **Inventories/Averaged cost of sales (months)**
  - End of 2000: 0.90
  - End of 2001: 1.02
  - End of 2002: 1.03
  - End of 2003: 1.78
  - End of 2004: 1.06
  - End of 2005: 1.01

- **Debt/Equity ratio (multiples)**
  - End of 2000: 0.40
  - End of 2001: 0.40
  - End of 2002: 0.39
  - End of 2003: 0.38
  - End of 2004: 0.80
  - End of 2005: 0.75

RICOH

October 27, 2009 13
IX Financing and liquidity

Relevance: Investors devote special attention to the liquidity situation and debt, not least as a result of the financial market crisis. As a result of the increased level of uncertainty, maturity structures as well as the ability of companies to service their debt have become particularly important.

Presentation: Investors obtain an initial picture of the liquidity situation by means of a simplified cash flow statement and working capital management. Overviews of the breakdown of debt with financing type or instrument, volume, maturity and average interest rates provide particularly useful transparency. Recently, lists setting out maturity years, so-called “maturity profiles”, have become established. Traditional liquidity indicators, e.g. Times Interest Earned or Debt/EBITDA, are still of interest.

Best Practice example "Breakdown of debt": IVG FY 2008 Presentation, slide 22

IVG Group Financing (1)

<table>
<thead>
<tr>
<th>Total debt(^{1}) composition FYE2008</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness IVG as of December 31, 2008 of €5,534m (LTV 70.3%(^{2}), thereof €5,162m bank debt</td>
<td></td>
</tr>
<tr>
<td>CP-program of €67m outstanding and due in 2009</td>
<td></td>
</tr>
<tr>
<td>Credit lines of €880m at FYE2008 with undrawn amount of €135m</td>
<td></td>
</tr>
<tr>
<td>Total loans of €2.1bn</td>
<td></td>
</tr>
<tr>
<td>c €1.7bn property related loans with land charge</td>
<td></td>
</tr>
<tr>
<td>c €420m term loans on corporate level</td>
<td></td>
</tr>
<tr>
<td>Total bridge financing €0.3bn</td>
<td></td>
</tr>
<tr>
<td>c €188m pre-financing of equity for IVG Funds division</td>
<td></td>
</tr>
<tr>
<td>c €103m resulting from property acquisitions (i.e. Core-portfolio €90m)</td>
<td></td>
</tr>
</tbody>
</table>

1) Includes Convertible, CP-program and bank debt as of December 31, 2008
2) LTV = Total debt (€5,534bn) divided by Total equity and liabilities (€7,875.5bn)

LTV calculation is based on balance sheet figures and is not in line with banks' definition according to Syn. Loan covenant (for detailed calculation see pages 25 and 26)
Best Practice example "Maturity profile": IVG FY 2008 Presentation, slide 23

IVG Group Financing (2)

Annual maturity profile by type of debt (as of December 31, 2008)

* as of 31 December 2008

Best Practice example "Structure of bank loans": Deutsche EuroShop "The Third Place" Annual Earnings Conference Call FY 2008 Results, slide 12

<table>
<thead>
<tr>
<th>Loan Structure*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest lockin</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Up to 1 year</td>
</tr>
<tr>
<td>1 to 5 years</td>
</tr>
<tr>
<td>5 to 10 years</td>
</tr>
<tr>
<td>Over 10 years</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Weighted maturity: 7.0 years

Bank debt: €894 million

avg. Interest rate: 5.33%
D Appendix / Backup

The following data are fixed components of external reporting, and form the basis of research. They therefore do not need to be specifically emphasized by management. However, as they are primarily accessible via other sources (e.g. annual report, the Internet), they are included in the appendix of the analyst presentation for the sake of completeness.

I  Income statements for the previous eight quarters
II  5-year income statement
III  List of non-recurrings per segment
IV  Balance sheet, complete
V  Cash flow statement
VI  Objectives and principles of financial management, e.g. liquidity, integration (RepA)
VII  Hedging
VIII  Risks

Relevance: Risk reporting is frequently considered to be a mandatory measure which is dealt with once a year in the management report. Risk reporting and communication have taken on new importance since the outbreak of the financial market crisis. At road shows, the significance of risk issues has tremendously increased. Risk relating to liquidity and covenants are aspects which are the subject of particularly intensive discussions.

Presentation: External risks, e.g. list of the main customers, and suppliers with default risk, are always issues which are subject of attention. There is also increasing demand for the potential detriment, which is calculated on the basis of the probability of loss occurring and potential loss. It would therefore make sense to create a table listing the individual risks with probability and expected loss. These two dimensions can also be classified as “low”, “medium” and “high”. This table could also indicate if the significance of a particular risk has changed. As a matter of course, such list refers explicitly to the risk report in management report.

IX  Intangibles

X  Shareholder structure: Main investors and free float

XI  Financial calendar with conference and roadshows

XII  Value management system
1. Explanation of the company’s own management system, providing details of key indicators for valuing the company (incl. adjustment bridge)
2. Intended yields and values, with details of medium- and long-term targets (DVFA)
3. Calculation and components of WACC compared with prior year
XIII Macro-economic and sector conditions

Relevance: Companies depend on a complex system of a wide range of external factors. The effects of these conditions on the performance of companies are thus extremely important for investment professionals. Management performance and the position of the company can only be realistically assessed if these factors are known.

Presentation: Macro-economic and sector factors have to be specified or forecast for last year and also for the next two financial years. The focus is on the impact of these factors on the company in the form of opportunities and risks (e.g. sensitivities between GDP growths and revenues).

In addition to the above, it is also necessary to provide information concerning the development of commodity prices, demographic developments, economic performance data, economic policy measures in the following categories:

- Economic background
- Market potential and outlook for relevant sectors and regions
- Development of market volumes / according to region / according to product
- Details of the procurement market, indicating key suppliers and relations

Best Practice example "Economic background": SAP AG – Q4 and full year 2008, page 6

The Toughest Macroeconomic Environment SAP Has Ever Experienced

- Dramatic, simultaneous deterioration of economic climate across all regions
- Economists have significantly lowered their GDP forecasts for 2009
- 2009 real GDP forecasts
  - OECD Area -0.4% (OECD Economic Outlook)
  - US -0.7%, Japan -0.2%, UK -1.3%, Germany -0.8% (IMF World Economic Outlook)
- IT spending is expected to be severely affected
  - Latest industry analyst research and CIO surveys indicate decline in global IT spending
- Visibility into 2009 and beyond remains very limited

Source: OECD Composite Leading Indicators as published on January 12, 2009

© SAP 2009 / Page 6

*OECD Economic Outlook 84, November 2008 **IMF World Economic Outlook Update, November 2008
Throughout this guideline we have shown that there are indeed many good examples of how to structure analyst presentations and prepare contents in a meaningful and effective manner towards legibility and quick consumption.

However, we feel that there are usages and technologies from the wider area of media, telecommunications and workflow management already on hand which can be harnessed by corporates to both streamline internal data preparations and improve usability of financial data and investor-aimed disclosure even more.

The last section of this guideline is a rough sketch, a snapshot into the future, a vision into a better future, if you will. For deliberate purposes it has been written in straight present tense. (Visions become more evocative and provoking like this, but equally expose the authors to potential ridicule, should the vision prove wrong. Up to the distinguished reader to decide!)

A disclaimer is deemed appropriate, though: this vision is anything but complete. It does not claim to possess the undisputed truth about how different tools and technologies will come into play with each other nor does it seek to make prescriptions. Forecasting the future application of new technologies is a rather tricky and error-prone exercise. Many good inventions can tell you a thing or two about how user accepted or rejected technologies. On the other hand nobody can seriously claim to have foreseen how digitalisation would change our world. Think of the web, think of MP3, think of how a shift from hardware media to digital media turned entire industries “upside down” (and some into decline).

Now, here it is.

A dedicated investor-reporting content management and publication system (IRS) governs the entire process of corporate financial reporting, disclosure and publication. IRS is a system (or suite of systems and applications) which compiles and draws data from various internal and external data sources and helps to organise different data components into a seamless data workflow. Imagine an IRS as a content management system for investor-relations.

Financials, extra-financials and other quantified performance data are pulled from the company’s ERP system without any manual interface. (Should editing be necessary this can be accomplished in the IRS).

Prose data is written, inserted, edited, twisted, corrected, streamlined, discarded, … directly in the IRS. The IRS itself, however, can and does collect prose data and related contents from other internal and external sources though automatic functions. Such complementary and additional content is offered to the authors working on the IRS in a similar manner as Google today helps to systematically gather material. Similar to web portals and shopping applications the content is offered at the discretion of the writer (“other users found this material useful”).

Moreover, the IRS scans web-sides and other publically available data sources of competitors and peers in order to help the reporting company to establish meaningful benchmarks and prevent it from reporting exotic data or “marching to a different drummer” than its competitors. (Needless to say, that senior management considers IRS as a wonderful source for competitive intelligence exercises. Many CEOs are power users of their company’s IRS. At the hight of their career they at last experience the convenience of a real Management Information System something their IT departments had been promising to deliver but never accomplished in the 1980s and 1990s when they were still in their junior ranks …).

The IRS, however, is more than a data repository: it not only governs the data sourcing but also unifies the data output and reporting.

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4 We prefer to call it investor-reporting as the term financial reporting is often – erroneously, as we think – misinterpreted as containing “only numbers”. Perhaps the most appropriate term would be capital-market-aimed reporting which we, however, discarded as we thought it too stilted or overblown.
All content across all of the different reporting and output formats is categorised and unified into Generic Content Items (GCI). GCIs can be e.g. a piece of text which describes the company’s future commodity price expectations, a list of the 5 most relevant business risks including default probability and monetary impact, a graphic of share-of-markets by country and competitors, a balance sheet table, or a specific annotation explaining the interpretation of an IAS.

The real impact of GCIs shows in the production of output. GCIs are almost never written with a specific format such as the annual report or the IR section of the homepage in mind. They are generic items which can be combined into different bundles depending on the target-group of the output. A fine-granular combination of many GCIs are bundled together for the Annual Report while only specific GCIs are set together as a less granular combination to populate the IR section. As each GCI is written, edited and approved only once within the process of its definition there is no difference between the same aspect being reported in a quarterly reported and a 10-k. There are commonly differences between the level of detail being reported (which can be equated by the number of GCIs) but not in the general message. As the IRS produces generic elements it is the one and only sources from which formats such as web-sides, analyst presentations, annual reports, ad-hoc messages, corporate news, news flashes, briefings etc. are being populated.

In the entire family of output formats analyst presentations play the part which – as an analogy – emails play in personal communication: they are fast and instant, 1:n pieces of communication which serve as summaries, vehicles for conveying quick news on granular elements, teasers, news bulletins etc. Analyst presentations, too, are fed from the IRS with GCIs. They form the lowest common denominator for information exchange as they are easy to produce, easy to update and easy to disseminate.

But IRS can do more: they offer interactive data. Those readers familiar with XML technology (eXtensible Mark-up Language) will have guessed all the way that XML may be the empowering technology behind the IRS.

XML is a set of rules for encoding data electronically to enable platform- and application-independent exchange of data. XML encodes any data item with so-called tags i.e. information on the graphical representation and structure of content. Content is placed between angle brackets <content>. The content is named element. Moreover, a specific “dialect” of XML has been created which governs the use of numerical and quantified data in XML. eXtensible Business Reporting Language XBRL is governed by a global consortium which has managed to built several taxonomies of data elements for financial line items. Taxonomies are data dictionaries which contain rules of how to present, say, a P&L item like COGS. Taxonomies exist e.g. for the bound volume of IFRS, for US-GAAP and also for sustainability data. In 2009 XBRL reporting was made mandatory for all listed stocks in the US.

Obviously, GCIs can be thought of as distinct XML elements. As a piece of bundled data with clear machine-readable instructions as to how to use the element, how to structure it and how the data should be represented for human consumption GCIs find their way automatically and without any manual input into the various formats used for investor dialogue. E.g. a GCI describing currency effects within a specific period can be set to be written and updated only once and then updates automatically all those documents to which it is assigned. A clear cost-saving and control-enhancing function in the reporting workflow!

Users of financial data such as financial analysts and investors do have a significant benefit from XML-powered data elements. That is where the interactivity comes into play. GCIs and granular elements from the financial sections can be imported into spreadsheets, databases, research reports, sector studies etc. without any manual intervention – no re-keying necessary, no off-shore “data scrubbing”, and yet a tremendous amount of time saved.

The analyst presentation is part and parcel of the interactivity. GCIs and financials are embedded in the analyst presentation in XML and XBRL formats. A wide audience of users receive the analyst presentation as an email attachment which they can not only store but also use to populate their databases and spreadsheets through downloading the embedded XML elements.
The Industry Classification Benchmark ("ICB")

SUPERSECTOR*

* FTSE International Limited 2004 and Dow Jones & Co, Inc. The Industry Classification Benchmark ("ICB")

A Highlights

I Dashboard
II Achievements / target / actual comparison
III Peer comparison
IV Milestones
V Share price development
VI Outlook for two years

B Strategy - Business Update (CEO)

I Strategy
II Value-based management
III Efficiency programs
IV Markets - Customers - Sector
V Operating Highlights
VI Brand management
VII R&D
VIII M&A / Capex
IX Capital measures
X Corporate responsibility management

C Financials (CFO)

I Financial highlights (Q/YTD)
II P&L indicators
III Sales bridge
IV Sales split according to regions
V Group KPIs: Development and illustration
VI Segments / divisions
VII Investments & subsidiaries
VIII Balance sheet and balance sheet structure
IX Financing and liquidity

D Appendix / Backup

I Income statements 8 quarters
II 5-year income statement
III List of non-recurrings per segment
IV Balance sheet, complete
V Cash flow statement
VI Objectives and principles of financial management
VII Hedging
VIII Risks
IX Intangibles
X Shareholder structure
XI Financial Calendar
XII Value management system
XIII Macro-economic and sector conditions
The Industry Classification Benchmark ("ICB")

**SUPERSECTOR**

* FTSE International Limited 2004 and Dow Jones & Co, Inc. The Industry Classification Benchmark ("ICB")

<table>
<thead>
<tr>
<th>Category</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oli &amp; Gas Production</td>
<td>0500</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>1300</td>
</tr>
<tr>
<td>Basic Resources</td>
<td>1700</td>
</tr>
<tr>
<td>Construction &amp; Materials</td>
<td>2300</td>
</tr>
<tr>
<td>Industrial Goods &amp; Services</td>
<td>2700</td>
</tr>
<tr>
<td>Automobiles &amp; Parts</td>
<td>3300</td>
</tr>
<tr>
<td>Food &amp; Beverages</td>
<td>3500</td>
</tr>
<tr>
<td>Personal &amp; Household Goods</td>
<td>3700</td>
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<tr>
<td>Health Care</td>
<td>4500</td>
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<tr>
<td>Retail</td>
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<td>Media</td>
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<td>Travel &amp; Leisure</td>
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</tr>
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**Highlights**

- Dashboard
  - Achievements / target / actual comparison
  - Peer comparison
- Milestones
- Share price development
- Outlook for two years

**Strategy - Business Update (CEO)**

- Strategy
- Value-based management
- Efficiency programs
- Markets - Customers - Sector
- Operating Highlights
- Brand management
- R&D
- M&A / Capex
- Capital measures
- Corporate responsibility management

**Financials (CFO)**

- Financial highlights (Q/YTD)
- P&L indicators
- Sales bridge
- Sales split according to regions
- Group KPIs: Development and illustration
- Segments / divisions
- Investments & subsidiaries
- Balance sheet and balance sheet structure
- Financing and liquidity

**Appendix / Backup**

- Income statements 8 quarters
- 5-year income statement
- List of non-recurrings per segment
- Balance sheet, complete
- Cash flow statement
- Objectives and principles of financial management
- Hedging
- Risks
- Intangibles
- Shareholder structure
- Financial Calendar
- Value management system
- Macro-economic and sector conditions
Tobias Bischoff, PricewaterhouseCoopers AG WPG

Tobias Bischoff joined Accounting Services of PricewaterhouseCoopers in 2004. As an expert of Corporate Reporting he advises companies to improve their annual reports, analyst presentations and IR-web-pages.

Ralf Frank MBA, DVFA GmbH

Managing Director
DVFA - Society of Investment Professionals in Germany
Delegate for XBRL and ESG
EFFAS European Federation of Financial Analysts Societies

Mission:
Ralf Frank’s mission is to improve the usability of financial reporting and financial communication for investors and financial analysts by understanding and researching the interaction between financial data, reports and reporting instruments and user. As part of a global network of experts in this field Ralf is promoting a user-centered financial reporting and communication design paradigm within which the flow of communication and its material is designed with its intended users in mind at all times.

His current focus is on:
- Enhancing Business Reporting with extra-financial reporting, Corporate Governance, (ESG), risk management, intellectual capital
- Specific needs and requirements for SMEs in stock markets (Small Caps)
- eXtensible Business Reporting Language XBRL
- intercultural investor communication

Ralf has access to a large global network of investment professionals from both sell- and buy-side firms. He is author of several articles and publications on usability and an appreciated speaker and panellist in Europe and abroad.

Oliver Madsen, PricewaterhouseCoopers AG WPG

Oliver Madsen joined Reporting Services of PricewaterhouseCoopers in 2008. He advises listed companies and IPO candidates in the areas of Investor Relations, Compliance and managing expectations.

Before that, he was Head of Investor Relations at software vendor LHS. He began his career at Fraport, where he was responsible for communications with institutional investors and analysts.

Oliver Madsen has a Master’s Degree in International Business from Maastricht University.
DVFA – Society of Investment Professionals in Germany

DVFA is the Society of Investment Professionals in Germany, founded in 1960. Currently, DVFA has more than 1,100 individual members representing over 400 investment firms, banks, asset managers, consultants and counselling businesses. DVFA assures the credibility of the professionals and the integrity of the market by offering internationally recognised qualification programmes, by providing platforms for professional financial communication, and by effective self-regulation.

Via EFFAS, the umbrella organisation of European Analysts Societies, DVFA offers access to a pan-European network with more than 17,000 investment professionals in 26 nations. Via ACIIA, the Association of Certified International Investment Analysts, DVFA is part of a worldwide network of more than 50,000 investment professionals.

PricewaterhouseCoopers

PricewaterhouseCoopers is one of the leading auditing and consulting services networks worldwide and is drawing on the knowledge and skills of more than 163,000 employees in 151 countries. In Germany, some 9,000 employees generate a turnover of around 1.37 billion euros in assurance, tax and advisory services at 28 locations.

For many years we have been auditing and consulting major companies of all sizes on the industrial and service sector. The service line 'Middle Market', attending directly to small and medium-sized companies with a solid network of local contacts, has been greatly expanded. And also the public sector, associations, municipal bodies and other organisations place their confidence in our knowledge and experience. For good reason: about 440 partners and 6,800 specialists impart their expertise to all important branches of industry.

Our emphasis on high quality is complemented by forward thinking for our clients. This means going beyond the mere completion of a task and also anticipating their needs and providing a forward-looking solution. In doing so, we give our clients added security in an increasingly complex world.