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**Partners for Financial Stability Program**

**In cooperation with**

**Riga Stock Exchange**

**Investor Relations Seminar**

**Wednesday, October 3, 2001**  
**Riga, Latvia**

# Effective Investor Relations: A Prerequisite for Raising Capital

Wednesday, October 3, 2001  
Riga, Latvia

**8:30 - 9:00**    **Registration**

**9:00 - 9:10**    **Welcome**  
Guntars Kokarevics  
President  
Riga Stock Exchange

**9:10 - 9:30**    **Investor Relations in Central and Eastern Europe:  
Developments from 1990-2001**  
**I.     Percentage of Population Owning Shares**  
**II.    Market Capitalization as a Percentage of GDP**  
**III.   Investor Relations Practices**  
Geoffrey Mazullo  
Director  
Partners for Financial Stability (PFS) Program

**9:30 – 10:30** **How To Be a Magnet for Institutional Investors**  
Ivars Bergmanis  
Global Co-ordinator - Mining Research  
HSBC Investment Bank plc  
London, UK

**10:30 - 11:00** ***C O F F E E    B R E A K***

**11:00 - 12:30** **Investor Relations in Practice:  
Investor Relations in Poland from 1991-2001**  
Beata Stelmach  
Former Secretary  
Polish Securities and Exchange Commission  
Warsaw, Poland

Investor Relations in Practice in the Baltic Republics  
Mart Toevere  
Investor Relations Officer  
Hansabank  
Tallinn, Estonia

**12:30 - 13:30** ***L U N C H***

**13:30 - 15:00 How to Communicate with Shareholders:  
Best Practices in Investor Relations  
Responsibilities of the Investor Relations Officer**

- I. Announcement of the General Meeting of Shareholders**
- II. Announcement of Year End Financial Results**
- III. Dividend Announcements**
- IV. Share Issue Announcements**
- V. Other Announcements**

**Case Study in Investor Relations  
Intershop's Information Disclosure Practices (2000)**  
Geoffrey Mazullo  
Director, Partners for Financial Stability (PFS) Program

**15:00 - 15:30 C O F F E E B R E A K**

**15:30 - 16:00 Discussion  
Case Study in Investor Relations  
Intershop's Information Disclosure Practices (2000)**

**16:00 - 16:15 Closing Remarks**  
Mr. Aivars Slokenbergs  
Vice President  
Riga Stock Exchange

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**Partners for Financial Stability Program**

**[www.ewmi.hu](http://www.ewmi.hu)**

**Geoffrey Mazullo**

**Director**

# Investor Relations: A Prerequisite for Raising Capital

## Primary Factors That Determine Investors' Investment Decisions In Central and Eastern Europe

- 1.
- 2.
- 3.

# Relationship between Effective Investor Relations and

- **Share Price**
- **Investor Confidence**
- **Liquidity**
- **Ability to Attract Staff, Management  
and Board Members**
- **Marketing of Products/Services**

# Marco Perilli Cippo, CEO of Campari

“We are not listing to raise capital. But the possibility of turning to shareholders for future acquisitions could prove useful, and listing also raises our visibility and the professionalism of management.”

*The Wall Street Journal Europe*, Tuesday, June 26, 2001

# **Investor Relations: Developments from 1990 - 2001**

**Overview of:**

**Traditional Print Media**

**Internet**

**Roadshows / Analyst Meetings**

**Teleconferencing**

**With a focus on:**

**Best Practices**

**International Standards**

# Announcement of the General Meeting of Shareholders

After reviewing the announcements provided in Appendix I, seminar participants should answer the following questions:

1. Are any of the announcements particularly poor?
2. Are any of the announcements particularly good?
3. Would any of the announcements be a useful model for your company's announcement?
4. What are the necessary components of a good announcement?
5. What role does the investor relations officer play in producing the announcement?
6. What do these announcements tell you about the yearly schedule of the investor relations officer?

# Announcement of Financial Results

After reviewing the announcements provided in Appendix I, seminar participants should answer the following questions:

1. Are any of the announcements particularly poor?
2. Are any of the announcements particularly good?
3. Would any of the announcements be a useful model for your company's announcement?
4. What are the necessary components of a good announcement?
5. What role does the investor relations officer play in producing the announcement?
6. What do these announcements tell you about the yearly schedule of the investor relations officer?

# Dividend Announcements

After reviewing the announcements provided in Appendix I, seminar participants should answer the following questions:

1. Are any of the announcements particularly poor?
2. Are any of the announcements particularly good?
3. Would any of the announcements be a useful model for your company's announcement?
4. What are the necessary components of a good announcement?
5. What role does the investor relations officer play in producing the announcement?
6. What do these announcements tell you about the yearly schedule of the investor relations officer?

# Share Issue Announcements

**After reviewing the announcements provided in Appendix I, seminar participants should answer the following questions:**

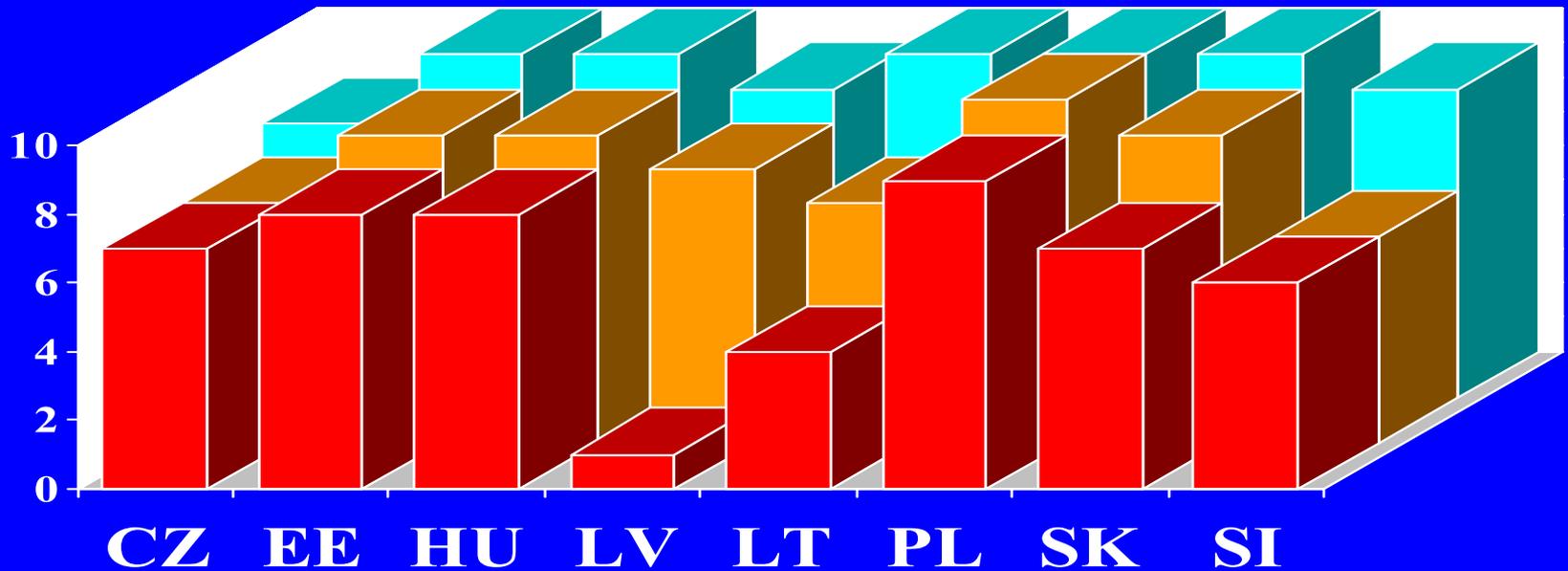
- 1. Are any of the announcements particularly poor?**
- 2. Are any of the announcements particularly good?**
- 3. Would any of the announcements be a useful model for your company's announcement?**
- 4. What are the necessary components of a good announcement?**
- 5. What role does the investor relations officer play in producing the announcement?**

# Other Announcements

**After reviewing the announcements provided in Appendix I, seminar participants should answer the following questions:**

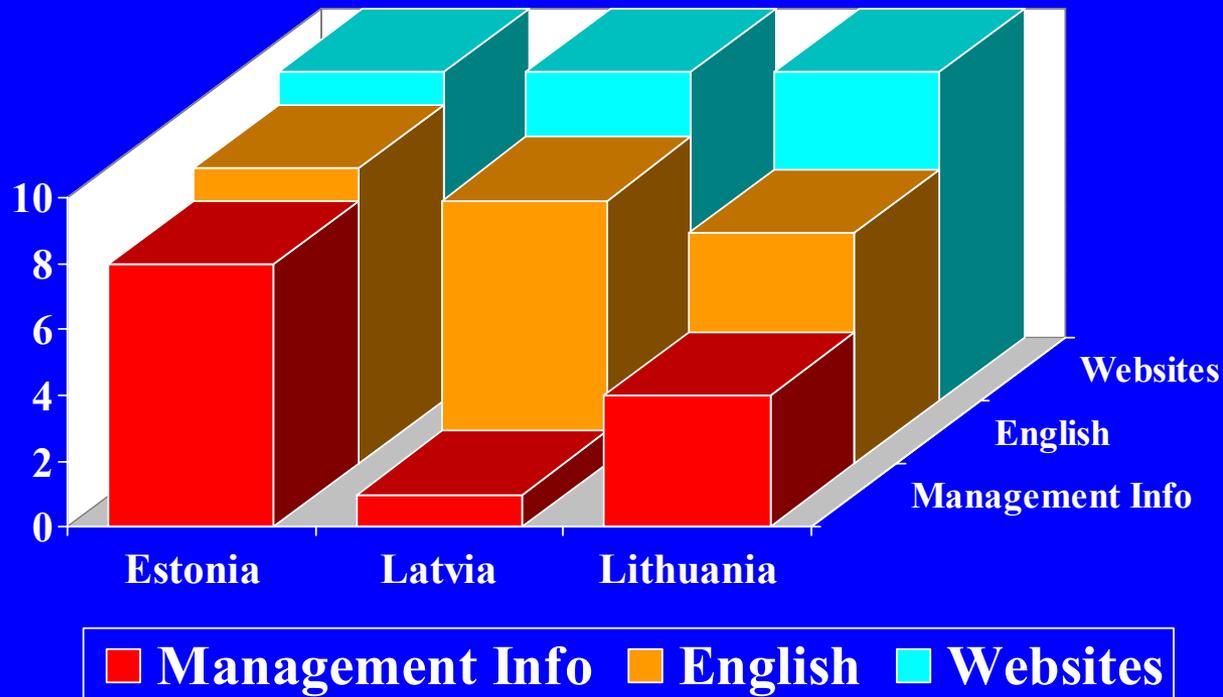
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# Websites of the 10 Largest Listed Companies in CEE Countries



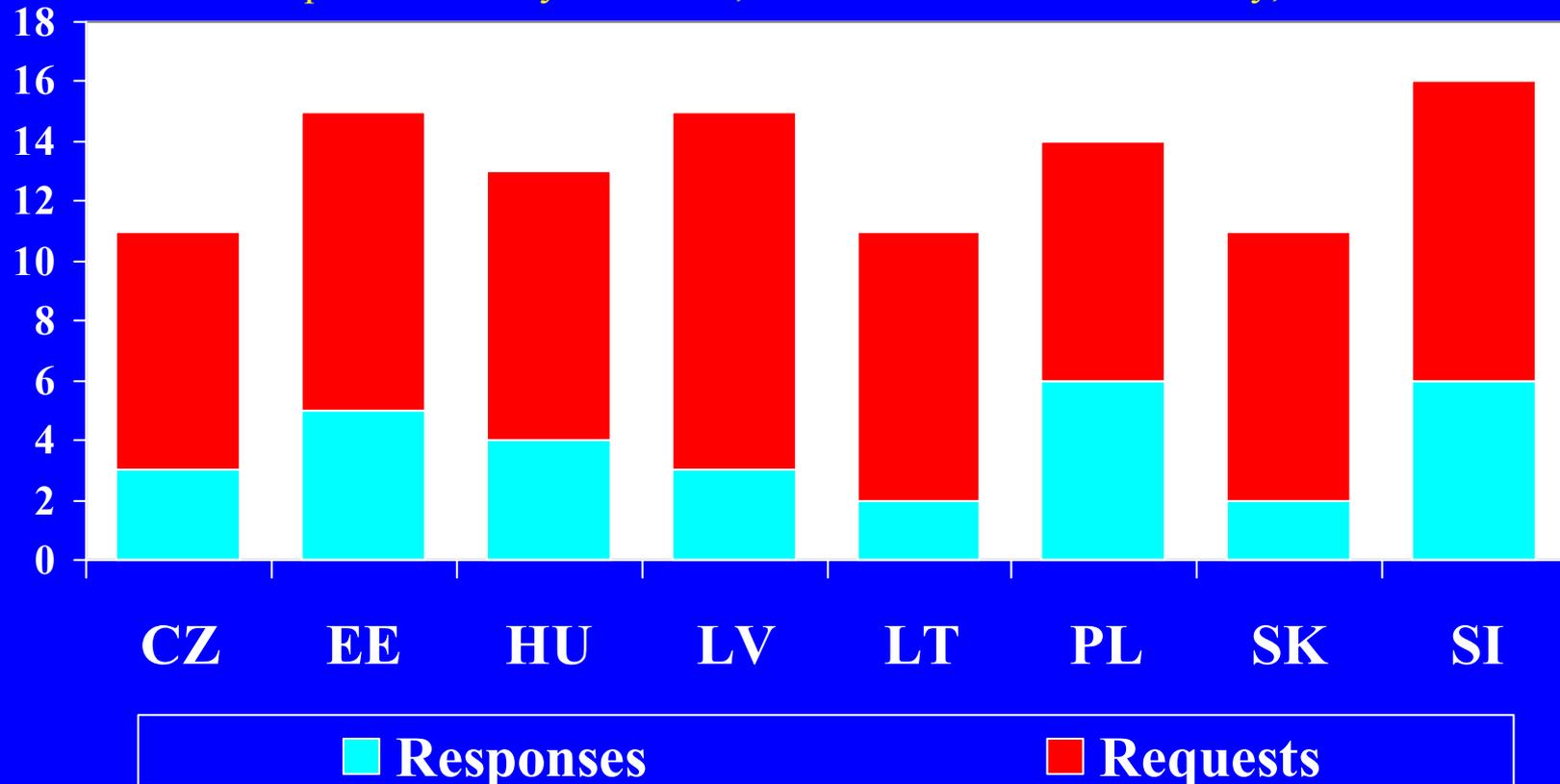
**Management Info** **English** **Websites**

# Websites of the 10 Largest Listed Companies in the Baltic Countries



# Disclosing Management Info: 75 Requests, 32 Responses

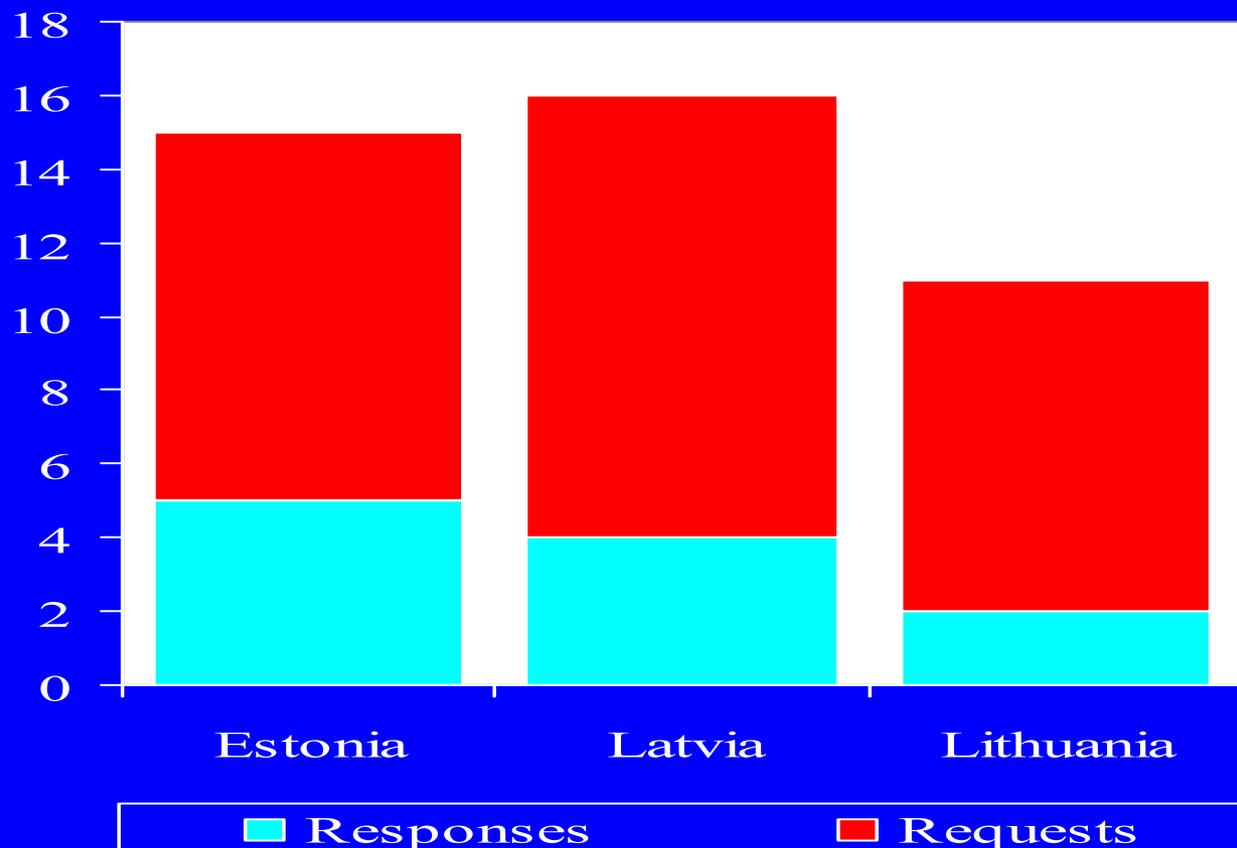
Most requests sent May 22 and 23; 10 more before the end of May, 1 on June 5



# Disclosing Management Info in the Baltic Countries:

## 31 Requests, 11 Responses

24 requests sent May 22 and 23; 4 more before the end of May



# Institutional vs. Private Investors

## Why and How to Reach Them

**Market Capitalization as a Percentage of GDP**

**Individual Share Ownership in International Comparison**

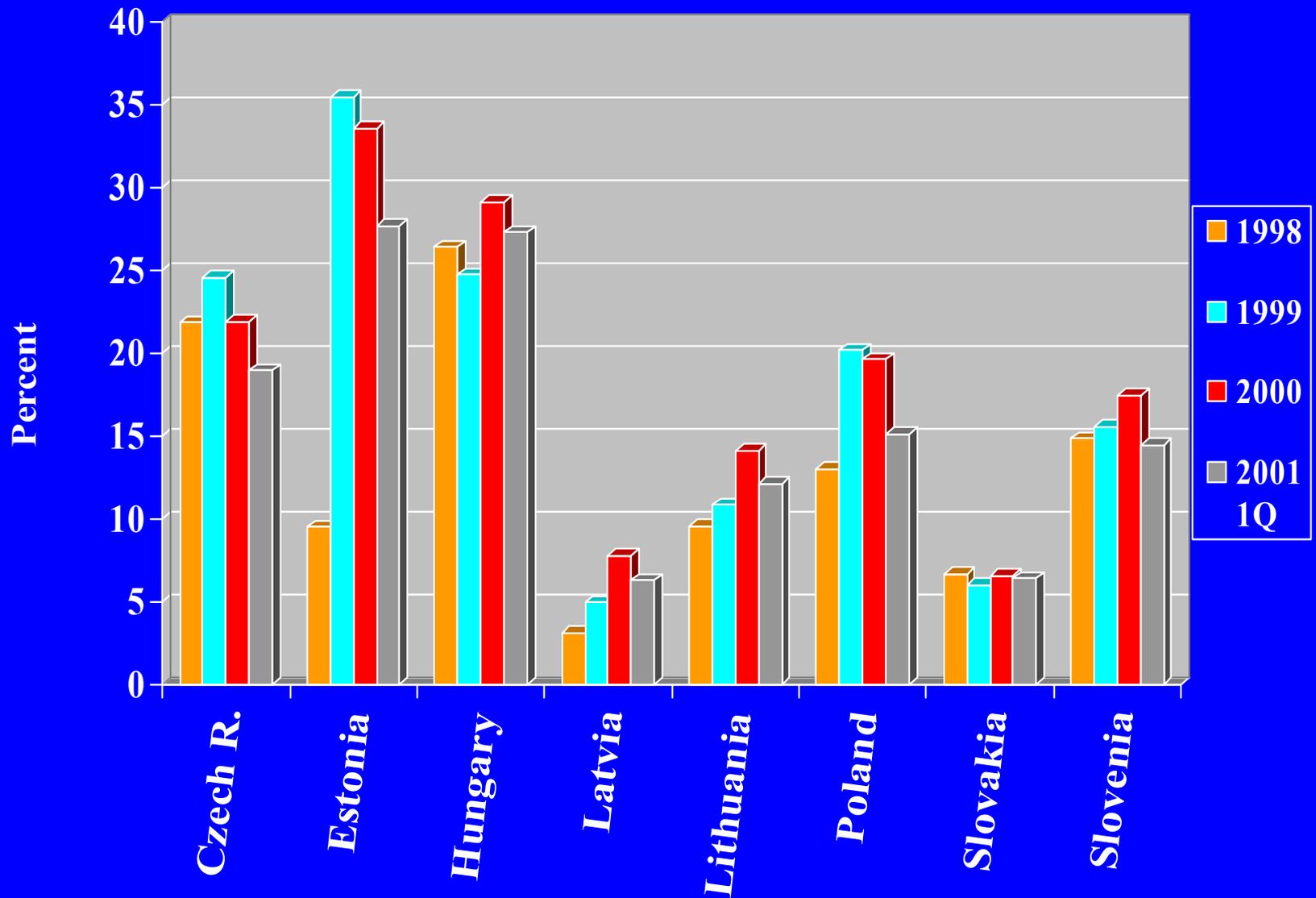
**Foreign Share Ownership in International Comparison**

# Market Capitalization / GDP - 1<sup>st</sup> Q 2001

<b>UK</b>	<b>269.3 %</b>
<b>SWITZERLAND</b>	<b>200.7 %</b>
<b>US</b>	<b>181.9 %</b>
<b>GERMANY</b>	<b>67.8 %</b>

Source: *Financial Times*, April 2001

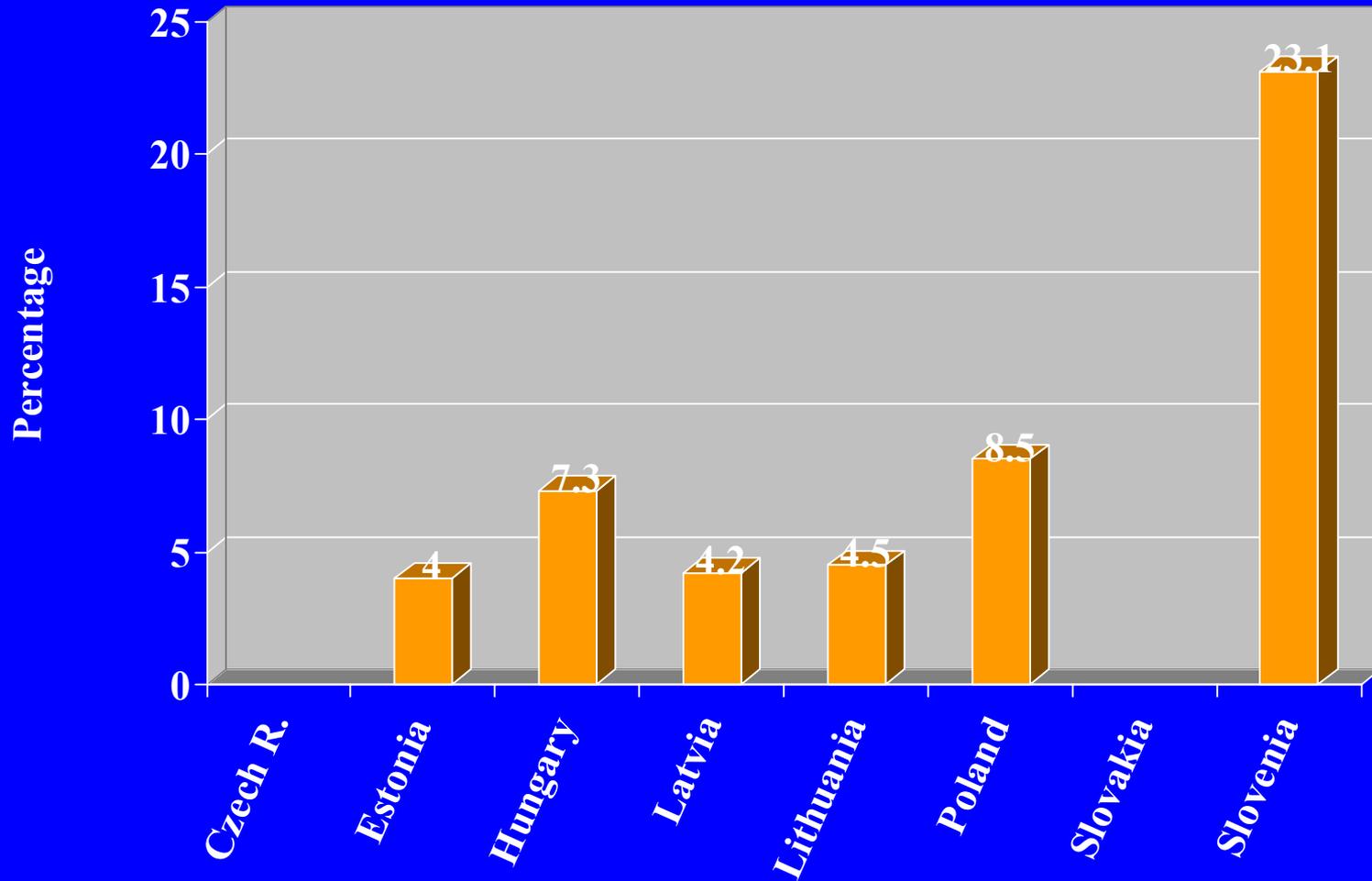
# Market Capitalization / GDP - Dec 31, YEAR



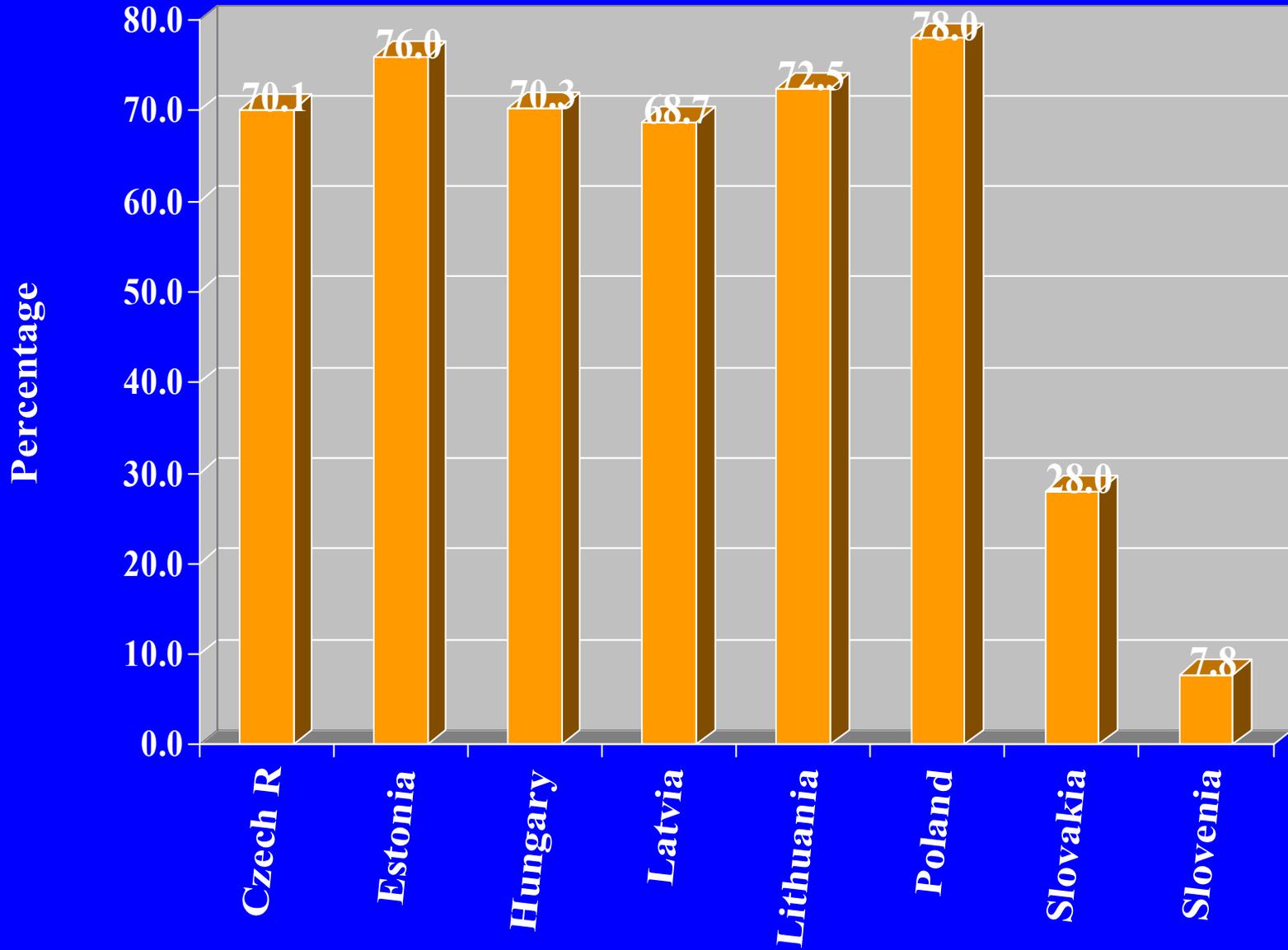
# Market Capitalization / GDP –1<sup>st</sup> Q 2001

Czech Republic	18.96%
Estonia	27.66%
Hungary	27.25%
Latvia	6.29%
Lithuania	12.14%
Poland	15.13%
Slovakia	6.4%
Slovenia	14.42%

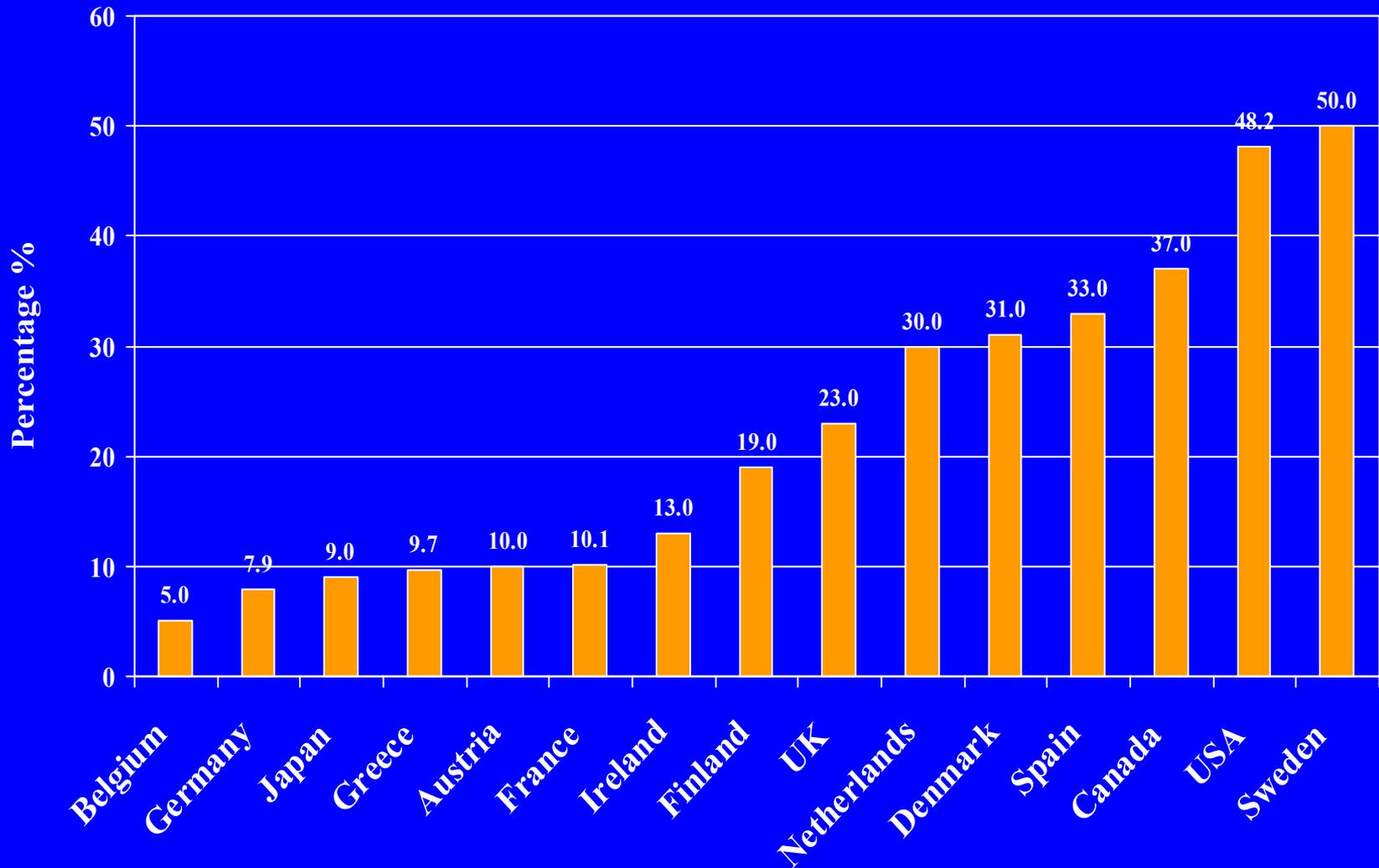
# Percentage of Citizens Owning shares – 1<sup>st</sup> Q 2001



# Share of Foreign Owners – 1<sup>st</sup> Q 2001



## Percentage of citizens owning shares directly or through investment funds (Data from 1998 and 1999)



Source: Deutsches Aktieninstitut, Frankfurt am Main

# Calendar of Disclosure Requirements / Investor Relations Activities

The Partners for Financial Stability (PFS) Program is working with the Hungarian Financial Supervisory Authority, Lithuanian Securities Commission and Polish Securities and Exchange Commission to draft Calendars of Disclosure Requirements for Listed Companies.

The following template might serve as a useful calendar for your disclosure requirements and investor relations activities.

# DISCLOSURE OF INFORMATION BY JOINT STOCK COMPANIES IN LATVIA

## TABLE OF CONTENTS

<i>Time and circumstances of disclosure</i>	<i>Page</i>
ANNUALLY.....	
SEMI-ANNUALLY.....	
QUARTERLY.....	
MONTHLY.....	
FROM TIME TO TIME - CASE BY CASE:	
CHANGES IN REGISTERED CAPITAL.....	
ISSUANCE OF OTHER SECURITIES.....	
REORGANIZATION, CONSOLIDATION AND MERGER .....	
OTHER DOCUMENTS.....	
FOUNDING .....	
TERMINATION AND LIQUIDATION UPON DECISION OF SHAREHOLDER MEETING .....	

# Annually:

DOCUMENT	UNDER WHICH CIRCUMSTANCES	WHO	TO WHOM	WHEN
Announcement convening the Annual General Meeting of Shareholders (AGM) (1)	To convene the AGM	Supervisory Board	Shareholders	For a public company, 30 days before the AGM
...	...	...	...	...

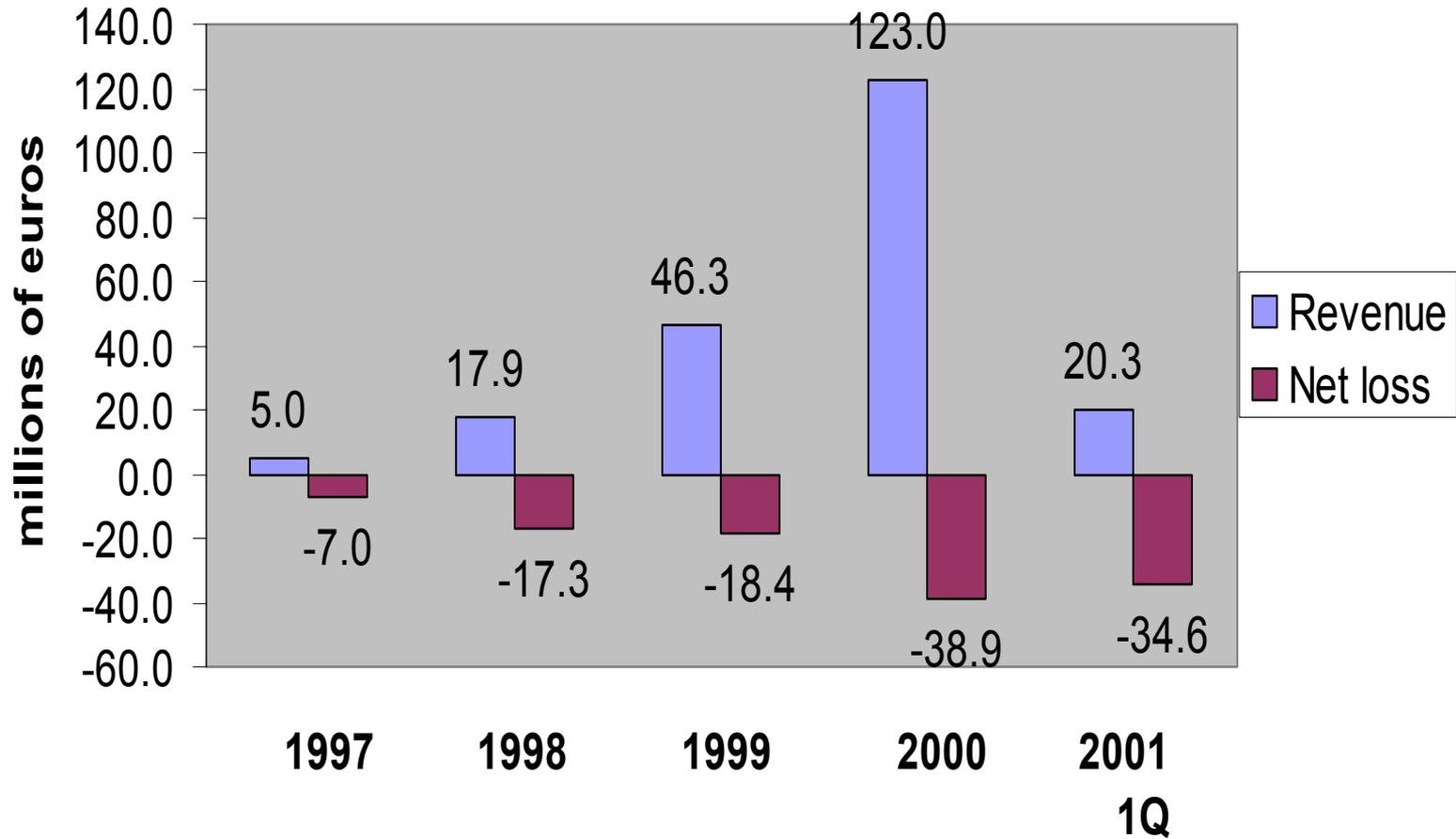
1. Law on Joint Stock Companies, Article 55.

# Best Practices

Intershop Case Study

**Diesen Chart finden Sie unter  
<http://www.finanztreff.de>**

## Intershop`s Main Financial Data





# **A magnet for institutional investors**

**Prepared for**

**Riga Stock Exchange**

**Investor Relations Conference**

**October 3, 2001**

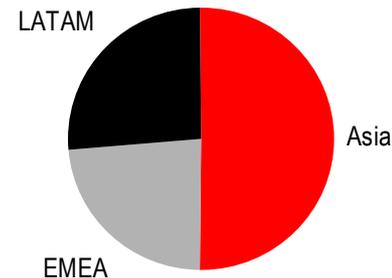
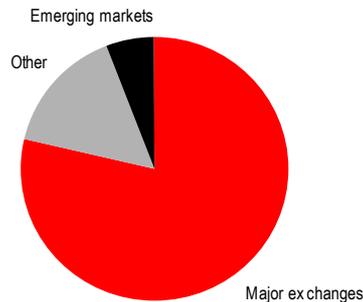


# Introduction

- **What is a magnet?**
  - The American Heritage Concise Dictionary describes it as:  
*A person, place, or object that attracts*
  
- **Today's aim:**
  - To see how a company can potentially make itself a *magnet* to international institutional equity investors

# World equity markets - a refresher

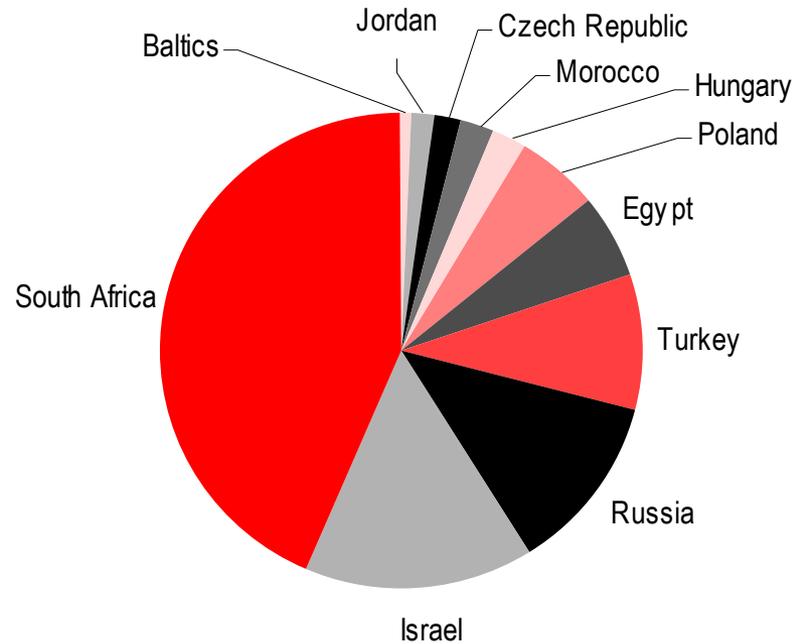
- Total size of world equity market: US\$28.4 *trillion* dollars (as at 07/01)
- The six largest exchanges represent around 80% of this figure
  - NYSE, NASDAQ, Deutsche Borse, Euronext, London, Tokyo
- Emerging markets represent around 6% (US\$1.7 trillion) of the total
- There are 3 main regions for emerging markets:
  - Asia, EMEA (Europe, Middle East, Africa), Latin America



# EMEA - what's there?

- **Constituent countries**

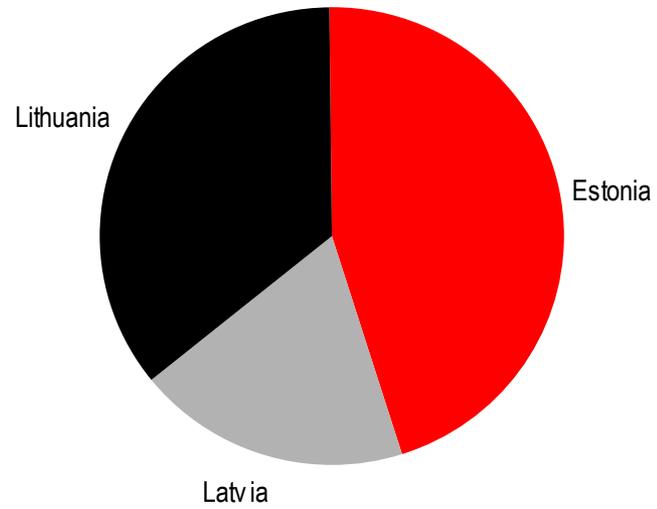
- **Baltics**
- **Jordan**
- **Czech Republic**
- **Morocco**
- **Hungary**
- **Poland**
- **Egypt**
- **Turkey**
- **Russia**
- **Israel**
- **South Africa**



# Baltics

- **Constituent countries**

- Estonia
- Latvia
- Lithuania



# Types of investors

- **Strategic (generally) long-term corporate investments**
  - Typically hold a ‘chunk’ of a firm eg. 25% voting interest and have board level presentation
- **Speculative (generally short-term) elements**
  - This includes a wide range of financial intermediaries. While this can result in slightly greater stock volatility it will, however, tend to provide good liquidity - a critical factor for any market!
- **Institutional investors**
  - The largest ‘active’ group of investors (see commentary on funds further on). Can be corporations, organisations, partnerships etc. with various investment time horizons
- **Private investors**
  - High net worth individuals
  - Small traders (‘play the market’)
  - ‘Mums and dads, widows and orphans’ (generally longer term view)

# Take note: stock specific risk is increasing

- **Traditional reasons for investing in emerging markets**
  - Risk diversification: low or negative correlation with developed equity markets
  - Earnings growth potential: superior due to high economic growth rates
  - Valuations: Comparatively low
  
- **However, times have changed...**
  - Risk diversification no longer what it was (note LTCM and Asian crisis)
  - Successful companies in emerging economies gradually seen as ‘global players’
  - Rather than country view, funds are increasingly looking at individual company valuations

# Where are stocks usually listed?

- **In the country where they have their primary operations. Why?**
  - The natural thing to do!
  - Interaction with local investors
  - Local visibility and association for international investors
  
- **However, multiple listings are fairly common for larger companies**
  - Target a specific investor base eg. London for international funds
  - ‘Global visibility’ for investors
  - Liquidity
  - Access for international investors eg. GDRs

## Multiple listings? Where!

- This is largely dependent on the domestic listing of the company
- Emerging Asia - typically New York, then Luxembourg and London
- EMEA - mainly London, then New York and Switzerland
- Latin America - mainly New York / US exchanges
- Finally, note that a company may even have multiple overseas listings!

# What are GDRs?

- **Part of the Depositary Receipt (DR) family.**
  - **Issued by a depositary bank and represents the holding of underlying securities by the bank in the issuer's home market**
  - **The underlying shares remain on deposit in the issuer's own home market and the resulting DRs can be traded on stock markets outside the home market in exactly the same manner as shares already listed**
  - **Outcome? Any concerns or reservations that investors may have, legal differences for example, about trading in securities from countries outside their mandated territory are removed**
  - **Governments have increasingly used DRs for privatisations of key industries such as telecommunications and utilities**

# What are GDRs? Part II

- **Benefits for the issuer**
  - Fresh capital from outside own domestic market
  - Enhance company visibility and prestige on international stage
  - Expand shareholder base
  - As number of potential investors increases so can demand for stock
  - Helps retain control over international investor base
- **Benefits for investors**
  - Provide greater diversity of investment
  - Simplify trading, clearing and settlement in foreign securities
  - Convenient alternative to buying foreign stocks directly
  - Dividends are paid faster by the depositary bank (no foreign currency fees to pay)
  - Investors and brokers have confidence as they are kept mainly in book-entry format

# What are GDRs? Part III

- **Benefits for both investor and issuer**
  - **Reduced risk and cost** - simplified nature of DR investment reduces settlement risk, eliminates double commissions, foreign custodian charges and insurance fees
  - **Assists brokers and market makers** - increased efficiency of trading system leading to generally heavier trading volume, benefiting major brokers and market makers
  - **They can also be used to create employee benefit plans via stock ownership for employees of foreign companies based in other countries**
  - **Depository Receipts may be the only means by which investors can access certain markets**
- **Global Depository Receipts ... two further considerations**
  - **Allow access to one or more markets outside the home market simultaneously**
  - **Locations such as London and New York have specialist traders who deal exclusively in such securities (good for liquidity)**

# The word 'fund' - not as simple as it sounds!

- **Types of funds?**

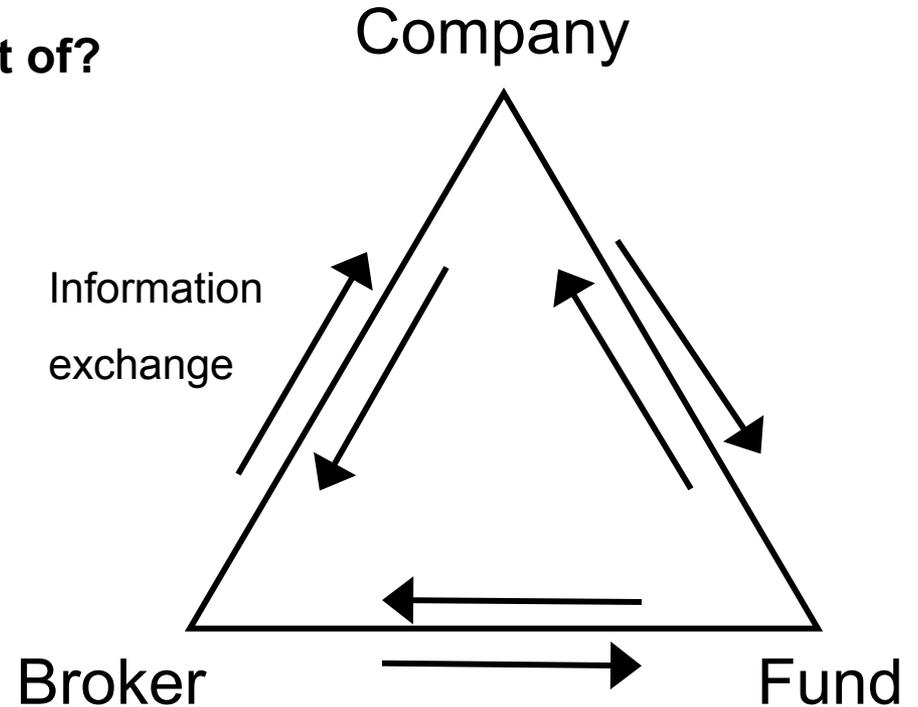
- **Balanced:** generally a mix of bonds, equities, property and cash seeking both income and capital growth. Usually no more than 80% in any one sector
- **Bond:** Invest in short term (<1 year maturity), long term, convertible bonds/securities of both public and private sector organisations
- **Equity:** Ordinary shares, but also preferred or convertible securities
- **Fund of funds:** Invest only in other investment funds within the organisation ('in-house') or outside ('ex-house')
- **Money market:** Mainly invest in a range of negotiable monetary instruments eg. certificates of deposit, treasury bills OR cash deposits OR various currencies
  
- **Other: This includes .....**
  - warrant funds
  - futures/options/derivatives funds
  - commodity funds
  - CTAs (Commodity Trading Advisors)
  - venture capital funds
  - hedged funds
  - other 'hedge' funds
  - property funds
  - *plus more.....*

# Just when you thought it was simple!

- Further slicing and dicing:
  - Any of the previous characteristics can be narrowed down in further sub-groups. For example, investing only in long term government bonds
  - AND.... restricted to certain geographic regions or countries
  - Sound complicated? Well it is!
  - The next diagram helps to explain how successful relationships work in the financial world...

# The perpetual triangle

- Often overlooked! Who does it consist of?
  - Corporates
  - Brokers / investment banks
  - Institutional investors - funds
- Successful scenario?
  - Only if all 3 work together



- Surprise of the day: it is in the interests of **ALL THREE PARTIES THAT THE COMPANY GROWS OVER TIME!!!**

# Mis-statements - the top 6

- Popular quotes by companies
  - “All I need to do is to get a listing and everything will be OK”
  - “Brokers and bankers aren’t needed, I’ll just go to the funds”
  - “The broker put a sell recommendation on my company. Time to punish him/her!”
  - “That fund just sold their holding in us - %\*&\$#@ them!”
  - “Listing-related issues take up too much of my time”
  - “Investors always get in the way and demand too much information”
- Before we get acquainted with the nature of the brokers’ and funds’ operations - let’s briefly digress to what a company’s goals usually are...

# Typical company goals

- Without getting too philosophical about things, it usually revolves around the following factors:
  - Start operations (usually requiring capital)
  - Grow and develop (locally and then hopefully internationally!)
  - Making acquisitions along the way (occasionally requiring capital)
  - Making divestments along the way (helps to have good advisors)
  - Finally merge or be acquired by another organisation (helps to have good advisors)
- It is plain to see that the above actions can be done easier with ‘a helping hand’. In other words, prime reasons for the use of equity capital. Why? Because debt capital is more interested in just getting its money back (not necessarily further growth), whereas equity capital participates in ‘extra wealth generated’ and is generally more flexible - compare leaving out a dividend payment to missing an interest payment at the bank!

# How brokers spend their time

- **Company and industry research**
  - good ideas - short and long term recommendations and forecasts
  - prepare both short notes and long reports
- **Company contact**
  - gain better company insight
  - may include marketing the company to investors
- **Contact with fund managers and in-house analysts**
- **Global, regional and country-based economics and strategy**
- **Communicating with salespeople, sales traders and market makers**
- **Capital raising - bringing new companies to the market or help raise capital**
- **Execute transactions for funds**
- **Why all the above - because fund managers have restricted time available!**

# How funds spend their time

- **Investment opportunity research into relevant areas**
  - limited by the fund's mandate
  - utilise broker knowledge of companies and macro factors
- **Company contact**
  - focus generally on current investments
- **Marketing their services to current and potential clients (investors)**
  - these may be private individuals, corporations or government bodies
- **The aim for a fund is to beat its benchmark**
  - for equities, typically an index representing the investable universe
  - this is one of the key ways to attract more money to manage
  - thus resulting in greater fee income

# Let's communicate!

- **Brokers and funds typically have different rankings for preferred contact:**

- **For brokers ...**

- Chief Financial Officer (CFO)
- Chief Executive Officer (CEO)
- Investor relations director
- Divisional directors
- Chairman
- PR/Corporate communications director

- **For funds ...**

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Divisional directors
- Chairman
- Investor relations director
- PR/Corporate communications director

## Let's communicate part II

- **The humble annual report on its own is history! Continuing our triangle discussion, here are some of the most popular ways corporates communicate with brokers and fund management groups... (in a typically favoured order)**
  - one-to-one meetings/lunches
  - one-to-one telephone calls
  - email alerts
  - site visits
  - group meetings
  - conference calls
  - detailed website (UP TO DATE!)
  - stock exchange announcements
  - indirectly via Investor Relations / PR Consultancy

## Let's communicate part III

- **The triangle is there for a purpose - don't try to make it breakdown! Information flow and transparency are some of the key factors of good corporate governance.**
- **If a company is rather slow to respond to actual developments, such as a public relations crisis (for example, possible product re-call), investors and brokers will generally fear the worst. The share price will be not only be punished, but it may impinge on longer term valuations as well.**
- **This does NOT necessarily apply to 'market rumours' of corporate activity. Respect can be gained by stating that 'we do not comment on market speculation'. However, this will again be 'punishable' by the investment community if contrary comments are purposely issued.**
- **NOTE: All of the above points to building a sense of trust. This can take years to develop but only moments to lose. Tread carefully out there!**

# That broker put a **SELL** recommendation on us. I'll .....

- Companies, sadly, react in widely diverging ways to a Sell recommendation by a broker.
  - Typical responses:
    - increase communication and accessibility to management etc
    - nothing: simply accept the broker's independence
  - Not so typical responses (which work against the company in the long run):
    - exclude the broker/investment bank from future funding/financing
    - complain to the research head at the broking organisation
    - temporarily exclude the analyst from briefings, visits etc...

# **That broker OR fund manager, I'll @#!\$%£ them**

- **Poor professionalism towards brokers, fund managers AND one's CUSTOMERS will tend to punish the company's chances of good growth in the longer term. Why?**
- **If the simple things in business life like .... everyday phone calls aren't answered/returned, employees are rude or standard informational disclosures aren't met (released to the stock exchange, relayed to the media etc), it is unlikely that anyone will be overly interested in the company.**
- **There won't be trust and investors do have many other regions and countries to invest their money! Remember investors - funds OR private clients are investing ie. risking their capital in your organisation for a potential return**
- **Remember the old adage .... people talk and .... talking is probably one of the most powerful forms of advertising!**

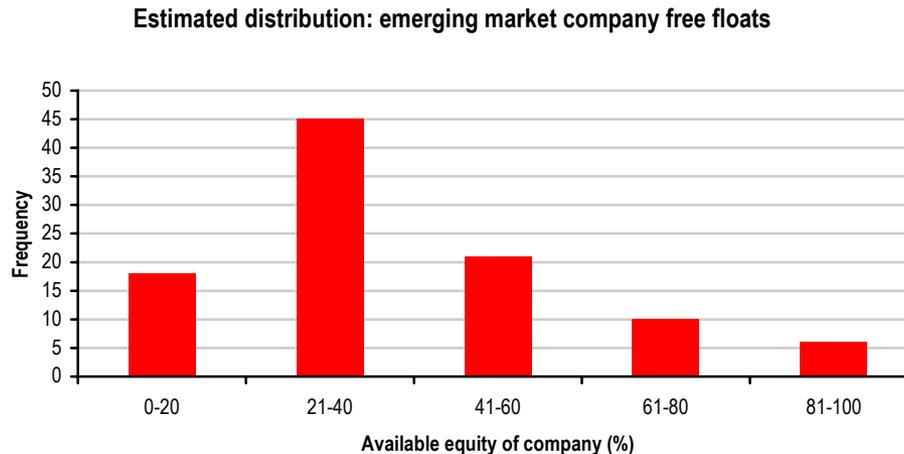
# Institutional investor influence

- It is estimated that in emerging markets, institutional investors typically hold between 0% and 60% of the equity - albeit this will vary widely from company to company and can even be 100% if there is no strategic corporate investor
- Nevertheless, this makes them a 'significant' shareholder group



# Free float - what's that?

- A critical factor for a company to attract institutional investors is the availability to actually invest in the company.
- The amount NOT held by strategic long-term investors is the 'free float %'.
- Liquidity (turnover in the company) typically suffers if there is a low free float! (although this is partially a function of the absolute size of the company)
- Typically very low in the Baltics!



# Some current issues of emerging country companies

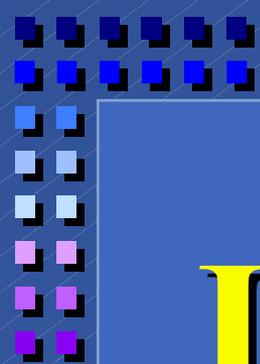
- **Internet trading** - anecdotal evidence suggests that in most cases this has not had any real change in valuations. In EMEA countries the feeling is that the internet (in most cases) has had no marked effect on liquidity or volatility as well. Why? It is more of a product for private clients. Institutions need to limit factors such as 'slippage' and maximise ease of 'finding' a market.
- **Political risk** (always an issue)
- **Global comparability** - more and more, comparisons are being made across geographical regions. This particularly applies to financial statements. Around 2/3 of emerging companies either ARE or are PLANNING to conform to international accounting standards. For example.....?
  - IAS - International Accounting Standards or US GAAP - Generally Accepted Accounting Principles
  - When regional or global comparison reports are written by financial analysts there is nothing more frustrating than not having comparability of like against like. The lack of comparability may mean the company is not seriously considered.

# Riga Stock Exchange's (RSE) scorecard

- So, what have they really done.....?
  - A recent study ('Capital Markets and Stock Exchanges in the Baltic Sea Region' by Prof Clausen et alia, 2000) evaluated legal, technical and operational aspects of markets. The Riga Stock Exchange scored a total of 28 points out of 33 (same as Frankfurt) and compares favourably with Copenhagen and Stockholm bourses at 30, Warsaw at 21 and St Petersburg at 2 points.
  - To be quoted on the official list of the RSE requires international accounting standards (IAS) to be provided for annual accounts
  - The RSE is putting serious efforts into developing an equity culture in society
  - Programmes to help companies to become 'investor magnets' are underway
- There is something missing however ..... the eligible companies! The RSE has delivered on their side of the deal. It's now time for Latvian corporates that want to go places internationally to put up!
- Lack of sizeable listed companies means lack of visibility - it's very important to be a part of an international equity index!

# Summary - for all you potential magnets!

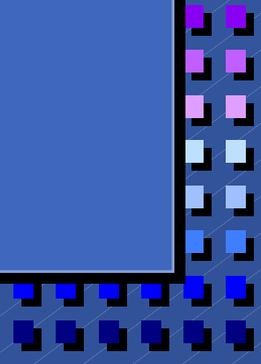
- Earnings! (remember, dividend yield is not that important, earnings growth is)
  - Good corporate governance (transparency, IAS accounting, shareholder minority rights, professional marketing approach [magnet material] etc)
  - Valuation: note that sentiment (touchy/feely stuff) will play an important role
  - Interesting corporate story
  - Provide guidance for market, strong ‘triangle’ partner, good investor relations
  - A strategic partnership can be helpful (well-known international company)
  - Decent free float/liquidity - a liquid stock has at least US\$1m traded per day
  - GDRs can make a huge difference (make sure someone makes a market in the shares!)
  - Pension reform in the country very important (Latvia gets a tick here)
  - Solid local support from investors and the government is important (otherwise questions asked)
- Remember it’s a two way street AND a global market out there!
  - International investors means international information feedback - ASAP!



# **Investor Relations Seminar**

**Riga, October 3, 2001**

**Beata Stelmach**



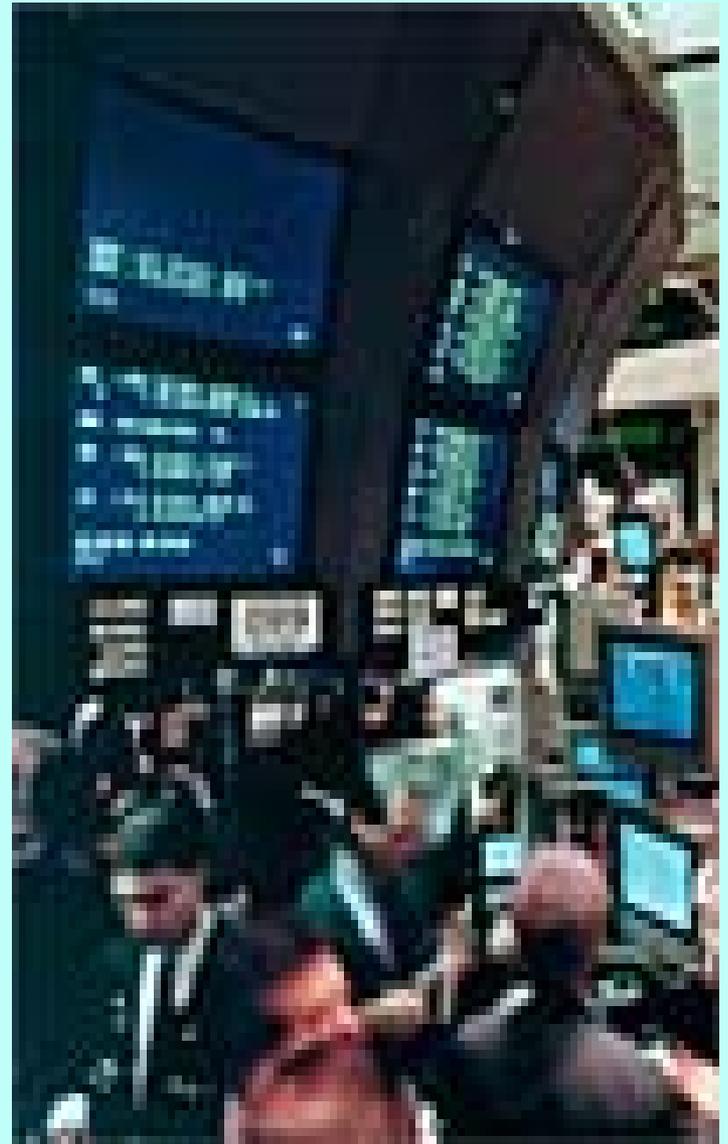
# Short characteristics of the Polish capital market

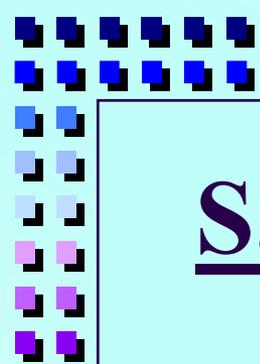
- Set up in 1990/1991
- Role of the PSEC
- International standards
- Transformation period in Poland

# We wanted the Polish capital market

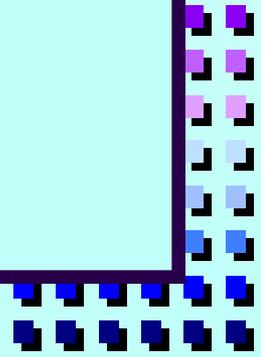
to be:

- Fair*
- Efficient**
- Liquid**
- Transparent*

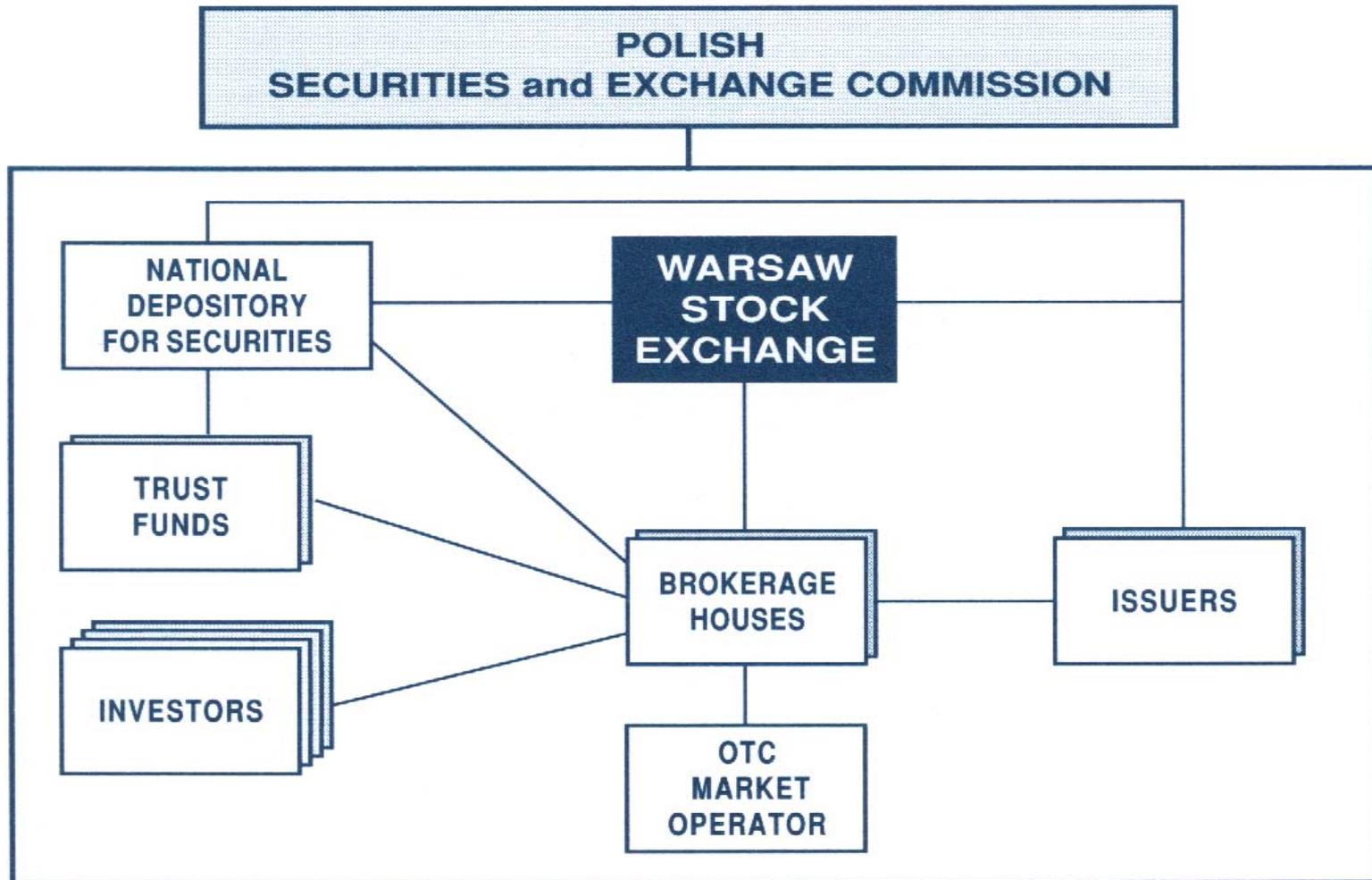




# Safety and efficiency of the Polish market are guaranteed by:

- high regulatory standards
  - dematerialised trade
  - electronic trading
- 

## Structure of the Polish capital market



# Investor protection is exercised mainly through:

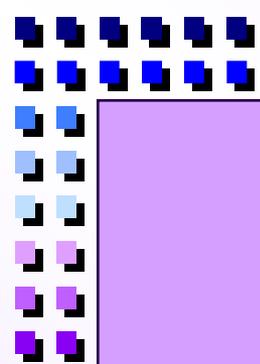
- regulation of the market
- licensing policy
- equal access to  
information (!)*



# Disclosure requirements

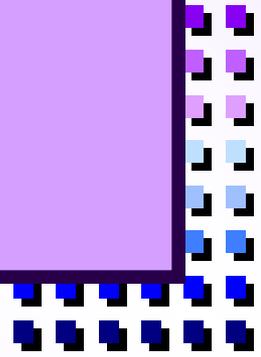
- initial -  
- data contained in prospectus

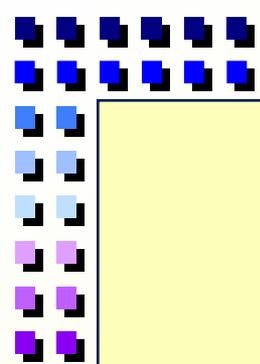




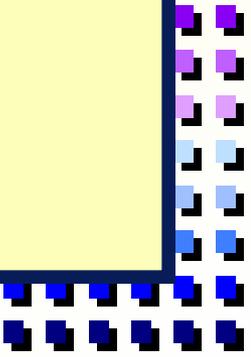
# Disclosure requirements

## continuous

- quarterly, semi-annual and annual reports,
  - current reports /any information which could influence the price of security, to be submitted within 24 hours/
- 



# Criminal offences:

- insider dealing
  - price manipulation
  - unauthorised offering
  - false information
- 



- How to build good relationships with investors?
- (WHO ARE INVESTORS?)



**Investors :**

**= shareholders**

**= owners of the company**

# Three platforms of co-operation



# SMALL INVESTORS

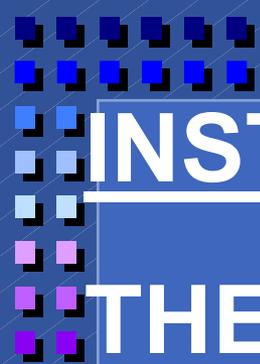
GET THE INFORMATION FROM  
MEDIA & FROM THE  
BROKERS/ADVISORS/ANALYSTS



# ANALYSTS

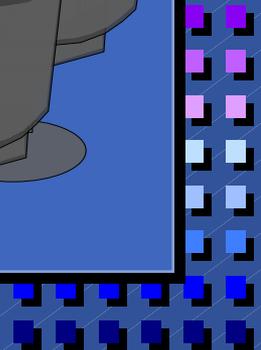
SHOULD OBTAIN TRUE  
AND FAIR  
INFORMATION





# INSTITUTIONAL INVESTORS

## THE MANAGEMENT' TASK IS TO SATISFY SHAREHOLDERS



# Warszawski Indeks Giełdowy (WIG)

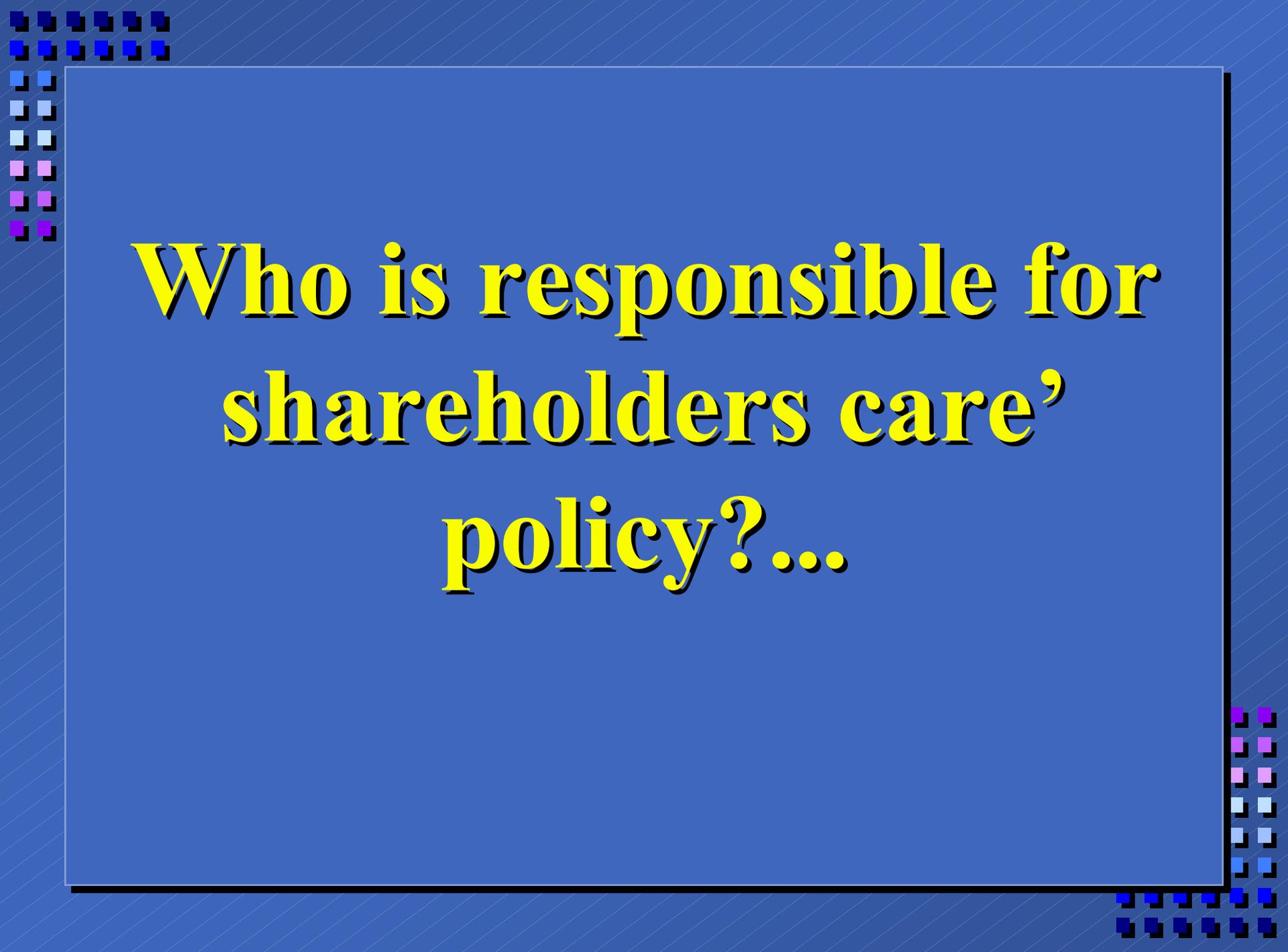
April 1991 - January 2000



16-04-91

16-04-94

16-04-97



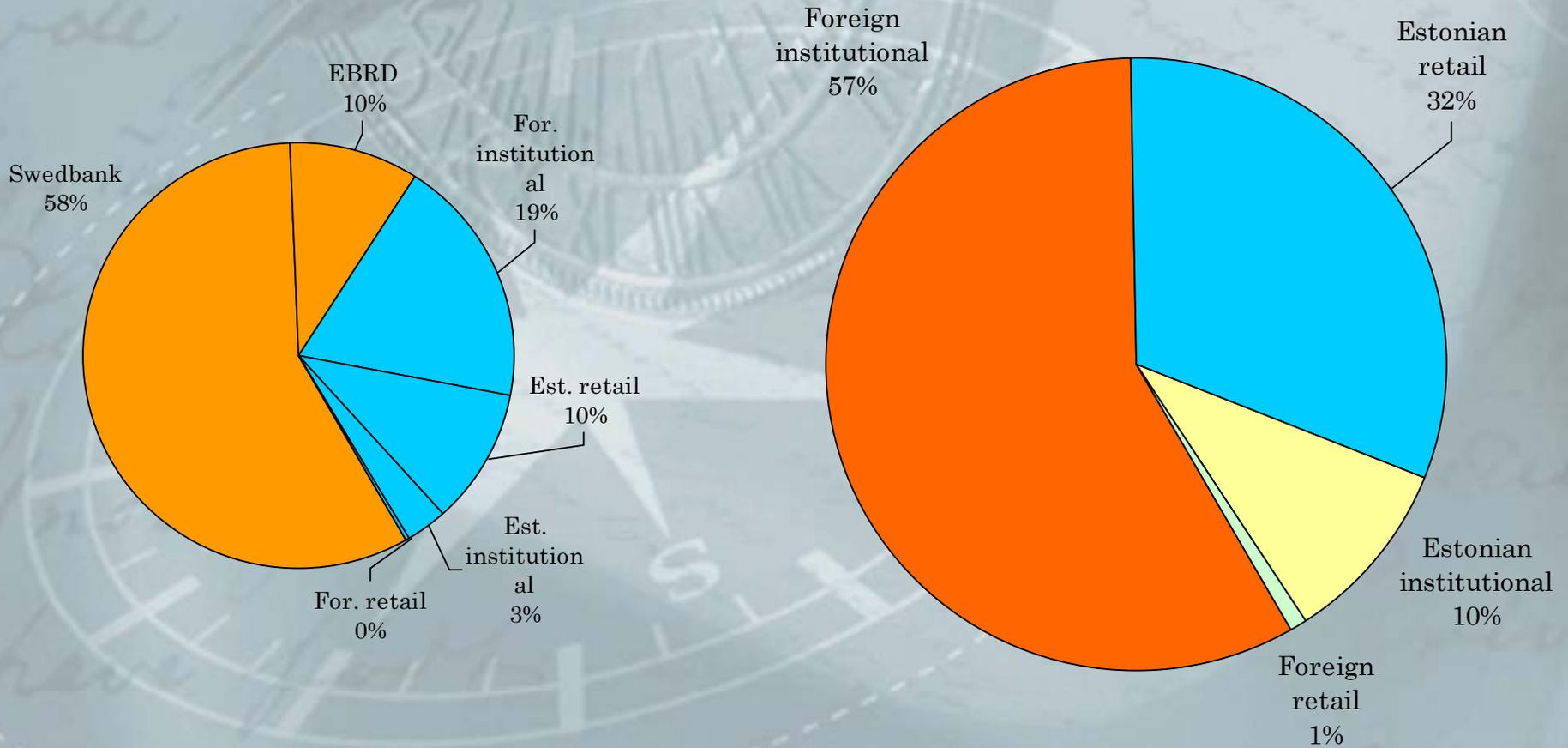
**Who is responsible for  
shareholders care'  
policy?...**

# IR in Hansabank

**Mart Tõevere**  
**Head of IR**

- 1. Every start is difficult**
- 2. We are not Nokia and we are not in Poland**
- 3. Perseverance leads to success**

- Who are your largest investors



# The basics

---

- **Who are your largest investors**
- **Stock exchange requirements**
  - Financial reporting, IAS
  - Other important events
- **Press**
- **Spokespersons**

# Next steps

---

- **Mailing list**
- **IR on your web page**
  - Best sites in 2001/2000  
US – EMC, GE, Microsoft  
Europe – Nokia, Alcatel, Vivendi

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## Investor Relations

### IDC Study Redefines Storage TCO Finds that EMC Reduces Cost, Drives Business Value

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## Annual Report

**EMC Annual Report 2000** >>>[on-line](#)

## A Day In The Life Of Storage Video

From the **beginning** to the  
**end** of every day, EMC is a  
part of **every aspect** of life.

>> [Click here to watch the video](#)



## Stock Quote (delayed 15 minutes)

2001 ... EMC Corporation ... NYSE: EMC ... Last

## Bear Stearns Annual Tech Conference

LIVE WEBCAST

Wednesday, June 13, 2001 9:00 a.m. EDT

EMC Executive Chairman, Mike Ruetters  
Delivers Live Keynote Presentation



## ROI Calculator

**EMC  
E-Valuator**

Calculate  
your EMC Return on  
Investment >>>[click here](#)

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**Facts, Stats,  
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## Welcome to GE Investor Relations

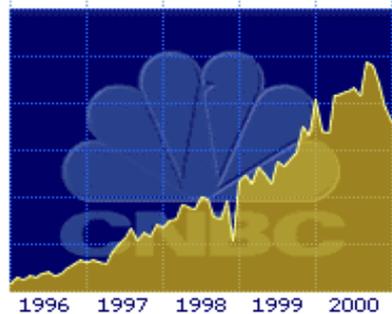
Mon, June 11, 2001 4:38

**Current Stock Price:**

Stock: 48.14 -0.77 at 16:01 ET 06/08/2001

### GE Performance At A Glance

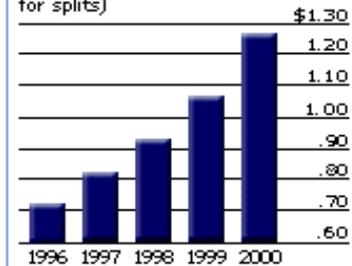
#### 1996-2000 Stock Chart



[Click for current charts](#)

#### Financial Results

Earnings per share from continuing operations, 1996 - 2000 (Adjusted for splits)



[Click for more results](#)

### GE Highlights

- [5/9/01--GE on Track to Deliver Record Year.](#)
- [4/12/01--GE Reports Record First Quarter 2001 Results.](#)
- [4/12/01--First Quarter 2001 Condensed Statement of Earnings.](#)
- [2/9/01--GE Board authorizes regular quarterly dividend of \\$0.16 per share.](#)
- [11/27/00--Jeffrey R. Immelt is named President and Chairman-Elect of GE.](#)

[Read more GE news in The Press Room](#)

### Investor's Briefcase



Printer-friendly versions of:

- [2000 Annual Report Highlights \(PDF\)](#)
- [SEC Reports \(PDF\)](#)
- [Latest Earnings Release \(PDF\)](#)
- [Financial Highlights](#)

### Resource Center



**GE Stock Direct**  
[Buy GE stock here!](#)



**GE Chart Central**  
[Historical growth charts](#)



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Videos about GE's e-Business initiative.

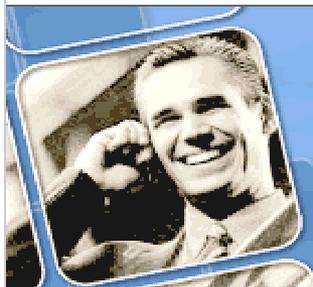


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**GE Share Owners**



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### Current Quotes

[Interactive Stock Charting](#)

Stock Exchange	Time	Last	%	High	Low	Volume
Helsinki (EUR)	22:13 (GMT+3)	34.10	-0.23 ↓	35.19	33.40	20,270,429
New York (USD)	21:00 (GMT-4)	29.83	0.00	30.82	29.70	4,855,100
Stockholm (SEK)	15:22 (GMT+2)	319.00	-2.15 ↓	325.50	319.00	3,282,917

During the trading hours, the quotes are delayed as per Stock Exchange rules: New York 20 min., Helsinki and Stockholm 15 min. At other times the latest closing data is shown.

### Latest Press Releases

[more...](#)

June 08, 2001  
Nokia to shift focus of its mobile phone manufacturing in Germany

June 07, 2001  
Nokia Advances the Connected Home with New DSL Gateway

June 06, 2001  
Nokia and Fundación Vamos launch Make a Connection in Mexico

[>>](#)

[>>](#)

[>>](#)

### Nokia in the first quarter of 2001

Nokia exceeds first quarter earnings targets - extends leadership in a challenging environment [>>](#)

- Nokia's net sales grew by 22% to EUR 8 007 million. In Nokia Networks, net sales growth was 35% and in Nokia Mobile Phones 20%
- Pro forma operating profit increased by 8% to EUR 1 440 million, on a reported basis operating profit was EUR 1 369 million

# Next steps

---

- **Mailing list**
- **IR on your web page**
  - Best sites in 2001/2000
    - US – EMC, GE, Microsoft
    - Europe – Nokia, Alcatel, Vivendi
- **Road shows**
- **Financial portals** – Bloomberg
- **Foreign press, news agencies, financial almanacs**
- **IR service providers**
  - Web-casting
  - Data distribution

# We are small and from the Baltics

---

10

- **Off-index**
  - Unlike Poland, Hungary, Czech
- **Low liquidity**
  - Minimum requirement 1-5 mio USD per day
- **Low awareness**
  - Devaluation
  - Economy
  - Internet

# ...but we will succeed

---

- **Be predictable** - It's all about trust
  - Only positive surprises, please!
  - Listed company – public company – open company
- **Go after the investor, do not wait for them to come after you**
  - Funds first, then retail. Do not forget domestic investors
  - Regular road shows and 1-on-1 meetings with top management
  - Someone responsible for IR in the company
- **Have a story to tell**
  - Who are you?
  - Why do you exist?
  - Where are you going?

# Hansa vs Emerging Europe



## Associations

[www.niri.org](http://www.niri.org) - National Investor Relations Institute

[www.iirf.org](http://www.iirf.org) - International Investor Relations Federation

[www.ir-soc.org.uk](http://www.ir-soc.org.uk) - Investor Relations Society

## Service providers

[www.huginonline.com](http://www.huginonline.com)

[www.hanashi.ee](http://www.hanashi.ee)