



IR Promotional Program

Second SET 50 Survey Results

14 November 2007

Table of Contents



- **Second SET 50 Survey Results**
 - Survey Overview
 - Survey Background
 - Survey Results
 - IR Goals & Resources
 - Corporate Disclosures
 - IR Products & Processes
 - Survey Results Conclusion



Second SET 50 Survey Results

Survey Overview

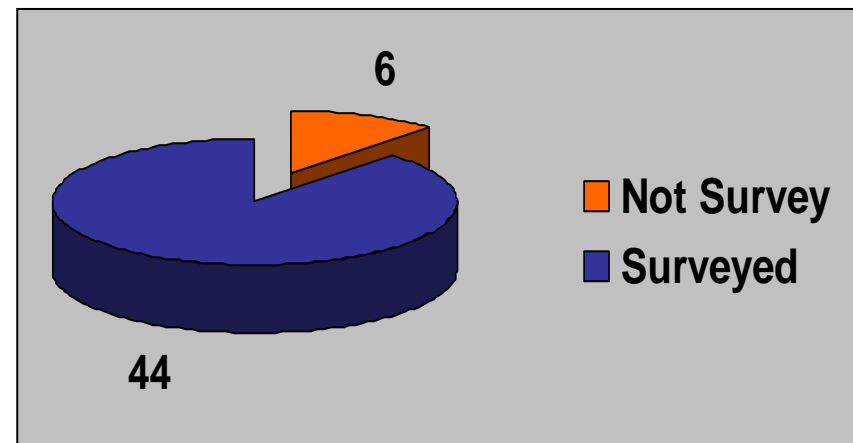
□ Survey Objectives

- To determine the attitudes and practices on IR
- To use the results as a guide to select 3 companies for the IR Mentoring Program

□ Survey period: 1 Jun 07 to 1 Aug 07

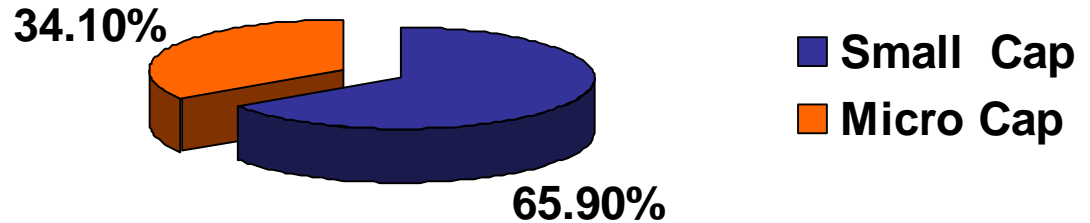
□ Survey Topics

- IR Goals & IR Resources
- Corporate Disclosure
- IR Products
- IR Processes
- Knowledge of IR Constituencies

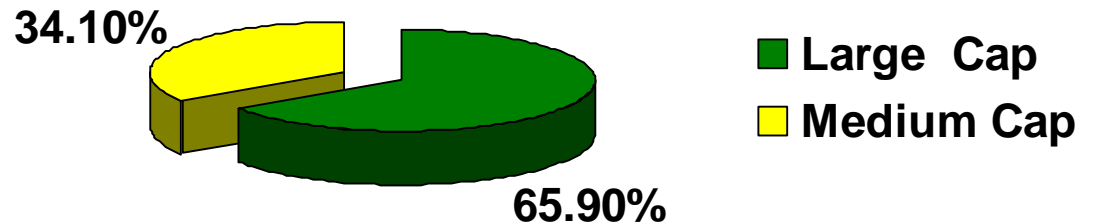


Survey Background

International Standard



Domestic Standard

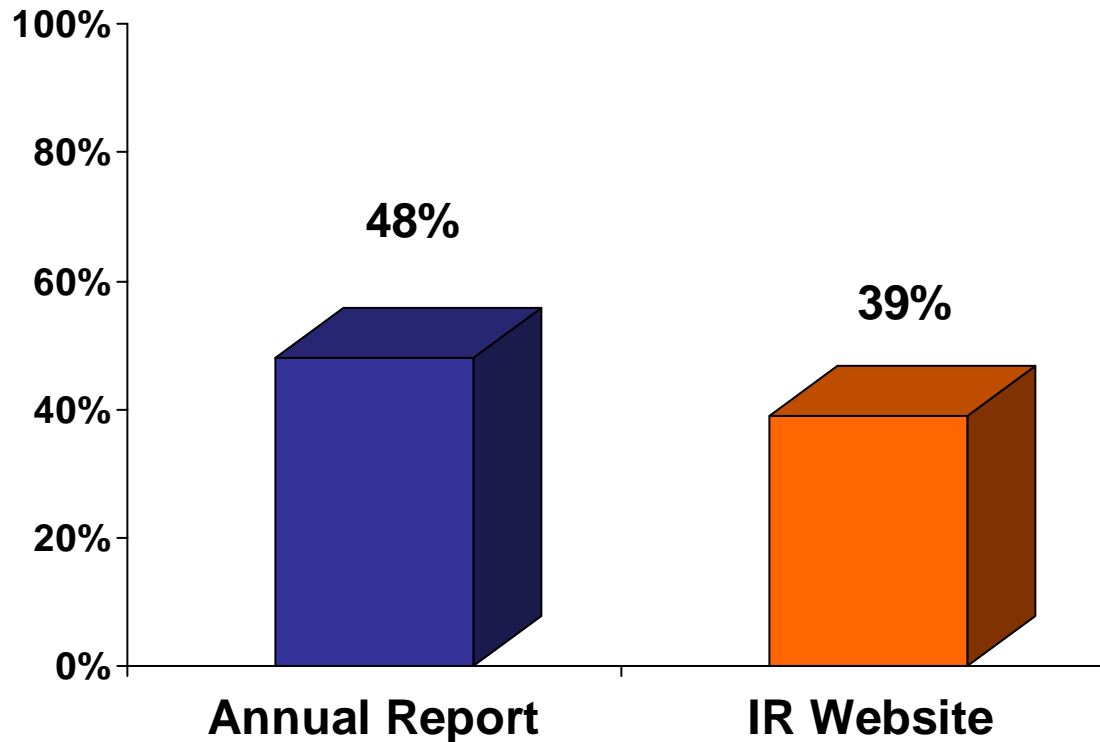


| | International Standard (USD) | Domestic Standard (THB) |
|--------|------------------------------|---------------------------|
| Large | More than 5 billion | More than 6 billion |
| Medium | 1 billion up to 5 billion | 3 billion up to 6 billion |
| Small | 150 million up to 1 billion | 1 billion up to 3 billion |
| Micro | Less than 150 million | Less than 1 billion |

Source: http://www.investorwords.com/2969/market_capitalization.html

Survey Background

Annual Report & IR Website Scoring



Lower scores for both annual report and IR website compared to other developed countries

Survey Results

IR Goals &
Resources

Corporate
Disclosures

IR Products
& Processes

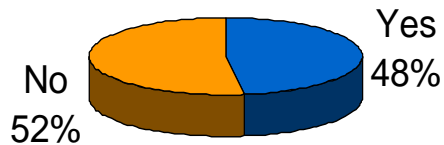
CONCLUSION

Survey Results

IR Goals & Resources

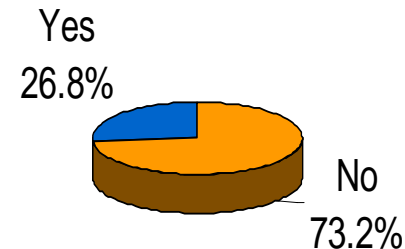
- ❑ Most of the surveyed companies have no allocated budget for IR (Q12 – 52.3%)
- ❑ Majority have implemented no processes for tracking the effectiveness of IR programs (Q8 – 73.2%)

Q12. Specific Budget Allocated to IR



Percentage from Sample Size

Q8. Having IR Evaluation Metrics



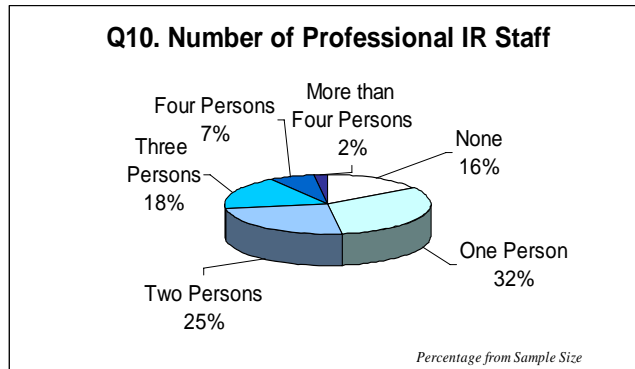
Percentage from Total Respondents

Most companies focus on meeting investor needs (**Reactive IR**) rather than managing a comprehensive program with proactive communication (**Strategic IR**)

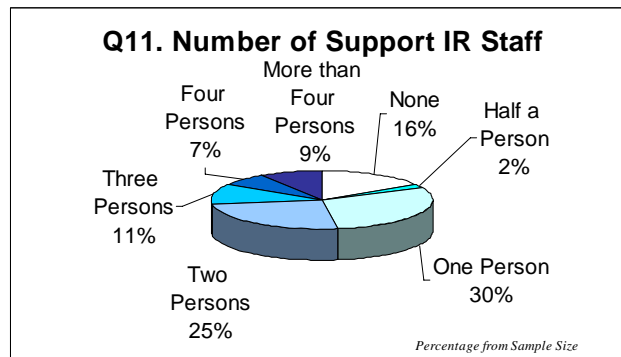
Survey Results

IR Goals & Resources

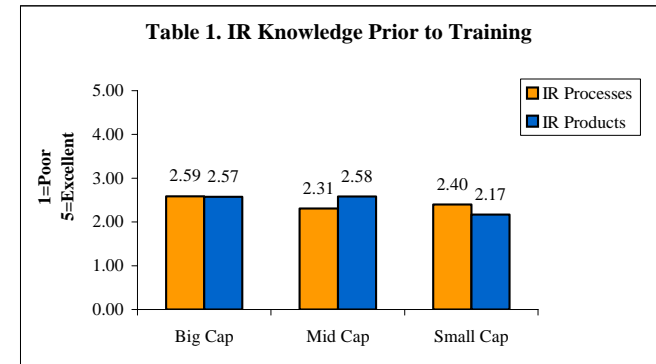
- Majority have at least 1 person working part time on IR (Q10 – 84.1%)



- Approximately half have IR team of 2 or more people (Q11 – 52.3%)



- Level of IR knowledge reported by participants at IR Training



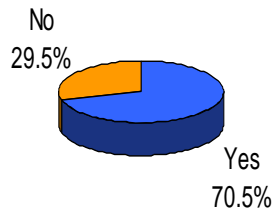
The lack of knowledge rather than resources availability explain the reactive nature of IR in Thailand

Survey Results

IR Goals & Resources

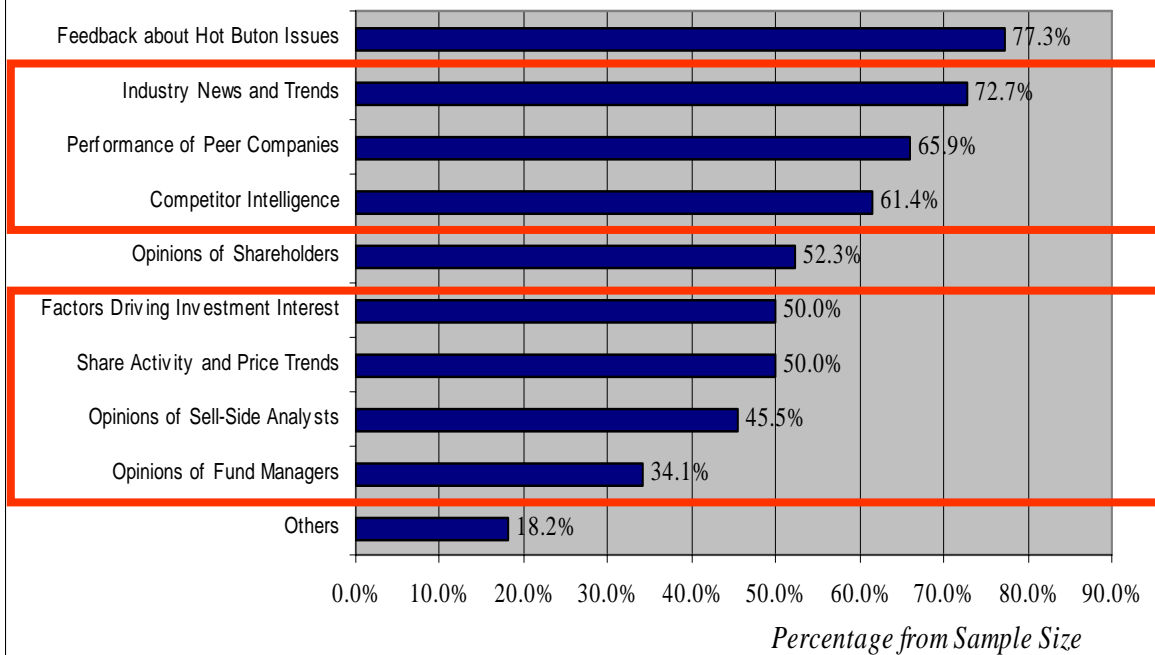
- In 70.5% of the surveyed companies IR executives attended BOD meetings (Q73 – 70.5%)

Q73. IR Executive Attending Board Meeting



Percentage from Sample Size

Q75. Topics being presented to Board of Directors by IR Executives



Executives who attend BOD meetings participate in some capacity other than as IR manager (possibly CEO, CFO, COO)

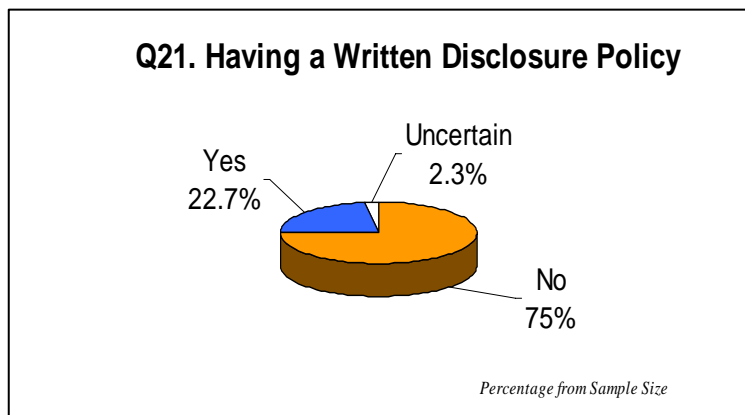
Survey Results



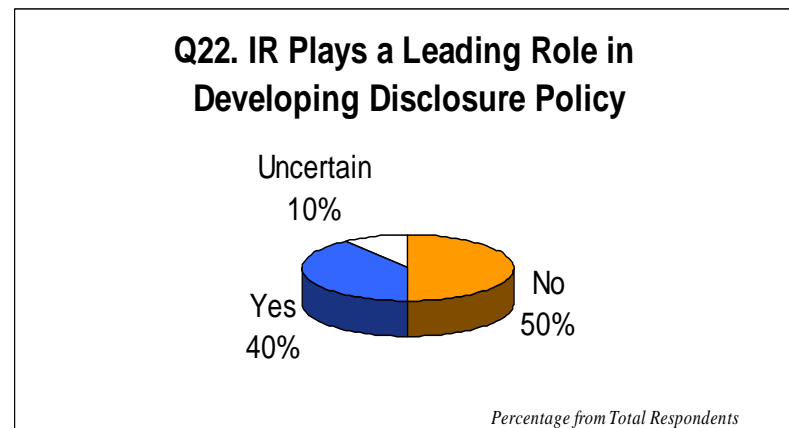
Survey Results

Corporate Disclosures

- Only a fifth of surveyed companies have disclosure policy (Q21 – 22.7%)



- Of the companies that have disclosure policy, less than half confirmed that IR played a leading role in development and updating disclosure policies (Q22 – 40%)



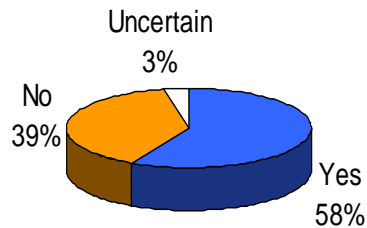
None of the surveyed companies has a disclosure committee

Survey Results

Corporate Disclosures

Even though majority claimed that they systematically track all disclosures made by the company (Q25 – 58%)

Q25. IR Role Systematically Track All Disclosures Made



Percentage from Sample Size

Lack of Disclosure Policy, Disclosure Committee, and IR Evaluation Metrics

Monitoring is not systematic

Disclosure practices is an area that clearly lags peers in overseas markets and needs improvement

Survey Results

IR Goals &
Resources

Corporate
Disclosures

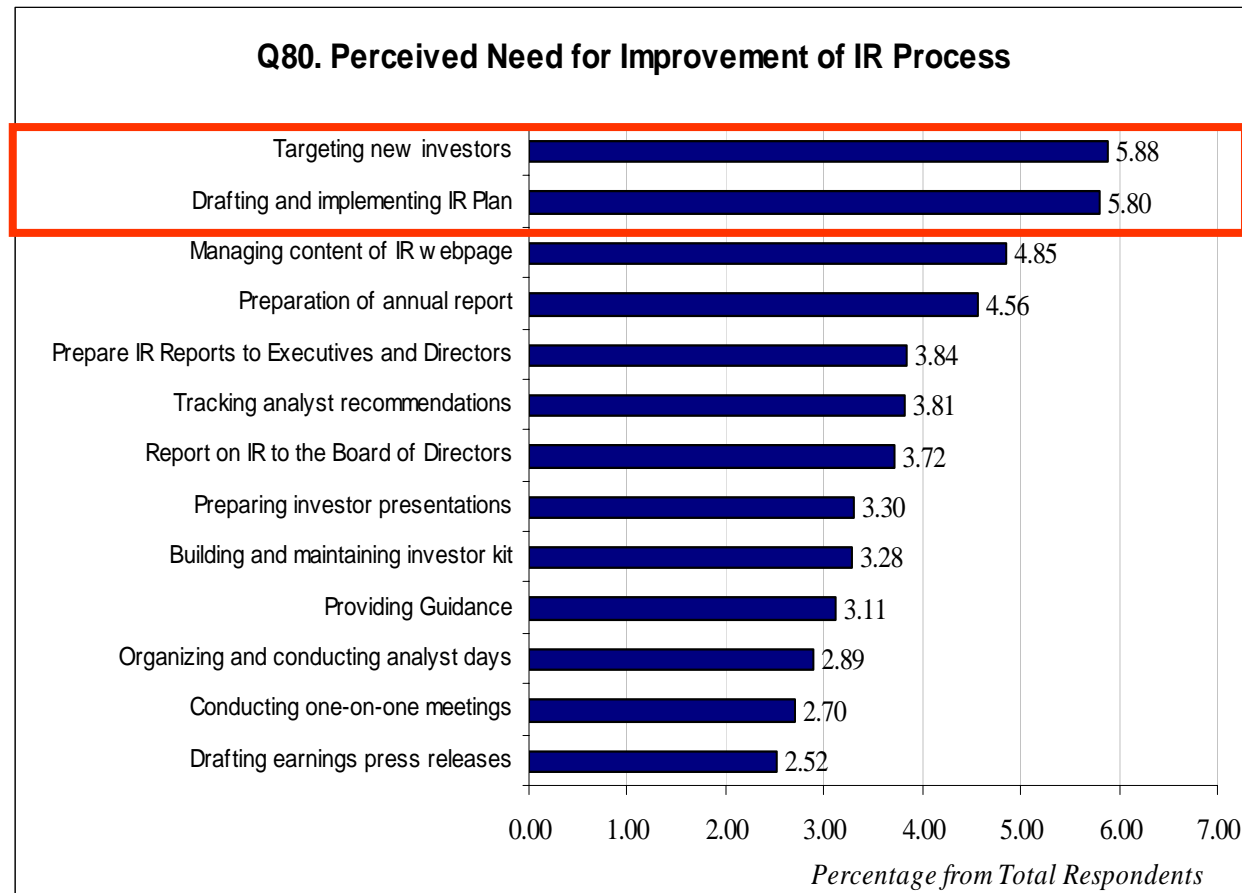
IR Products
& Processes

CONCLUSION

Survey Results

IR Products & Processes

- ❑ Targeting new investors & drafting & implementing IR plan ranked at the top of perceived need for improvement of IR process

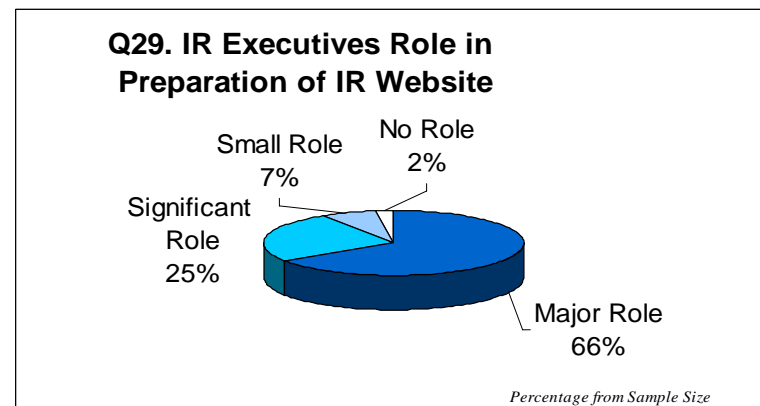
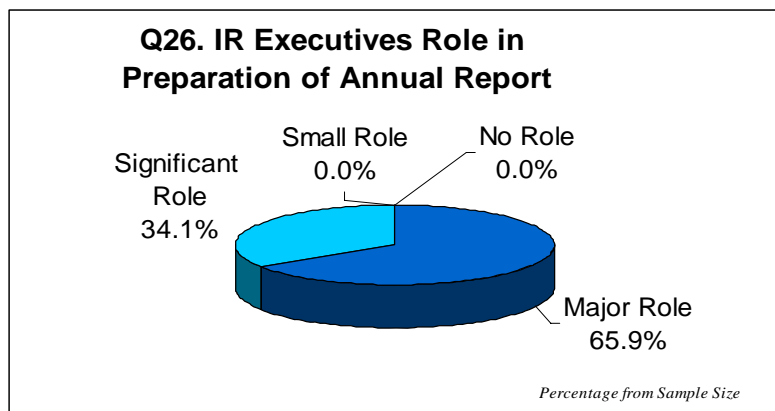


Lack of knowledge in targeting new investors & lack of management attention to IR activities, make drafting the IR plan more difficult

Survey Results

IR Products & Processes

- IR executives play major role in the preparation of annual report (Q26 – 65.9%), but avg. annual report content score is only 39%
- IR executives play major role in the preparation of IR website (Q29, 65.9%), but avg. IR website score is only 42%

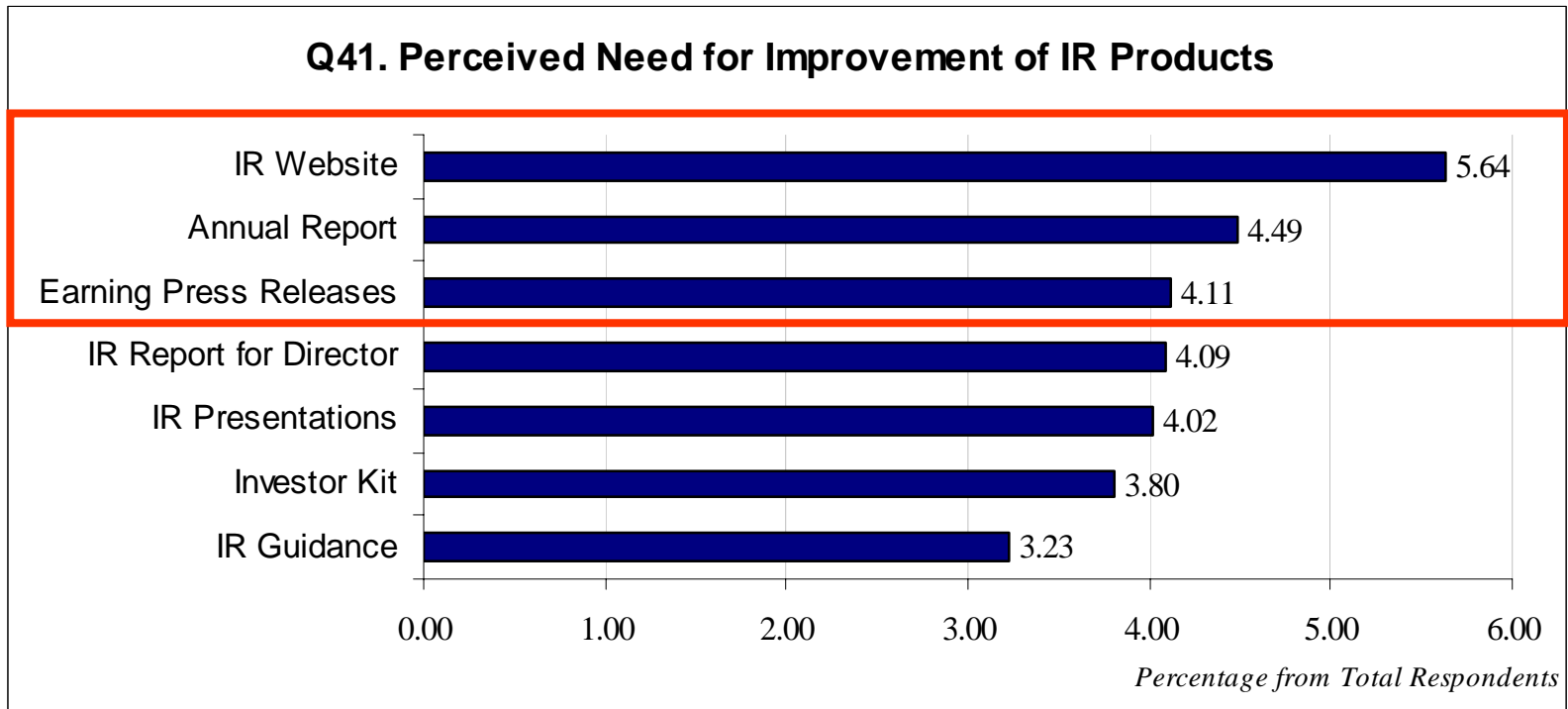


Executives tend to contribute a lot of resources to the preparation of annual report & IR website

Survey Results

IR Products & Processes

- Respondents are aware that AR, IR website & earnings press releases are important IR products & ranked them at the top “perceived need for improvement” category

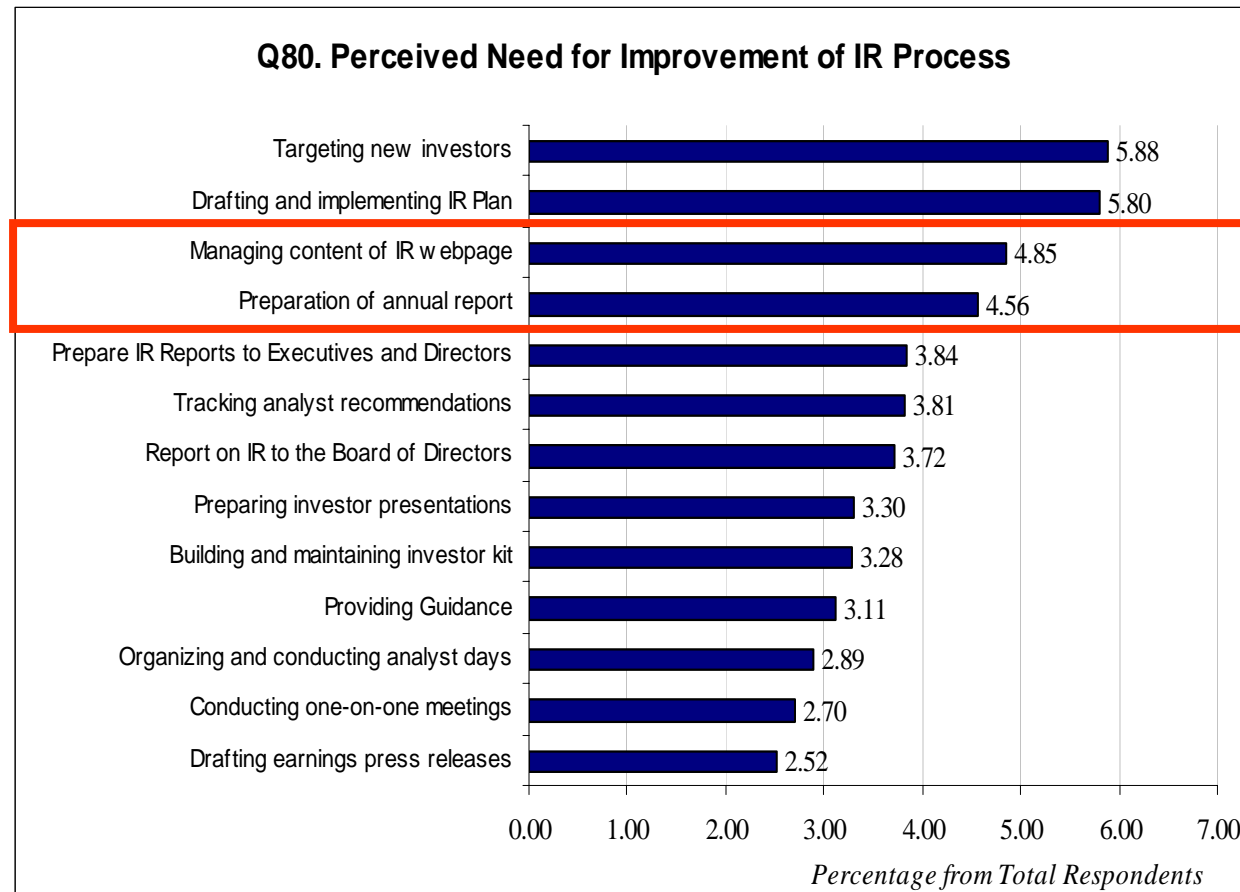


Even contributing as much as possible, companies still perceived that their finished products fall short of what they consider a good standard

Survey Results

IR Products & Processes

- ❑ High perceived need to improve the IR website & AR process suggests that respondents believe the production of these products could be better managed

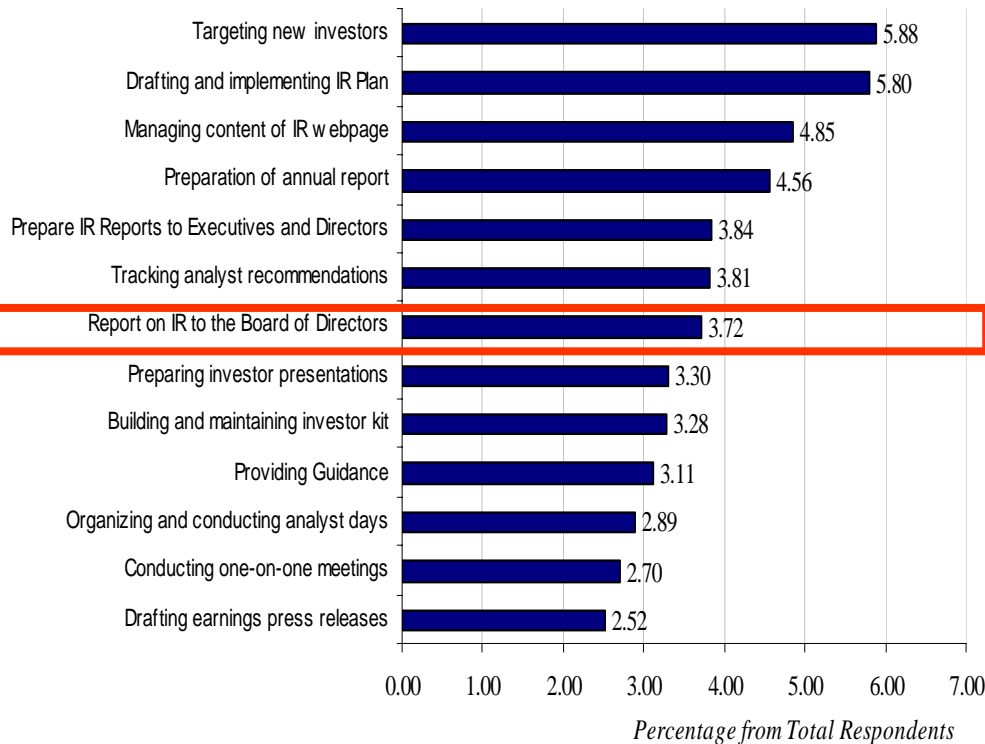


Respondents know that they are not contributing as much as they believe they should to IR website & AR

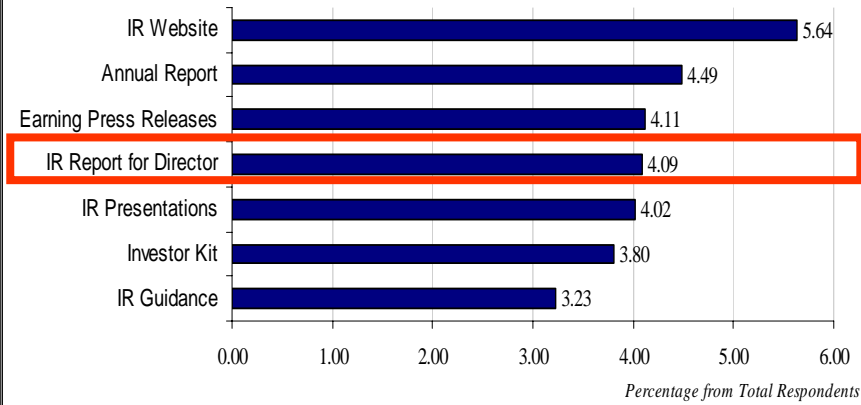
Survey Results

IR Products & Processes

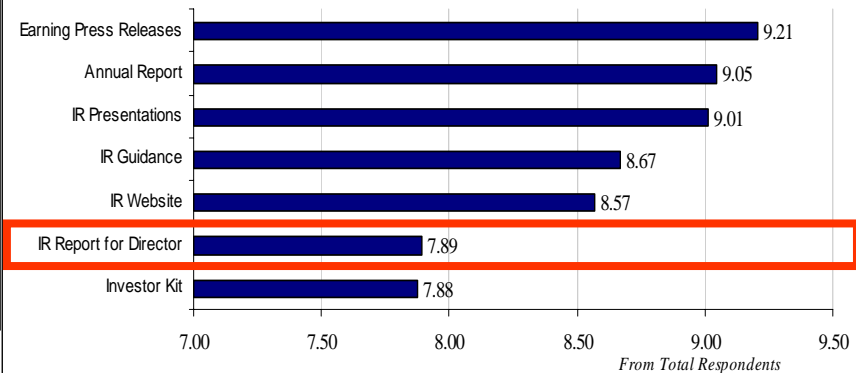
Q80. Perceived Need for Improvement of IR Process



Q41. Perceived Need for Improvement of IR Products



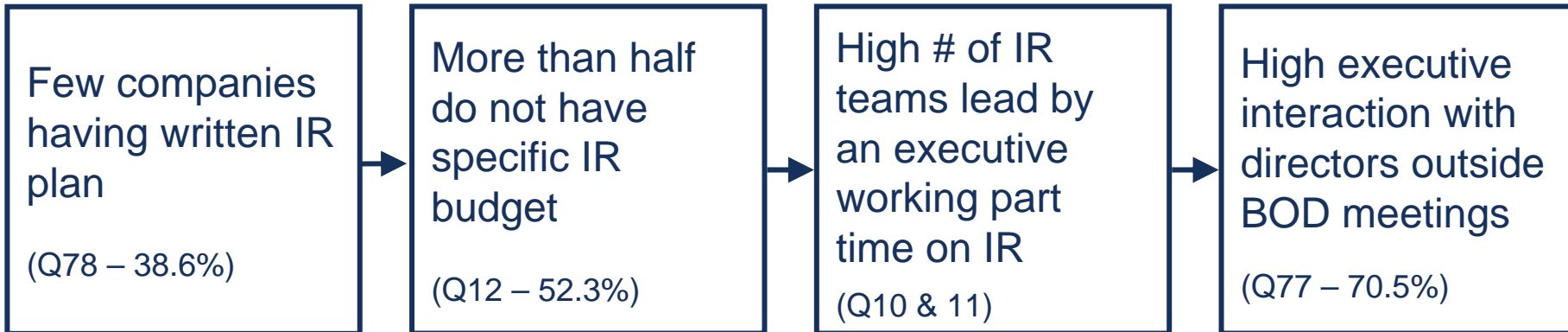
Q40. Perceived Priority for IR Products



Poor internal IR reporting to BOD compared to peers in other markets

Survey Results

IR Products & Processes

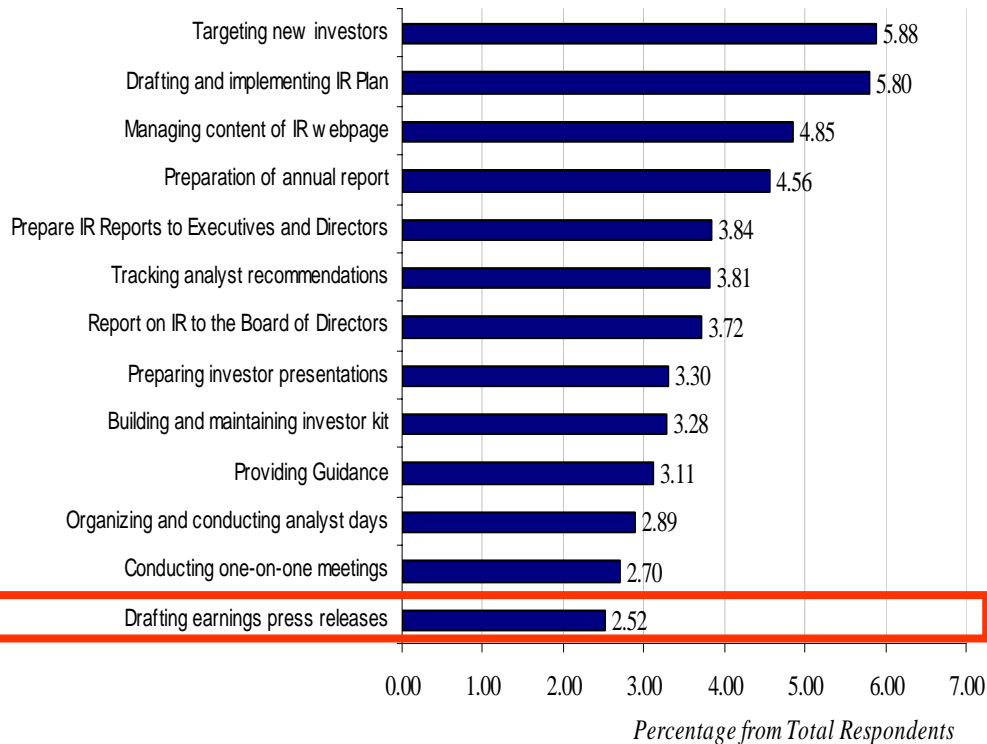


Low specific IR reporting to BOD

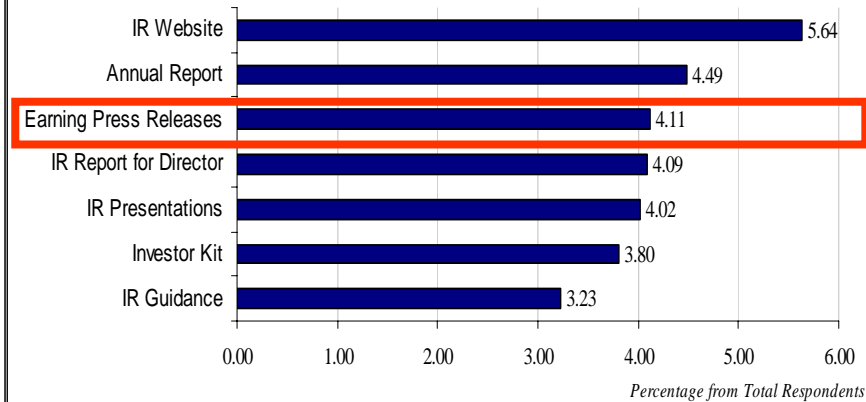
Survey Results

IR Products & Processes

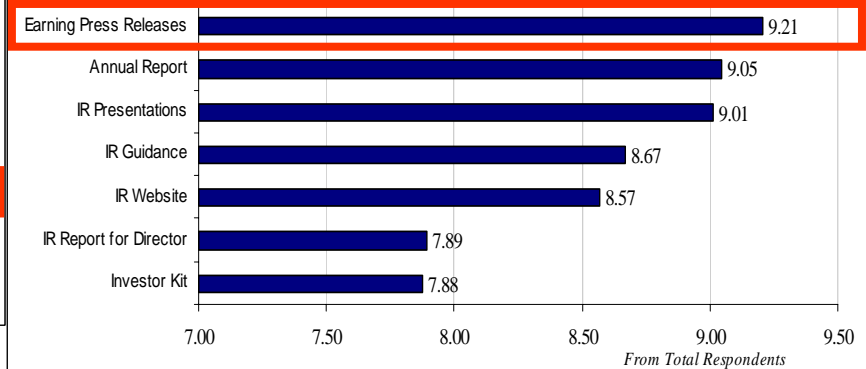
Q80. Perceived Need for Improvement of IR Process



Q41. Perceived Need for Improvement of IR Products



Q40. Perceived Priority for IR Products

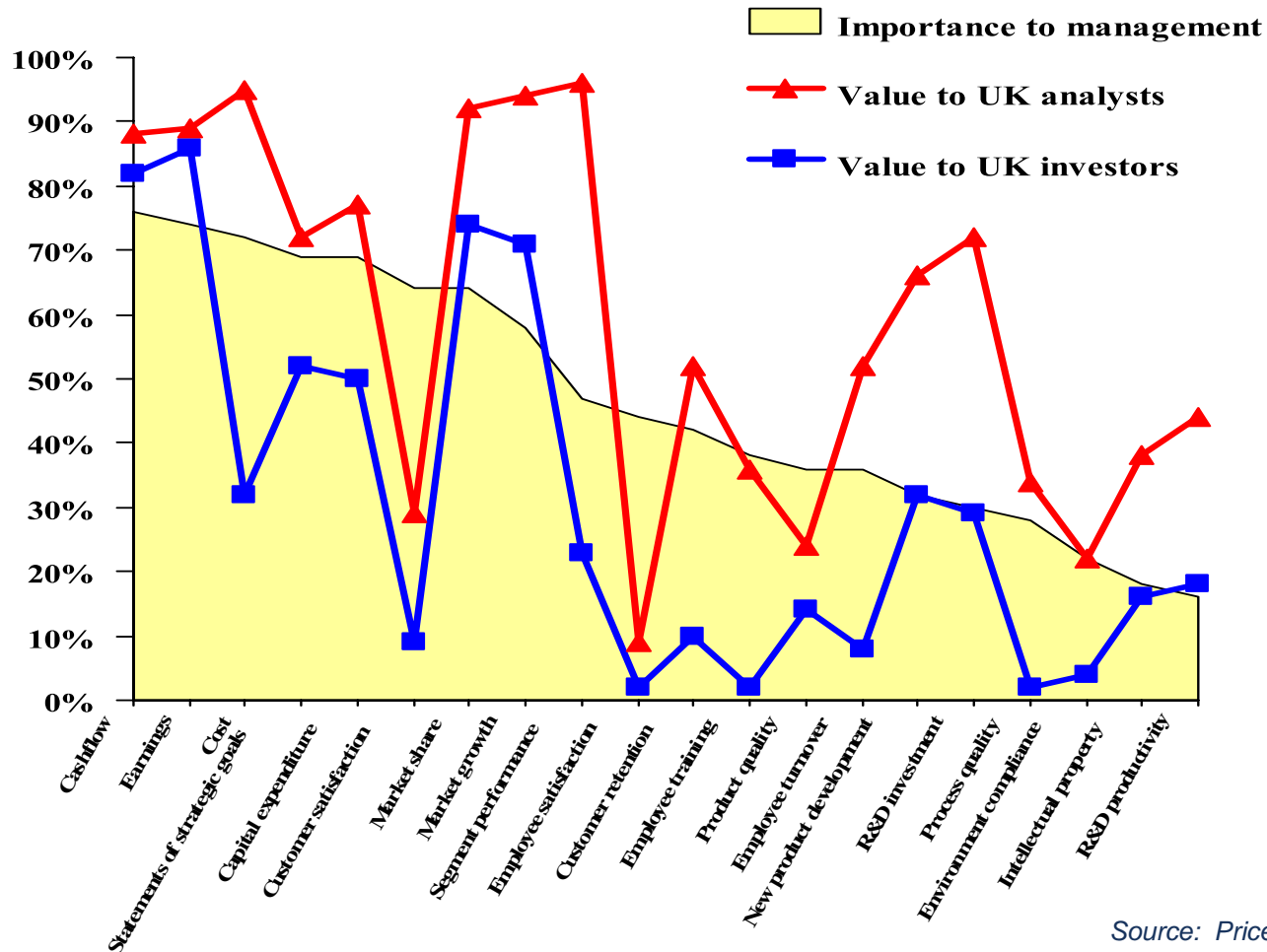


Importance of earnings press releases is recognized. It appears that lack of in-house drafting ability is a higher determinant to quality than process

Survey Results

IR Products & Processes

Cash flows, metrics, & capex are among the most valuable performance information for analysts and investors

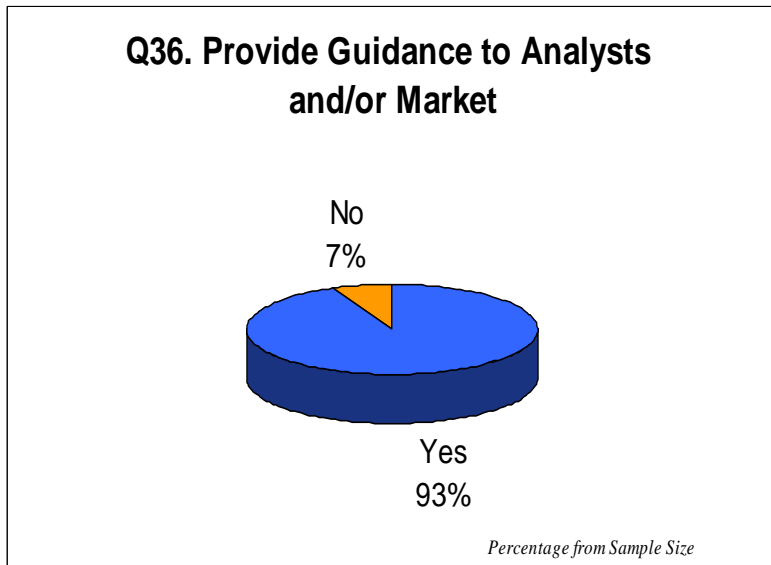


Source: PricewaterhouseCoopers

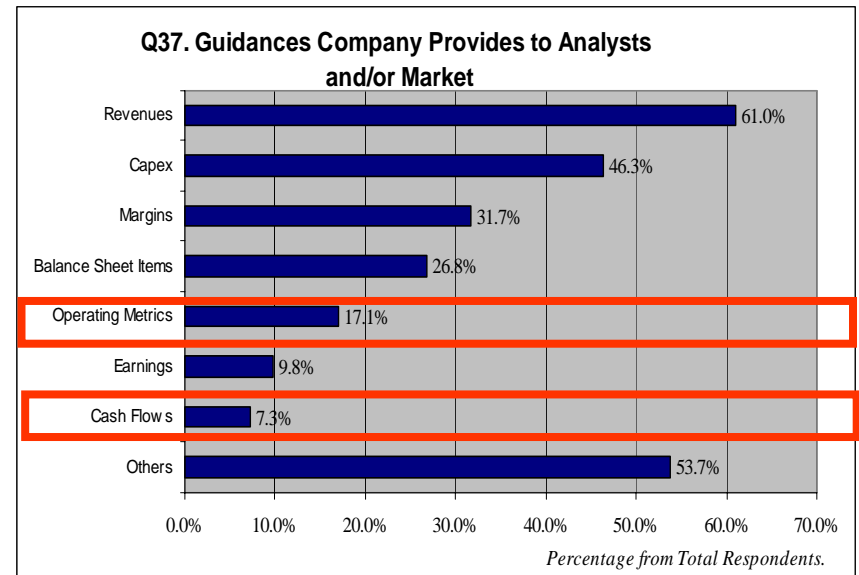
Survey Results

IR Products & Processes

- Most of the surveyed companies gave some guidance (Q36 – 93.2%)



- Of those giving guidance, 17.1% gave operating metrics guidance & only 7.3% gave cash flow guidance (Q37)

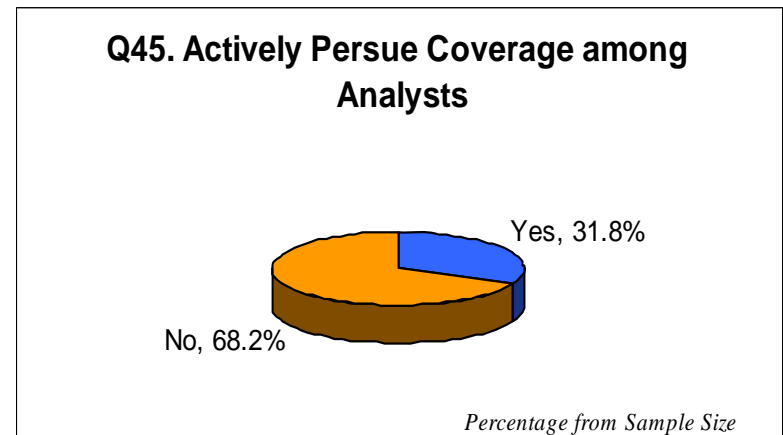
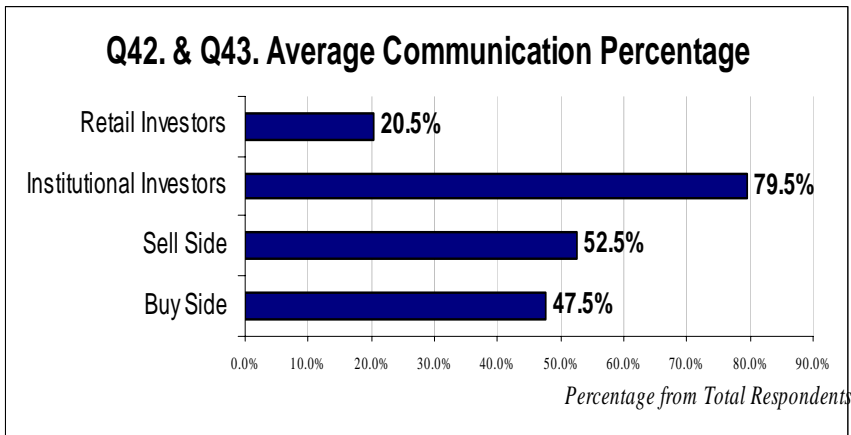


Companies do not recognize the important of guidance

Survey Results

IR Products & Processes

- ❑ Companies spend slightly less time communicating with buy-side than sell-side, & more time communicating with institutional investors than retail investors (Q42 & 43)
- ❑ Every company was followed by 2 or more analysts with avg. # of 15 (Q37). More than half of the companies do not actively pursue analyst coverage



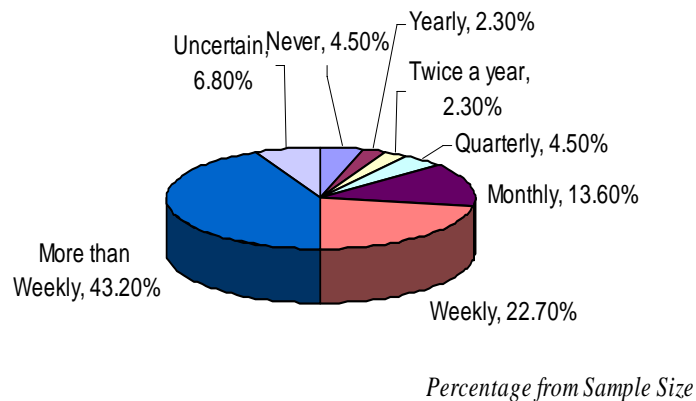
Survey Results

IR Products & Processes

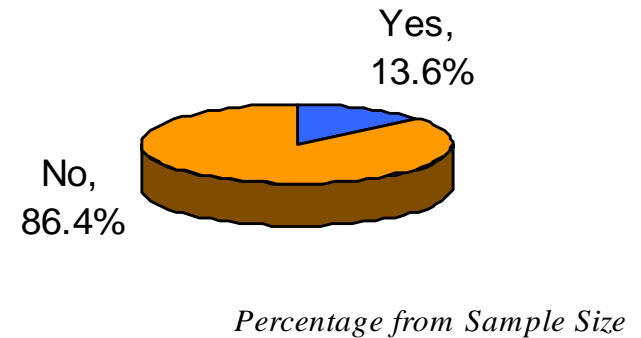
- All companies conducted one-on-one or group meetings with analysts & investors. Most companies conduct one-on-one meetings more than once a week (64)

- Only 13.6% make audio recordings during one-on-one or group meetings (Q63)

Q64. Frequency in conducting one-on-one meetings



Q63. Audio Record during One-on-One or Group Meetings

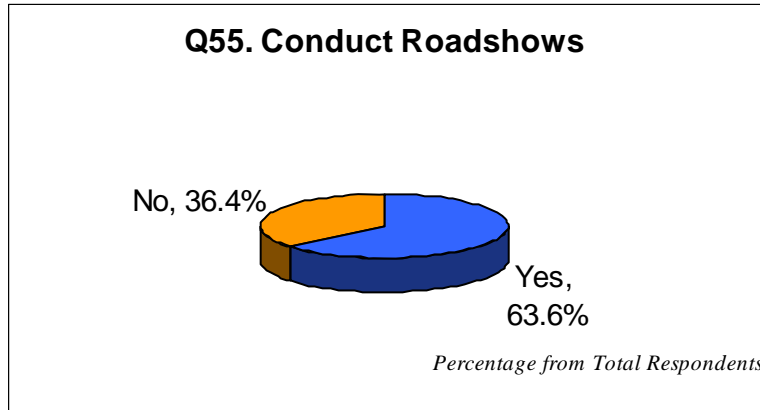


Opportunity to capture analyst & investor feedback

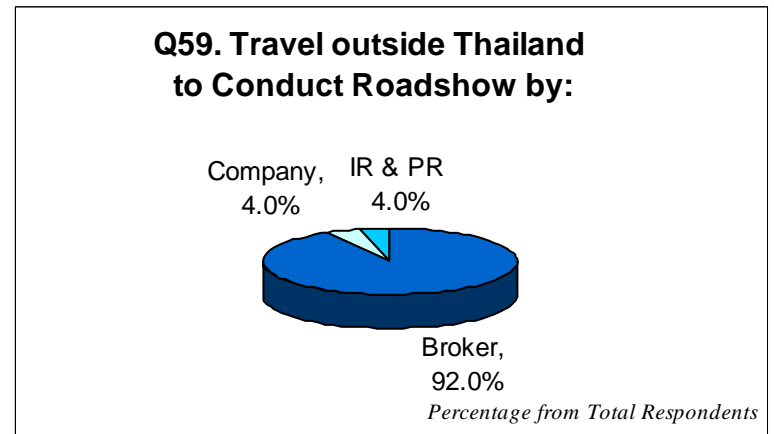
Survey Results

IR Products & Processes

- More than half of the companies conduct marketing trips or road shows (Q55 – 63.6%)



- Of those conducting road shows, most of these events are arranged by brokers

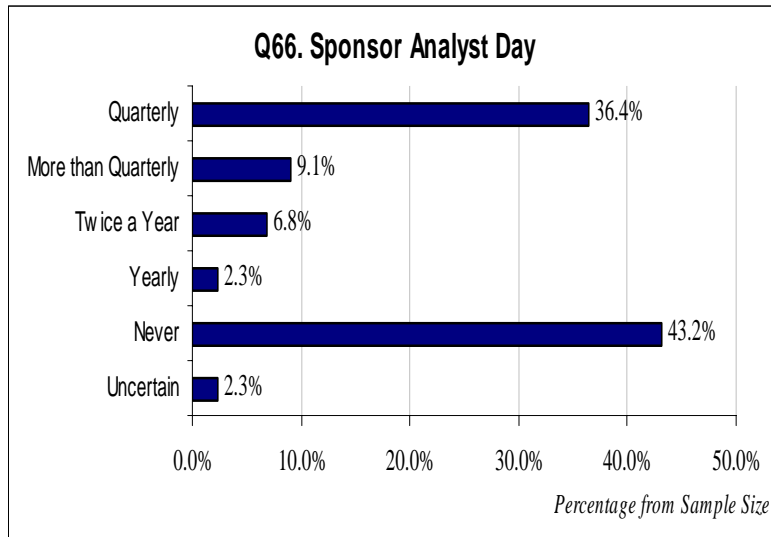


Importance of having large analysts following

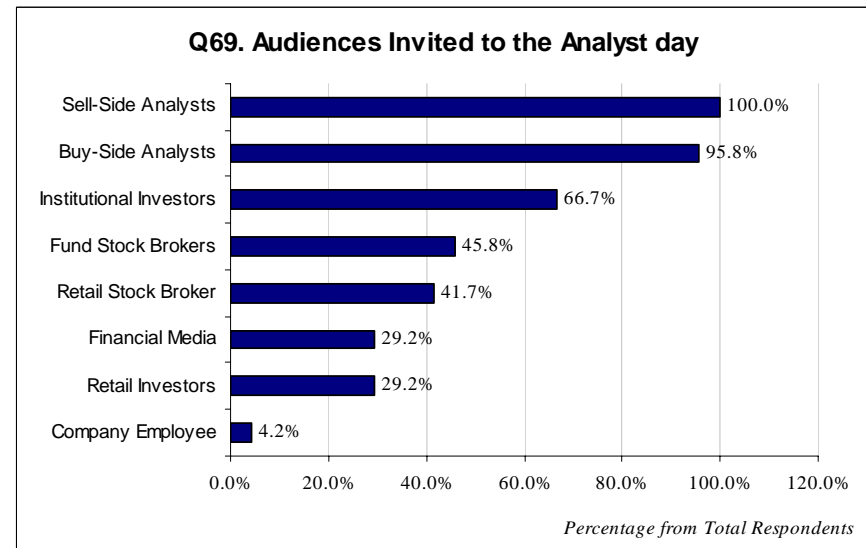
Survey Results

IR Products & Processes

- Slightly more than half of the companies conduct analyst day (Q66 – 54.5%)



- On avg., 40 investment professionals attend analyst day, & participants are from a wide cross-section of investment community (Q69)



Companies should conduct analyst day since most of the analyst days are well attended by the investment professionals

Survey Results

IR Goals &
Resources

Corporate
Disclosures

IR Products
& Processes

CONCLUSION

Survey Results Conclusion

- ❑ IR in Second SET 50 tends to be “Reactive” rather than “Pro-Active and Strategic”
 - Lack of IR planning, IR budgeting, and IR internal reporting
- ❑ Disclosure practices is weak and needs improvement
- ❑ Recognized that IR products for external communication need to be improved
- ❑ Do not recognize the importance of internal IR products & internal processes
- ❑ Need to incorporate cash flows, operating metrics, & capex
- ❑ Fail to make effective use of direct channels e.g. annual reports & IR website