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Prepared for



NYSE Euronext 2010 CEO Report

The Road to Recovery

April 2009

FOUNDING MEMBER
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Background and Methodology

Background

This is the fifth annual survey of CEOs of NYSE Euronext listed companies. NYSE Euronext unveiled its annual CEO research study in 2005. More than 100 CEOs shared perspectives on topics ranging from globalization and governance to strategy and human resources. The 2006 Report won immediate distinction as a definitive window into the minds of the world's top business executives. In 2007 the study was revamped, with an amended questionnaire and additional recruitment methodologies, which resulted in a doubling of participation to 205 CEOs. With a questionnaire similar to the one used for the 2007 Report, participation in the 2008 Report increased to 240, and with CEOs from Euronext and NYSE Arca also included, 254 CEOs participated in the 2009 Report. The 2010 Report questionnaire was significantly amended to capture CEO insights into dealing with the global recession and economic turmoil. In addition, NYSE Alternext CEOs were included for the first time. Participation in the 2010 report increased to 284.

Methodology

Several different methods were used to obtain completed surveys. A total of 11 participated via phone, while 270 participated online and three returned paper questionnaires, which were then entered online.

A table in the Appendix has a demographic breakdown of participating CEOs. Data collection was conducted from March 2-April 13, 2009.



Background and Methodology

Questions about this report should be directed to Jeffrey T. Resnick, President of Opinion Research Corporation's U.S. Group:

E-Mail: Jeff.Resnick@opinionresearch.com

Direct Phone: 609-452-5210



Executive Summary

This is the fifth annual NYSE CEO Report and unlike prior surveys, there is one dominating theme which emerges on almost every question – the economy. The global economic crisis, combined with the ensuing credit crunch, has created a miasma of gloom that permeates the results, particularly those of CEOs in the U.S. The impact of this crisis has forced companies to make changes in many areas of their business. While economic difficulties in last year’s study were largely confined to the financial services sector, this year they affect companies across the board and the globe.

Within the results, there are some important sub-themes:

- **CEOs of U.S.-based companies are significantly more gloomy** than CEOs based at companies outside the United States. CEOs outside the U.S. are not sunny in their outlook, just not as negative as their downtrodden U.S. counterparts. This is sharply different from just two years ago, when 84% of CEOs at U.S.-based companies thought the U.S. economy was in excellent or good shape, significantly more positive than the evaluation of CEOs based outside the U.S. during the same time period. Additionally, there is a strong dichotomy of opinion concerning the appropriateness of government intervention in business – U.S. CEOs disapprove while their counterparts approve.
- While companies are making budget cuts almost across the board, including in executive compensation, **customer-relation and shareholder relationship management have remained much less affected**. This would indicate the CEOs are taking a long-term view of the importance of these areas, regardless of the current financial restraints.



Executive Summary

- When asked what they would do to put their companies in better shape for future financial difficulties, the overall theme of responses is that **CEOs would run a tighter ship even during the good times** – control costs and debt and maintain high liquidity. Whether this is carried through in reality when the economy recovers is of course uncertain, although if they do it could result in a much different business environment than in previous years. Just as it is likely that consumers' psyches will be impacted, changing their orientation from one of excess to one of a more frugal lifestyle, so too may be the impact on Chief Executives. The depth of this crisis is reflected so clearly in this year's results that it is reasonable to believe there will be a permanent change in the priorities of managing a global business.
- Not surprisingly considering the avalanche of problems which have engulfed CEOs over the past year, far fewer think their job is as rewarding as it used to be. This is combined with the fallout from the much-publicized cases of executive overreach, resulting in a role that simply isn't as fun as it used to be. In addition, about one-fourth of CEOs have had to endure reductions in benefits that were nice 'perks' – more luxurious air travel and club fees and memberships. While the mood may change once the economy picks back up, **the glory days of the CEO role are clearly in the past, at least for the near future.**



Highlights

Managing During the Crisis

- Not surprisingly, there has been a sea change over the past two years in perceptions about the U.S. economy, with 90% of CEOs currently saying U.S. economic conditions are 'poor', compared with only a few percent in 2007. Nearly half think the U.S. economy will have fully recovered by the end of 2010, although the vast majority believe the recovery will be weak, with periods of stagnation. CEOs of U.S.-based companies are more pessimistic than those outside the U.S. about when the economy will recover, as well as the strength of the recovery.
- CEOs are not quite as gloomy about the global economy, although about eight in ten rate it as 'poor' as well. Most believe it will be 2011 or later before the global economy is fully recovered, with a weak and patchy recovery.
- Counter to the current U.S. administration's plan, the largest percentage of CEOs think business tax cuts would most-help their companies, with the percentage higher among U.S. CEOs. Following business tax reductions, the largest percentage of CEOs say government intervention to spur lending to business, as well as continued low interest rates would be the most help.
- CEOs are about equally divided about whether the recession will positively or negatively influence innovation and entrepreneurship. Not surprisingly, most believe the economy will be a negative for venture capital investment, IPOs and spinoffs, and work visa applications. Once again, CEOs of U.S.-based companies are more negative concerning how the recession will influence these trends.



Highlights

- Nearly nine in ten CEOs think the global financial markets have performed poorly during the crisis, with nearly half saying they have performed very poorly. Large percentages think restructuring or streamlining of the U.S. regulatory system, as well as easing of some corporate governance rules and SARBOX regulations are important to produce more stable and efficient global financial markets. A convergence of U.S. and international accounting standards is also high on the list of CEOs of non-U.S.-based companies, although it is less important to their counterparts in the U.S.
- In spite of the gloom, most CEOs acknowledge their companies have gained some benefits from the downturn with larger market share, contract renegotiations and acquiring new employee talent the most commonly-mentioned positives.
- There is a sharp difference between CEOs of U.S.-based companies and those based outside the U.S. on the issue of government funding of companies during financial crises, with two-thirds of U.S. CEOs opposed and a similar percentage of those outside the U.S. supportive.
- Asked what was the most important decision in helping guide their companies through the current turmoil, CEOs give a variety of answers, although they focus on reducing expenses and debt through a variety of means in order to strengthen their company's balance sheet.
- Similarly, when asked what change they would make to help their companies through future market turmoil, the most common answers revolve around keeping control of costs and debt and remaining highly liquid.



Highlights

Business Opportunities and Challenges

- Securing finance tops the list as the internal factor having a greater impact on revenue growth through 2010, with the strength of the management team a close second. The importance of numerous other factors have declined from last year's survey.
- As was the case last year, operational efficiency and management stand out as the internal factors expected to have more impact on profitability. CEOs have downgraded the importance of new technology and products, partnerships and advertising/marketing.
- The expected impact of compliance costs has declined by 22 points since 2006. Similarly, the expected impact of health-care costs have dropped 23 points in the past two years, likely indicating that CEOs believe they may have done all they can to reduce these costs.
- CEOs view U.S. and global economic conditions as the most important external influences on their companies' overall growth through 2010, with the proportion of CEOs who rank these as 'much more important' having increased markedly since last year.
- CEOs think metrics related to company financial soundness, such as outstanding debt, credit ratings, and cash flow, are much more important to shareholders than they were three years ago while various types of growth (sales, operating, earnings-per-share) are less important.



Highlights

- Trends in interest rates continue to have the most influence on business planning, although CEOs are including a greater number of measures in their planning than several years ago.
- About eight in ten CEOs think M&A market opportunities are ‘exceptional’ or ‘good’ through 2010, with CEOs of companies based outside the U.S. particularly upbeat about M&A potential. One-fourth of CEOs see the M&A opportunities as ‘exceptional.’

Outlays and Expectations

- Unlike previous years, when CEOs expected net budget increases for almost all areas, they anticipate net increases through 2010 for only customer-relationship management, healthcare, technology, environmental compliance and investor relations. The results for customer-relationship management and investor relations indicate that CEOs are thinking long-term and are aware of the importance of preserving goodwill towards their companies during lean times so they can capitalize on it in good times.
- CEOs expect significant reductions in capital expenditures, raw materials, executive compensation and recruitment costs.
- Compared with three years ago, CEOs say they are experiencing much more difficulty attracting and retaining investors, and slightly more difficulty doing the same with customers. Conversely, it is a buyers market for human talent.
- Interestingly, the results for attracting and retaining customers are not very different than they were in 2005, when the economy was much healthier. This is perhaps a hopeful sign.



Highlights

Global Operations

- As in previous years, the United States is the region CEOs most frequently cite as crucial for their business through 2010. This is likely a reflection of the domicile of the majority of companies whose CEOs responded to the survey. The U.S. is followed by Western Europe and China. This is one question where the results were little changed from last year.
- Presumably due to the significant drop in international trade volume, far more CEOs than in previous years say their companies are unfavorably impacted by the global trade environment. As in previous years, companies based outside the U.S. are more influenced by the trade environment, which is currently affecting them very unfavorably.
- About half of CEOs view emerging markets as an opportunity for their companies, while only 3% say they are threat. Of those who view emerging markets as opportunities, half are establishing or expanding local marketing and sales activities in these countries to maximize the opportunity, while most of the rest are investing in locally-owned facilities or partnering with local vendors.
- About half of CEOs say their companies have moved operations offshore or did so in the past, little changed compared with two years ago. One-third of CEOs believe outsourcing offers less economic value than five years ago. CEOs of U.S. companies in particular think outsourcing offers less value, while those at companies based outside the U.S. are less convinced.



Highlights

Corporate Governance

- Half of CEOs say their companies have made changes to executive compensation plans in the past year, including over half of CEOs at U.S.-based companies. At far more companies, there have been cuts or freezing rather than increases in executive salaries, bonuses, raises and benefits and perks. The most common perks targeted for cuts or elimination are air travel expenses, club fees and memberships, pensions and auto expenses.

The CEO Role

- After increasing for two years, the percentage of CEOs who think the CEO role is more rewarding plummeted this year by 22 points. Virtually all (98%) still think the job is more time-consuming.
- Compared with three years ago, the largest percentage of CEOs say they are spending more time reporting and working with their Boards. As in previous years, CEOs of U.S.-based companies report spending more time than their non-U.S. counterparts on regulatory and compliance issues, as well as executive compensation.

Corporate Social Responsibility

- CEOs feel the most important corporate responsibility task is ensuring all labor practices are ethical across their organization, followed by formalizing policies related to corporate responsibility. The economy has affected which CSR actions CEOs think are most important, with 'green' practices and increased charitable giving falling down the list, while formalizing positions and policies has increased in importance.



Highlights

Reputation

- There has been a gradual erosion in the percentage of CEOs who say they take as much action as they should to protect the reputation of their companies. This metric has fallen ten points since it was first asked in 2006.
- Three in four CEOs think improved company practices and improved behavior of corporate executives are the best ways to ensure the ethical business behavior of senior corporate executives; only one in four think government involvement would have a positive impact. This is one issue where CEOs of U.S. and non-U.S.-based companies are in agreement.



Detailed Results

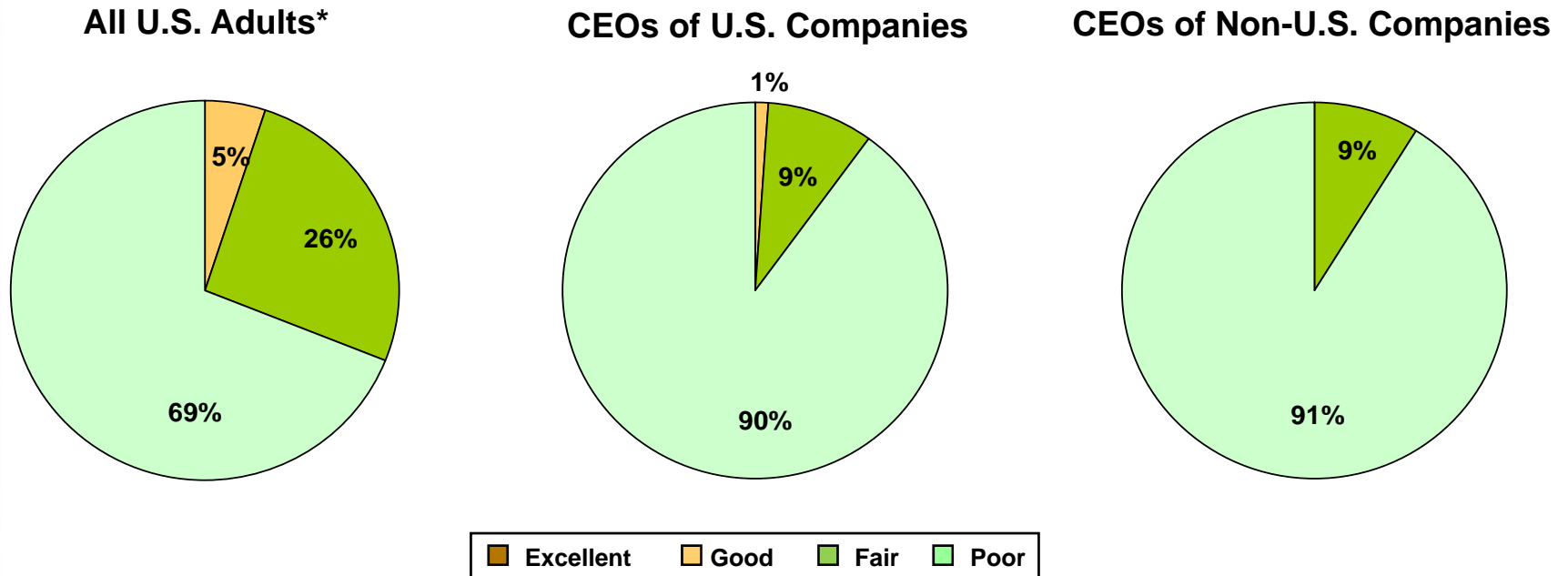


Managing During the Crisis

Almost all U.S. adults, as well as CEOs of U.S. and non-U.S. companies think American economic conditions are 'fair' or 'poor'.

- U.S. adults are actually slightly less gloomy than CEOs, nine in ten of whom describe the U.S. economy as 'poor'.

Perceptions of the U.S. Economy



*Opinion Research Corporation/Caravan study conducted March 12-15, 2009 among 1,005 adults 18+
Q1a: How would you rate economic conditions in the United States today -- as excellent, good, fair, or poor?

While there was disagreement among the three groups about the health of the U.S. economy in 2007, there is near-unanimity on the issue currently.

- In 2007, neither U.S. adults nor CEOs of non-U.S. companies thought U.S. economic conditions were as rosy as the CEOs of U.S. companies, 84% of whom said the U.S. economy was 'excellent' or 'good.'
- The percentage of CEOs of U.S.-based companies who think the American economy is 'poor' increased from 1% to 90% in two years.

Perceptions of the U.S. Economy
2007-2009 Comparison

| | U.S. Adults | | | CEOs of U.S. Companies | | | CEOs of Non-U.S. Companies | | |
|----------------------|-------------|-------|-------|------------------------|-------|-------|----------------------------|-------|--------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Excellent | 8% | 2% ↓ | 0% ↓ | 10% | 0% ↓ | 0% | 0% | 2% | 0% |
| Good | 29% | 15% ↓ | 5% ↓ | 74% | 10% ↓ | 1% ↓ | 51% | 7% ↓ | 0% |
| Fair | 42% | 34% ↓ | 26% ↓ | 15% | 61% ↓ | 9% ↓ | 47% | 34% | 9% ↓ |
| Poor | 21% | 49% ↑ | 69% ↑ | 1% | 29% ↑ | 90% ↑ | 2% | 57% ↑ | 91% ↑ |
| Excellent/Good (Net) | 37% | 17% ↓ | 5% ↓ | 84% | 10% ↓ | 1% ↓ | 51% | 9% ↓ | 0% ↓ |
| Fair/Poor (Net) | 63% | 83% ↑ | 95% ↑ | 16% | 90% ↑ | 99% ↑ | 49% | 91% ↑ | 100% ↑ |

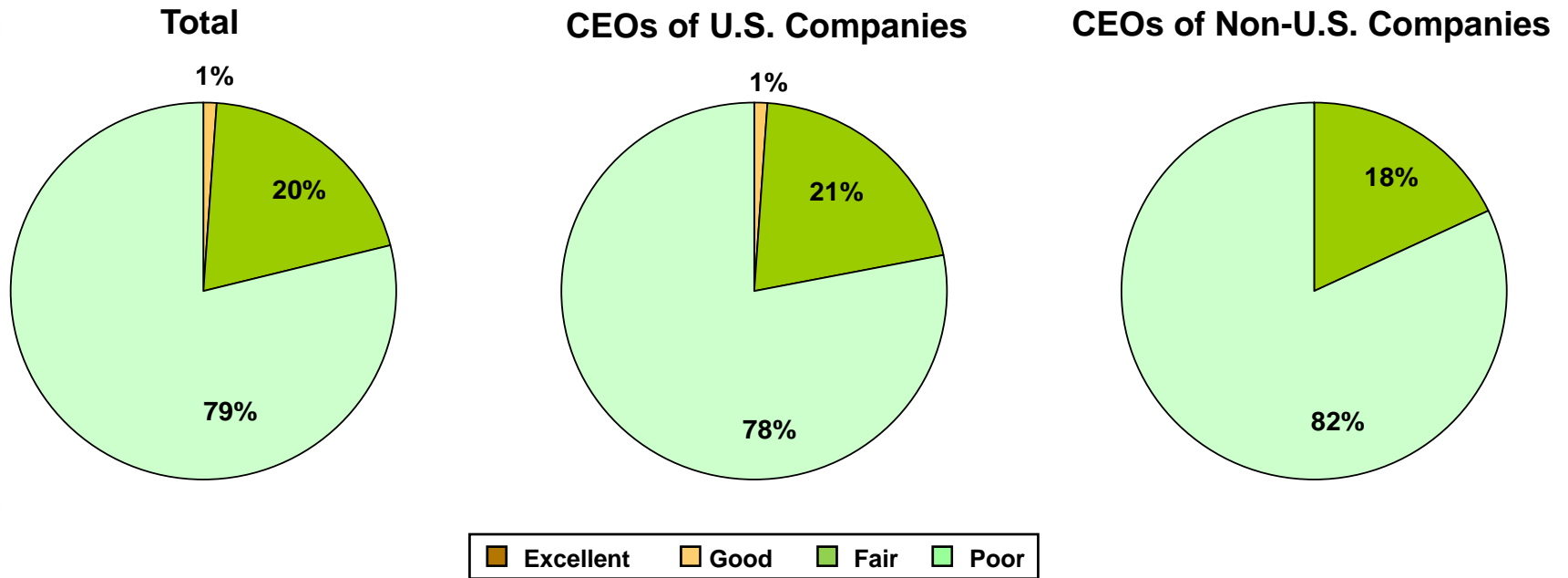
Q1a: How would you rate economic conditions in the United States today -- as excellent, good, fair, or poor?

↑↓ Result significantly higher or lower compared with previous year

While CEOs are slightly less downbeat about the global economy, the difference is only a matter of degree.

- 'Only' about eight in ten CEOs think global economic conditions are 'poor', compared with nine in ten who think that way about U.S. conditions.

Perceptions of the Global Economy

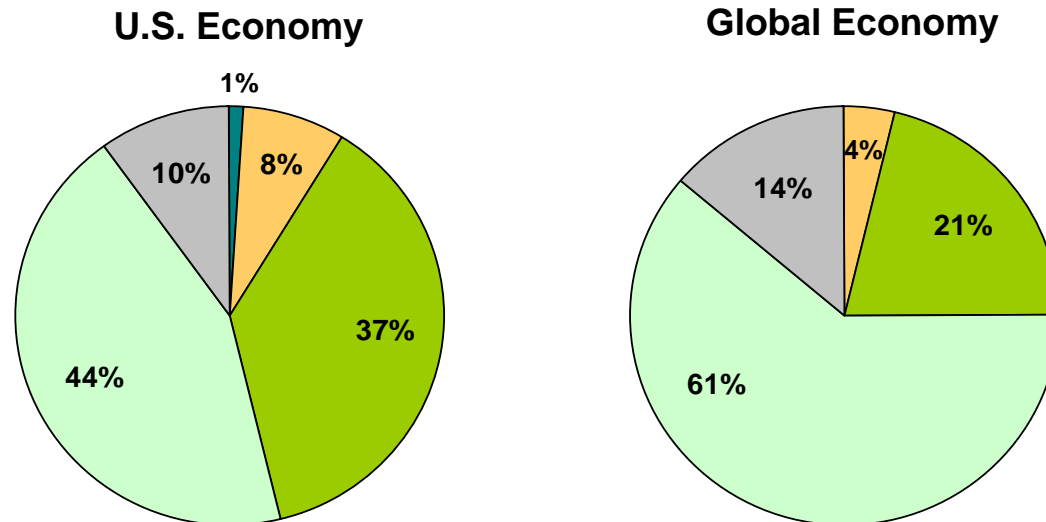


Q1b: How would you rate global economic conditions today in general – as excellent, good, fair or poor?

CEOs think the global economy will take longer to fully recover than the U.S. economy.

- Nearly half think the U.S. economy will fully recover by the second half of 2010 (46%), while only 25% think the global economy will have recovered by then.

When the U.S. and Global Economies Will Fully Recover



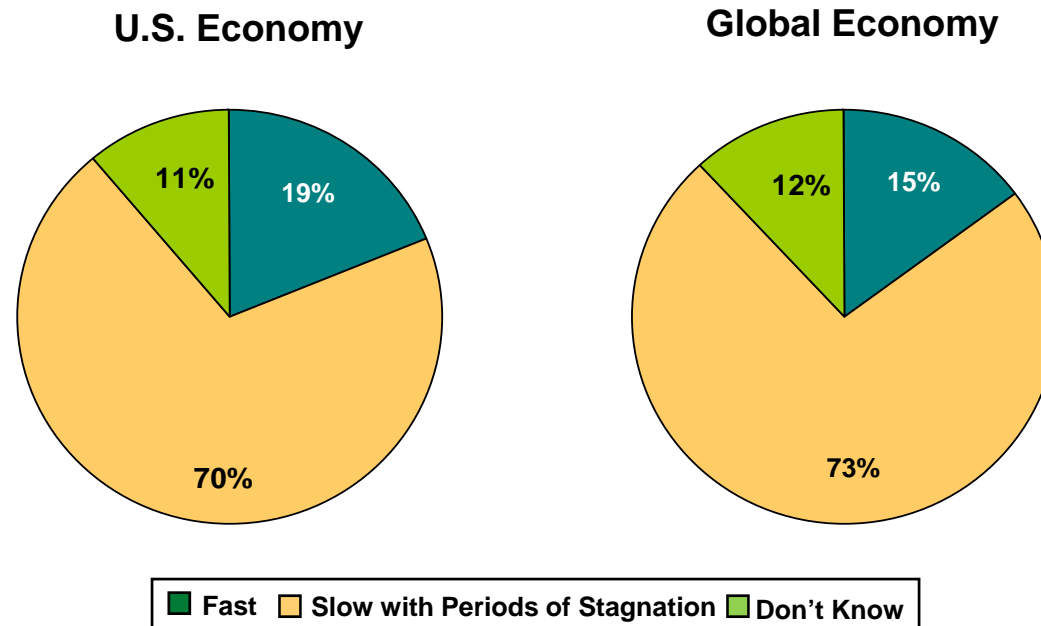
■ Q4 2009 ■ First Half of 2010 ■ Second Half of 2010 ■ Early 2011 or Later ■ Don't Know

Q1c: When do you believe the U.S. economy will FULLY recover from the current economic crisis?
Q1e: When do you believe the global economy will FULLY recover from the current economic crisis?

Most CEOs think that both the U.S. and global economic recoveries will be slow with periods of stagnation.

- Fewer than one in five are expecting a fast recovery in either case.

Expected Strength of the U.S. and Global Economic Recoveries



Q1d: When the U.S. economy begins to recover, do you expect the recovery will likely be fast or slow with a period of stagnation?
Q1f: When the global economy begins to recover, do you expect the recovery will likely be fast or slow with a period of stagnation?

CEOs of non-U.S.-based companies are more optimistic about the strength of the recovery, in the U.S. and globally.

- However, even among non-U.S. CEOs, a majority think the U.S. and global economic recovery will be slow with periods of stagnation.

Expected Strength of the U.S. and Global Economic Recoveries *By U.S./Non-U.S.*

| | CEOs of U.S. Companies | CEOs of Non-U.S. Companies |
|---------------------------------|------------------------------|----------------------------------|
| <i>U.S. Economy</i> | | |
| Fast | 13% | 31% |
| Slow with periods of stagnation | 77% | 55% |
| Don't know | 10% | 14% |
| <i>Global Economy</i> | | |
| Fast | 9% | 28% |
| Slow with periods of stagnation | 79% | 59% |
| Don't know | 12% | 13% |

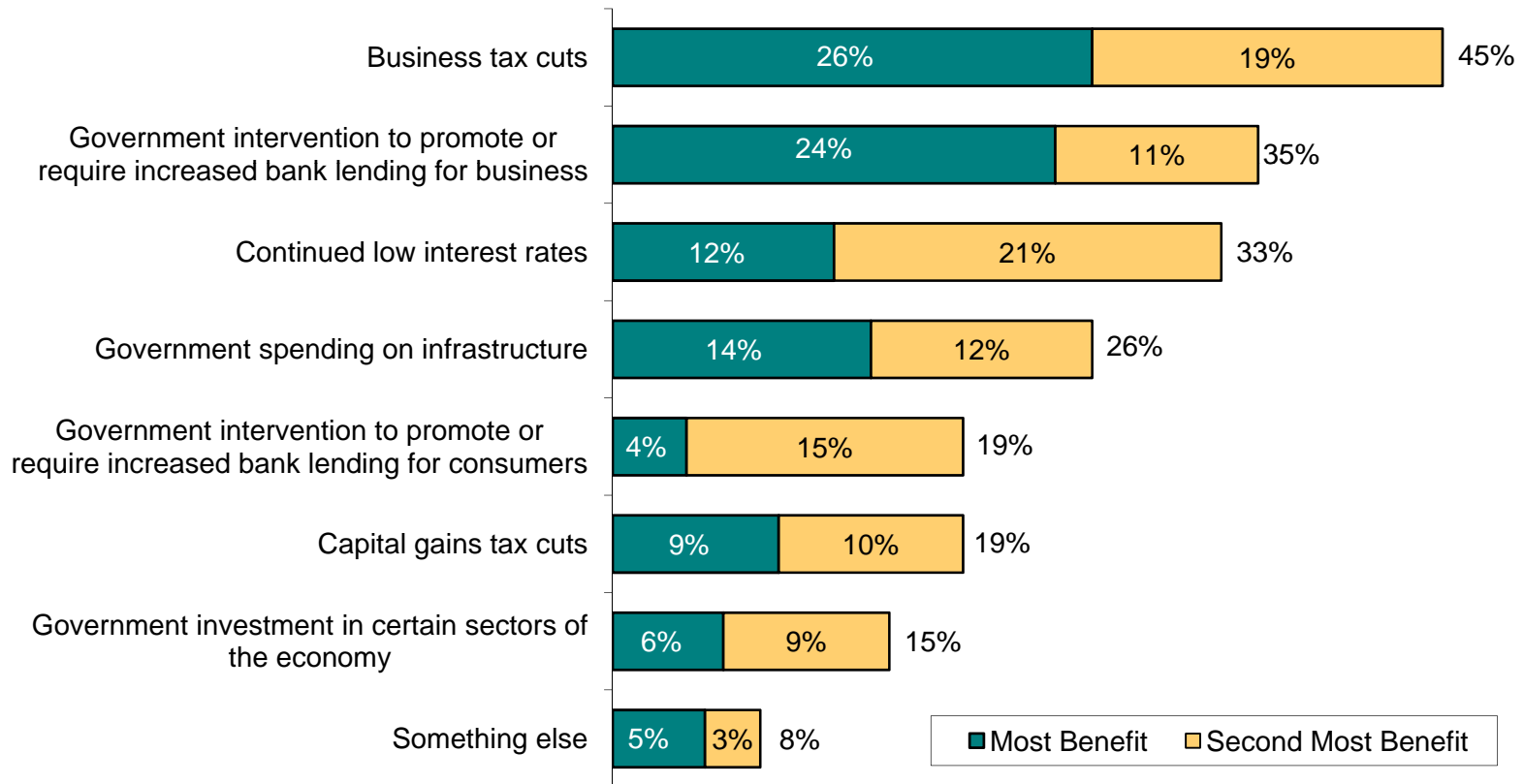
Q1d: When the U.S. economy begins to recover, do you expect the recovery will likely be fast or slow with a period of stagnation?

Q1f: When the global economy begins to recover, do you expect the recovery will likely be fast or slow with a period of stagnation?

CEOs think business tax cuts would provide the most benefit to their business.

- Government intervention to encourage business lending and continued low interest rates are in the second tier of preferred options.

Potential Ways to Deal with the Downturn Which Would Most Benefit Your Business



Q1g: Which of the following potential ways to deal with the downturn do you think would MOST benefit your business? Which would produce the second most benefit?

CEO perceptions about the type of economic help that will most benefit their business varies by their geographic location and industry sector.

- Business tax cuts are more important to the CEOs of U.S.-based companies than to those based outside the U.S. The reverse is true for government sector investment.
- Business tax cuts are viewed as most important by CEOs of energy and utility companies, while intervention to promote consumer lending is more important than average to CEOs of consumer products, retail and healthcare companies, as well as those in manufacturing and construction.

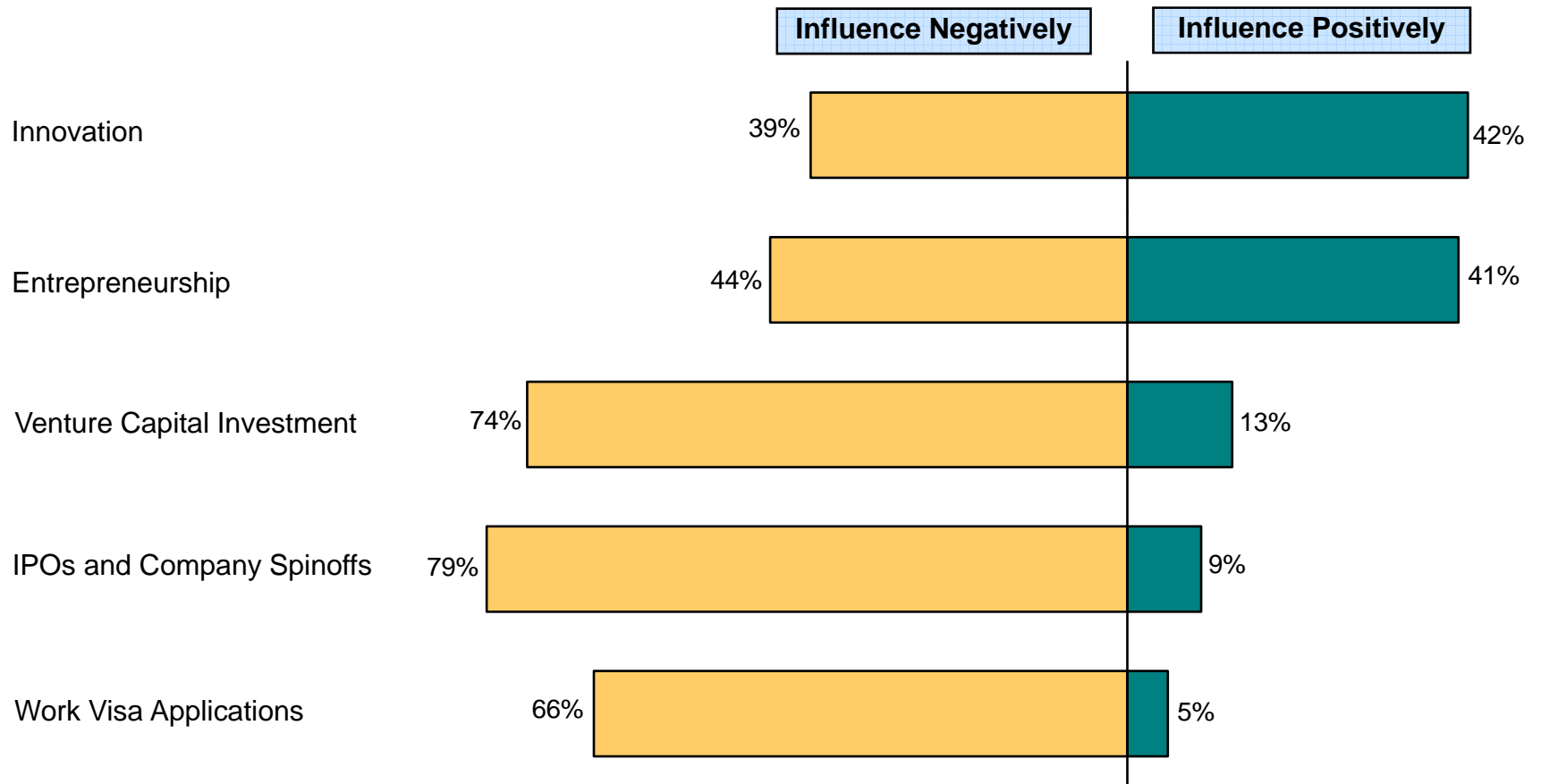
Potential Ways to Deal with the Downturn Which Would Most Benefit Your Business *By U.S./Non-U.S. and Industry*

| | Home | | Industry | | | | |
|---|------|----------|-----------------------------------|-------------------|---------------------------------|-------------------------------------|-------------------------|
| | U.S. | Non-U.S. | Consumer Products/ Retail/ Health | Energy/ Utilities | Banking/ Real Estate/ Insurance | Manufacturing/ Construction/ Mining | Business/ Info Services |
| Business tax cuts | 50% | 33% | 32% | 58% | 46% | 43% | 44% |
| Government intervention to promote business lending | 33% | 41% | 35% | 29% | 31% | 38% | 39% |
| Continued low interest rates | 30% | 38% | 32% | 42% | 41% | 23% | 33% |
| Government spending on infrastructure | 25% | 29% | 23% | 18% | 20% | 30% | 33% |
| Capital gains tax cuts | 21% | 14% | 19% | 24% | 19% | 20% | 16% |
| Government intervention to promote consumer lending | 20% | 16% | 35% | 16% | 15% | 24% | 9% |
| Government investment in certain sectors | 10% | 25% | 6% | 5% | 20% | 16% | 19% |
| Something else | 10% | 2% | 16% | 8% | 7% | 5% | 9% |

Q1g: Which of the following potential ways to deal with the downturn do you think would MOST benefit your business? Which would produce the second most benefit?

While CEOs are closely divided about how they think the economy will influence innovation and entrepreneurship, most think it will have a negative influence on the other three issues tested.

Influence of the Economy Through 2010



Q1h: How do you think the economy will influence the following through 2010?

CEOs at non-U.S.-based companies are less pessimistic about how the economy will influence various issues through 2010.

- This is in alignment with the generally more positive view of future economic conditions among non-U.S. CEOs.

Influence of the Economy Through 2010 By U.S./Non-U.S.

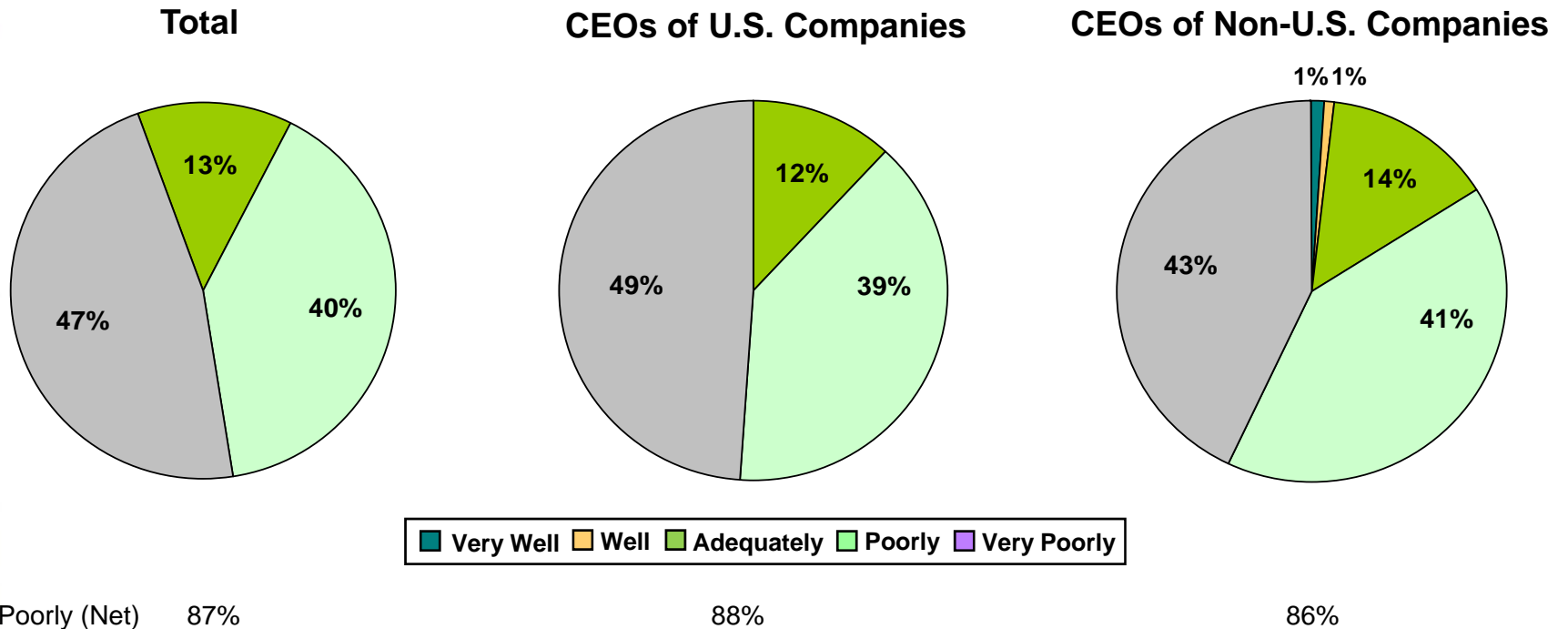
| | CEOs of U.S. Companies | CEOs of Non-U.S. Companies |
|--|------------------------------|----------------------------------|
| <i>Innovation</i> | | |
| Positive Influence | 38% | 51% |
| Negative Influence | 42% | 31% |
| <i>Entrepreneurship</i> | | |
| Positive Influence | 37% | 49% |
| Negative Influence | 48% | 34% |
| <i>Venture Capital Investment</i> | | |
| Positive Influence | 11% | 17% |
| Negative Influence | 76% | 69% |
| <i>IPOs and Company Spinoffs</i> | | |
| Positive Influence | 6% | 15% |
| Negative Influence | 81% | 74% |
| <i>Work Visa Applications</i> | | |
| Positive Influence | 5% | 5% |
| Negative Influence | 71% | 56% |

Q1h: How do you think the economy will influence the following through 2010?

Eighty-seven percent of CEOs think the financial markets have performed poorly or very poorly during the crisis.

- CEOs of U.S. and non-U.S.-based companies are about equally negative in their evaluation of the performance of the financial markets.

How Well Financial Markets Have Performed During the Crisis

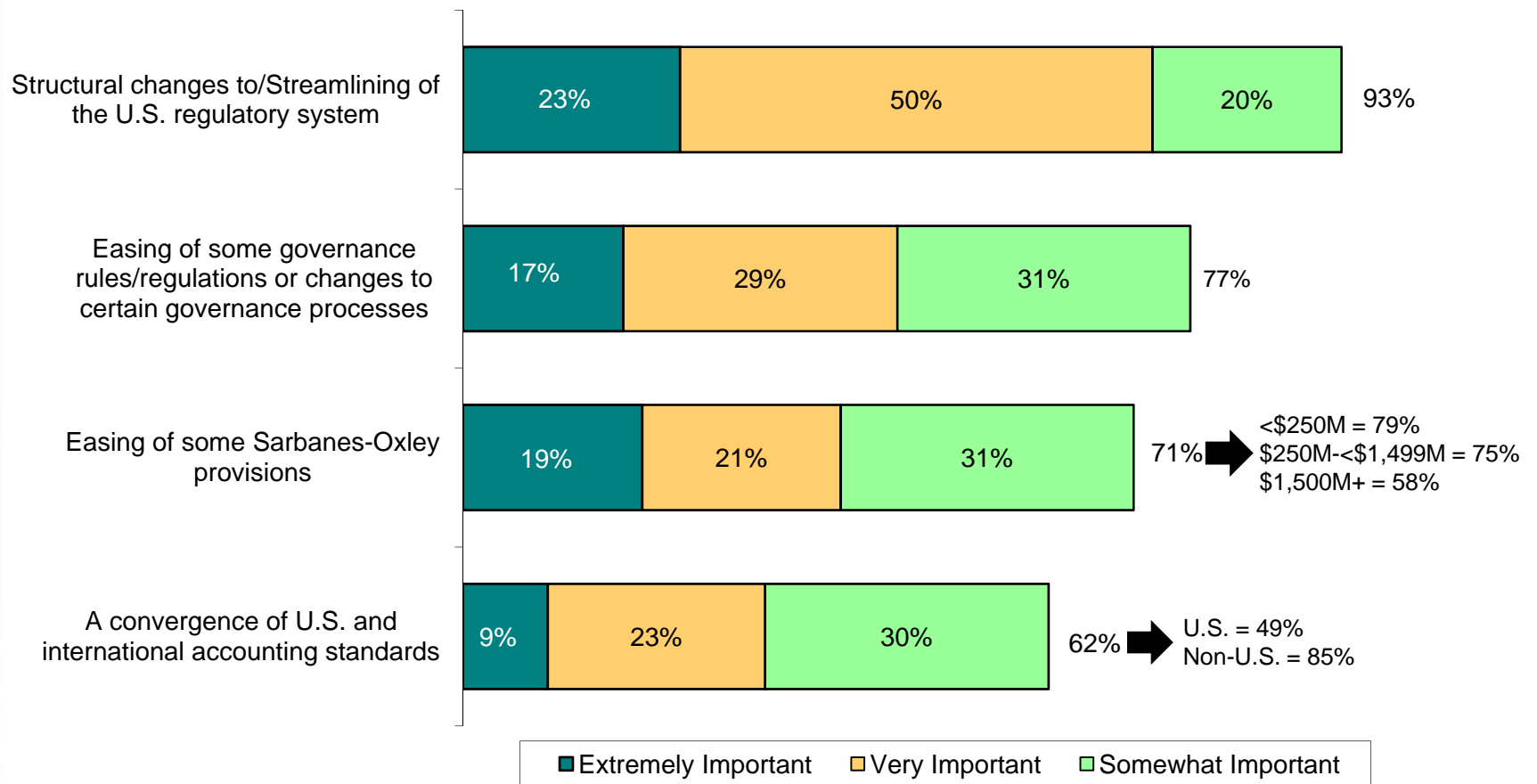


Q1: Overall, how well do you think the financial markets have performed during the crisis?

CEOs think structural changes, including streamlining of the U.S. regulatory system, are the most important factors in producing more stable and efficient global financial markets.

- CEOs of non-U.S.-based companies think a convergence of U.S. and international accounting standards is much more important than U.S. CEOs do. Companies with smaller market caps are also more likely than larger ones to think easing of some Sarbanes-Oxley provisions is important.

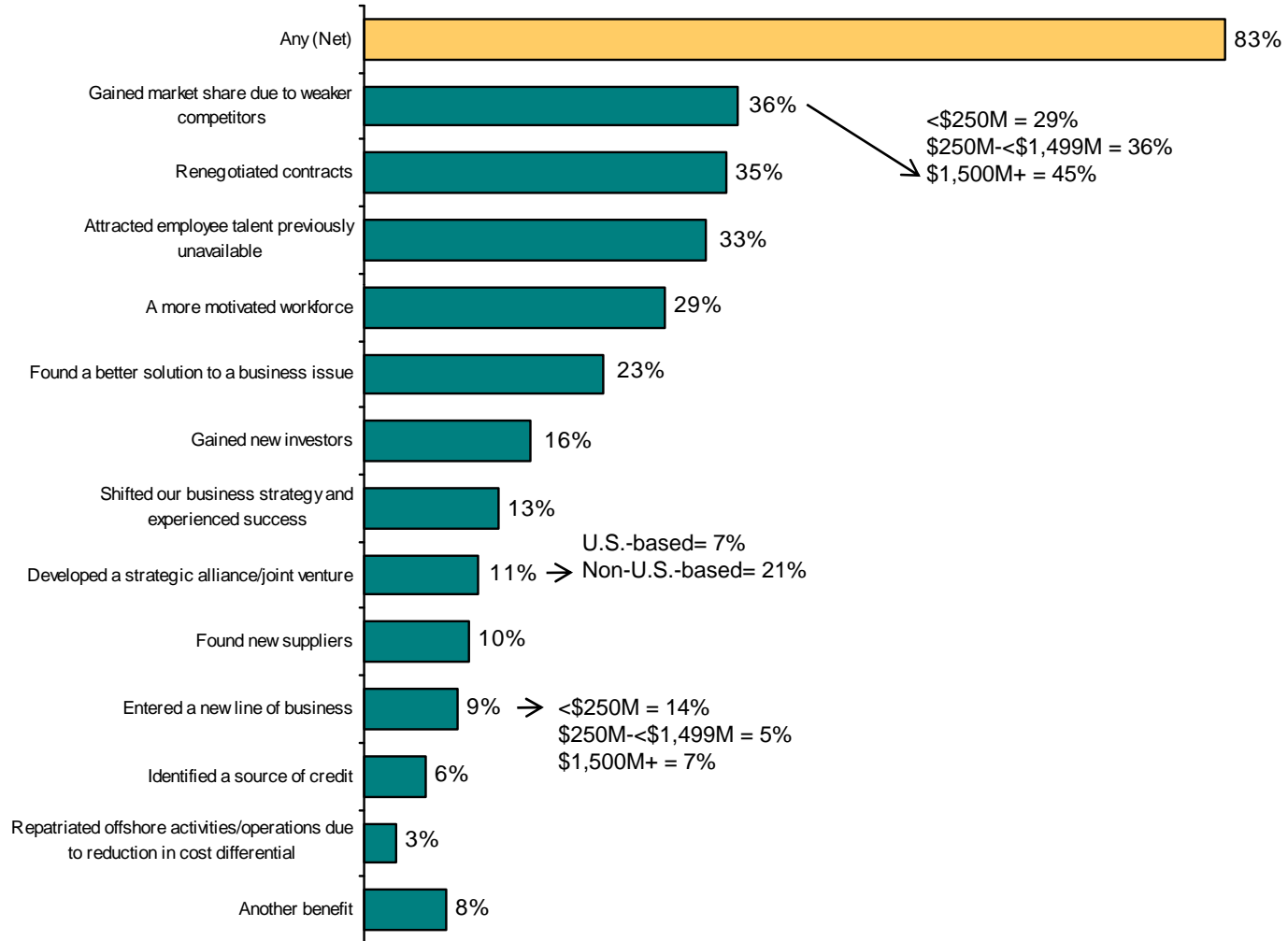
Importance in Producing More Stable and Efficient Global Financial Markets



Q1j: How important do you think each of the following would be to help produce more stable and efficient global financial markets?

The current economic environment has not been all doom and gloom, as most CEOs say their companies did benefit in some fashion. Increased market share, renegotiated contracts and employee talent previously unavailable are the most commonly-cited benefits.

Benefits Experienced as a Result of the Economic Crisis



Q1k: Which of the following would you say are benefits your company experienced as a result of the economic crisis?

Perceived benefits from the crisis vary by industry.

- Manufacturing and construction companies, as well as those in business and information services, are the most likely to have gained market share, while CEOs at consumer products/retail/healthcare, energy and utility and business and information services companies are more likely than average to say their workforce is more motivated.

Benefits Experienced as a Result of the Economic Crisis *By Industry*

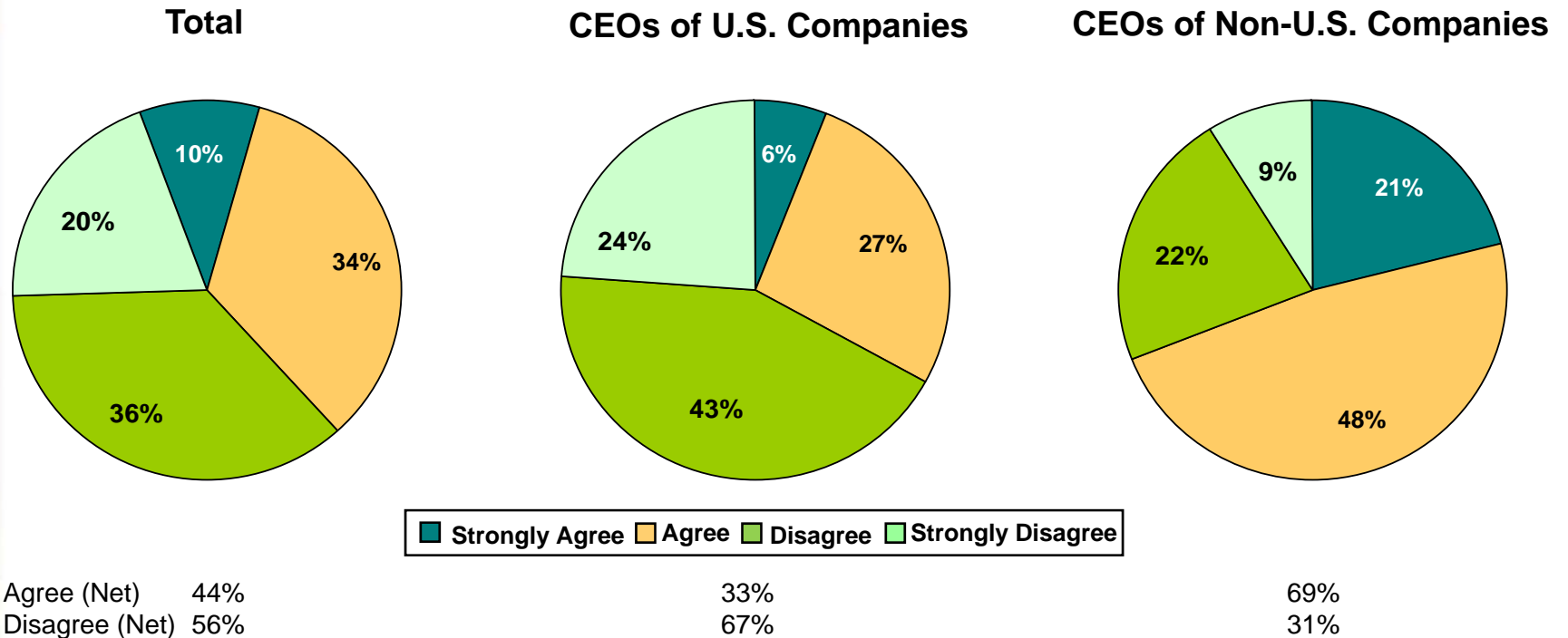
| | Consumer Products/ Retail/ Health | Energy/ Utilities | Banking/Real Estate/ Insurance | Manufacturing/ Construction/ Mining | Business/Info Services |
|---|--------------------------------------|----------------------|-----------------------------------|---|------------------------|
| Any (Net) | 94% | 89% | 78% | 79% | 81% |
| Gained market share due to weaker competitor | 35% | 18% | 31% | 39% | 47% |
| Renegotiated contracts | 42% | 47% | 26% | 33% | 34% |
| Attracted employee talent previously unavailable | 45% | 32% | 33% | 24% | 39% |
| A more motivated workforce | 45% | 37% | 17% | 25% | 33% |
| Found a better solution to a business issue | 29% | 11% | 24% | 24% | 26% |
| Gained new investors | 6% | 8% | 19% | 20% | 20% |
| Shifted business strategy and experienced success | 16% | 11% | 9% | 14% | 14% |
| Developed a strategic alliance/Venture | 6% | 5% | 9% | 11% | 17% |
| Found new suppliers | 10% | 8% | 0% | 13% | 14% |
| Entered a new line of business | 6% | 5% | 15% | 9% | 7% |
| Identified a source of credit | 6% | 11% | 7% | 6% | 3% |
| Repatriated offshore activities/Operations | 3% | 0% | 2% | 6% | 1% |
| Another benefit | 3% | 8% | 6% | 9% | 10% |

Q1k: Which of the following would you say are benefits your company experienced as a result of the economic crisis?

CEOs generally disagree with governments providing funding to corporations during a financial crisis similar to the current one.

- However, the overall results mask sharp differences between the CEOs of U.S.-based companies, 67% of whom disagree, and those of non-U.S.-based companies, 69% of whom agree with government support.

Government Funding Corporations During Financial Crises

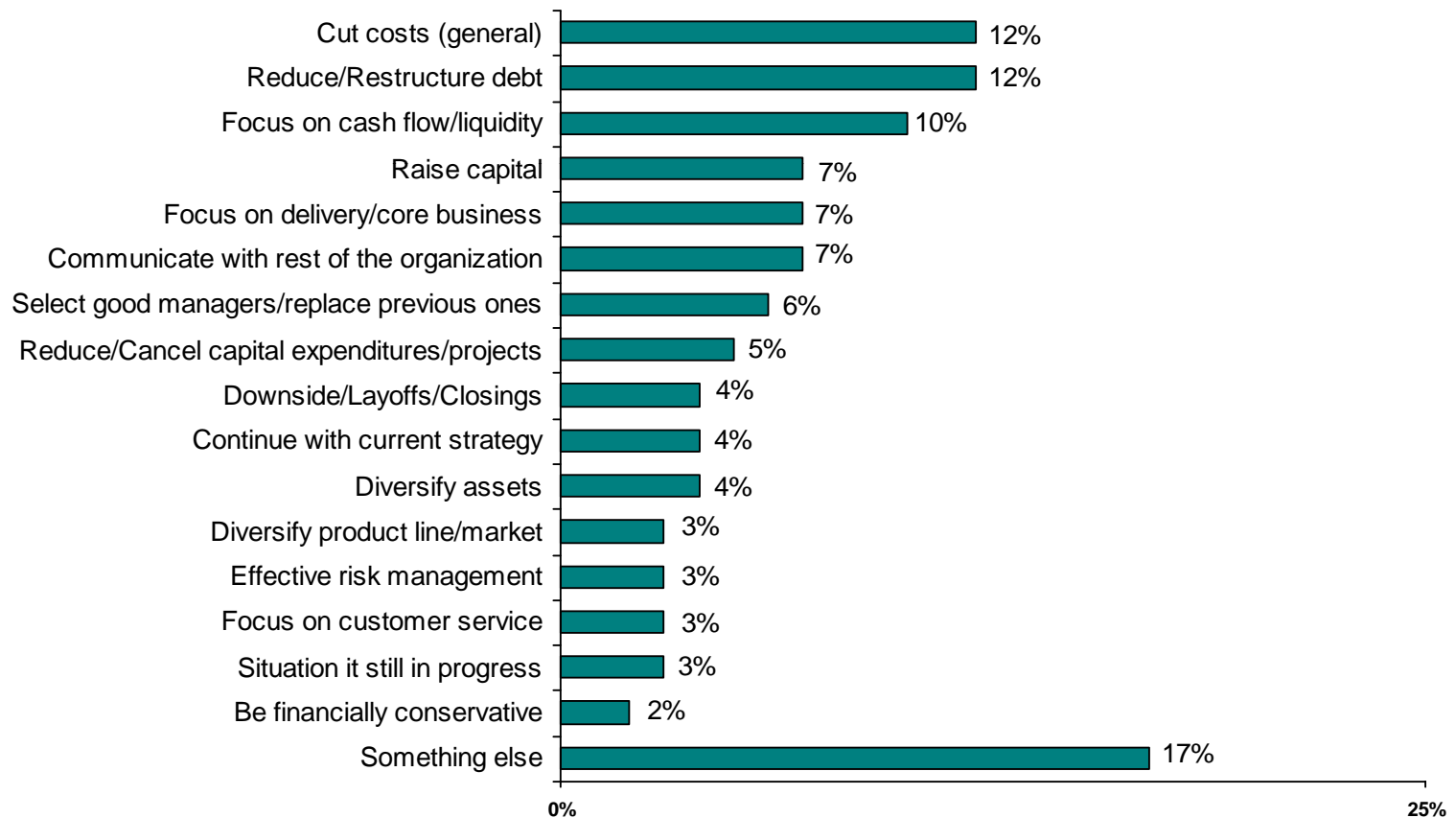


Q11: In general, do you strongly agree, agree, disagree or strongly disagree that government should provide funding to corporations during a financial crisis similar to the one we are currently experiencing.

CEOs provide a range of responses in terms of decisions that helped them navigate the market turmoil.

- Although the results are very fragmented, most of the answers revolve around cutting costs and debt, plus other ways to strengthen company balance sheets.

Most Important Decision that Helped You Successfully Navigate the Market Turmoil



Q26: What is the single most important decision you made that helped you successfully navigate the market turmoil?

Most Important Decision that Helped You Successfully Navigate the Market Turmoil

- *2009 looks set to be more difficult than previous years in view of the economic climate. However our locally-oriented positioning - the result of a well thought-out marketing strategy - and our partnership with our main shareholder, combined with a unique debt-free profile within the resilience of our sector in France make our business model very robust to cope with more challenging economic conditions. (France, \$1.5 billion+ market cap)*
- *A new CFO. (U.S., Retail, <\$250M market cap)*
- *We accessed the capital markets during the beginning of 2008 where I raised funds that increased the liquidity of the company. (Brazil, \$250M-\$1500M market cap)*
- *We acted quickly to access capital in 2008. (U.S., \$1.5 billion+ market cap)*
- *We aggressively attacked to grab business. (China, \$250M-\$1500M market cap)*
- *To always tell the truth. (France, \$1.5 billion+ market cap)*
- *Asset rationalization before it was apparently needed. (U.S., <\$250M market cap)*
- *We avoided overpaying for M&A acquisitions. (Belgium, \$250M-\$1500M market cap)*
- *I built a successful team of managers to support me in executing our strategy. (U.S., \$1.5 billion+ market cap)*
- *We changed the COO of the company. (Canada, \$250M-\$1500M market cap)*
- *We closed on equity financing in April of 2008. (Canada, <\$250M market cap)*
- *We communicated to employees that they should remain focused on core business and manage risk appropriately. (U.S., \$1.5 billion+)*
- *Communicating with our employees, the good and the bad. (U.S., <\$250M market cap)*
- *We concluded in Q4 2008 that this would be a long and deep recession, lasting well into 2010 and that only possible response was immediate deep, structural and permanent cost reduction. (U.S., \$250M-\$1500M market cap)*

Most Important Decision that Helped You Successfully Navigate the Market Turmoil

- *We continued to focus on the fundamentals of the business. Given the shorts in the stock there's not much I can do to impact the price so we're just focused on operations and ensuring financial flexibility. (U.S., \$250M-\$1500M market cap)*
- *We developed new products to cover the various demands from customers. (China, \$250M-\$1500M market cap)*
- *I directed all executives to focus on the core business, seek out cheap M&A assets to acquire and stop worrying about the market. (Canada, <\$250M market cap)*
- *We disposed of underperforming business units. (U.S., \$1.5 billion+ market cap)*
- *We didn't stop investing in promising projects. (Netherlands, \$250M-\$1500M market cap)*
- *Downturns serve an extremely important business purpose and we identified it as an opportunity, as opposed to a potential death sentence. We put early focus on blocking and tackling with an eye towards riding things out. We were under a lot of early pressure to put the company up for sale but by staying focused on day to day operations, as opposed to becoming distracted by the M&A process. Although we still have work to do we've been able to put the company back on course. (U.S., <\$250 market cap)*
- *We emphasized basic management fundamentals and developed leaders throughout the organization. (U.S., <\$250M market cap)*
- *Giving autonomy to management to make the correct decisions, unhindered by "red tape". (U.K., \$250M-\$1500M market cap)*
- *I decided to act on cost streamlining and performance improvement long time before the market turmoil. (Belgium, \$1.5 billion+ market cap)*
- *Maintaining a very conservative financial position while exclusively focusing on our core businesses for the past 12 years. (U.S, \$250M-\$1500M market cap)*
- *Maintaining organizational confidence and continued adherence to strategy. (U.S., \$250M-\$1500M market cap)*

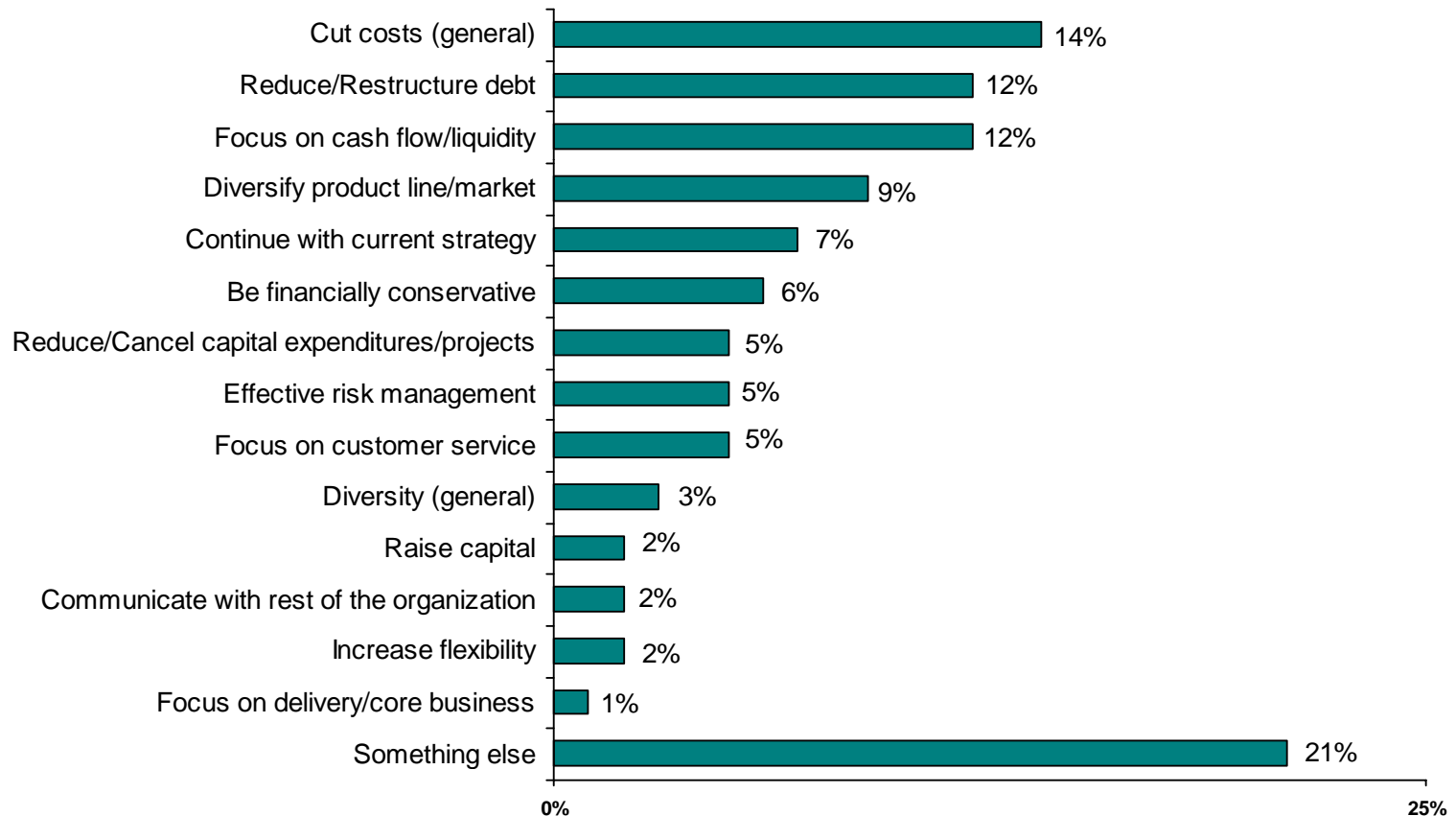
Most Important Decision that Helped You Successfully Navigate the Market Turmoil

- *Making positive cash flow contracts, optimizing resources, stopping expensive borrowing. (Mexico, \$250M-\$1500M market cap)*
- *Making sure that the strong brand loyalty of our consumers was rewarded, so that they feel comfortable returning to the brand. (U.S., \$1.5 billion+ market cap)*
- *Managing the business for the long-term benefit of stakeholders at the expense of quarterly or short-term operating results. (U.S., <\$250M market cap)*
- *Outsourcing a part of the equities portfolio management. (Belgium, <\$250M market cap)*
- *Proactive communications with the Board, shareholders and employees. (U.S., \$250M-\$1500M market cap)*
- *We pursued a long term (10 year) strategy of financial prudence and value adding investments, while not succumbing to the euphoria of the previous five years. (Canada, \$1.5 billion+ market cap)*
- *Reducing costs, renegotiating with suppliers and relying on long term partnerships with customers. (Brazil, \$250M-\$1500M market cap)*
- *We sold an unprofitable subsidiary in 2008. (U.S., <\$250M market cap)*
- *We made a strategic decision over the last seven years to position the company with high technology products and services and to exit commodity products. (U.S., \$250M-\$1500M market cap)*
- *Restructuring the balance sheet to take full advantage of reduced funding costs in the wake of Fed actions. (U.S., <\$250M market cap)*
- *We raised capital in 2007 and strengthened our capital position, which currently is the best among our peers. (China, \$1.5 billion+ market cap)*

CEOs gave similar answers to the previous question when they were asked what change would most help them minimize the impact of future market turmoil on their company.

- In general, CEOs wished they had made decisions which would have avoided the retrenchment which many had to undertake recently, by keeping costs down over the years. Numerous CEOs also indicate they would diversify their company's products, markets and/or holdings.

Change to Help Minimize the Impact of Future Market Turmoil on Your Company



Q27: And looking forward, what is the one most important change you plan to help minimize the impact of future market turmoil on your company?

Change to Help Minimize the Impact of Future Market Turmoil on Your Company

- *Accumulate cash, control costs very aggressively, and figure out exactly what steps we will need to take as various scenarios unfold. (U.S., <\$250M market cap)*
- *Avoiding or discouraging institutional investors. (U.S., <\$250M market cap)*
- *Be more selective on M&A until the capital markets normalize. (U.S., \$1.5 billion+)*
- *Being cautious on new private equity investments. (Belgium, \$250M-\$1500M market cap)*
- *Change in strategic focus from growth to low cost maintenance mode (U.S., <\$250M market cap)*
- *Contingency planning coupled with opportunistic acquisitions. (U.S., \$1.5 billion+ market cap)*
- *Continue to be diversified globally, by customer and by product. (U.S., <\$250M market cap)*
- *Deliver low cost cash flow through implementation of our business plan. (Canada, <\$250M market cap)*
- *Do not overextend in any particular area until market conditions turn. (U.S., \$1.5 billion+ market cap)*
- *I expect to aggressively expand the use of our new and rapidly growing enterprise risk management processes to determine leading indicators of future issues/opportunities. (U.S., <\$250M market cap)*
- *I really don't think we can do anything to minimize the impact. The only reason we are effected is due to our customers being negatively effected. Our charge is to make sure we service our clients and control expenses, even during good economic times. (U.S., \$1.5 billion+ market cap)*
- *Increase the frequency and level of disclosure of our communications with the investment community. (U.S., \$1.5 billion+)*
- *Introduction of a scenario-based management system. (Japan, \$1.5 billion+)*
- *Maintaining relationships with lenders critical to providing liquidity for managing our investment portfolio. (U.S., \$250M-\$1500M market cap)*



Change to Help Minimize the Impact of Future Market Turmoil on Your Company

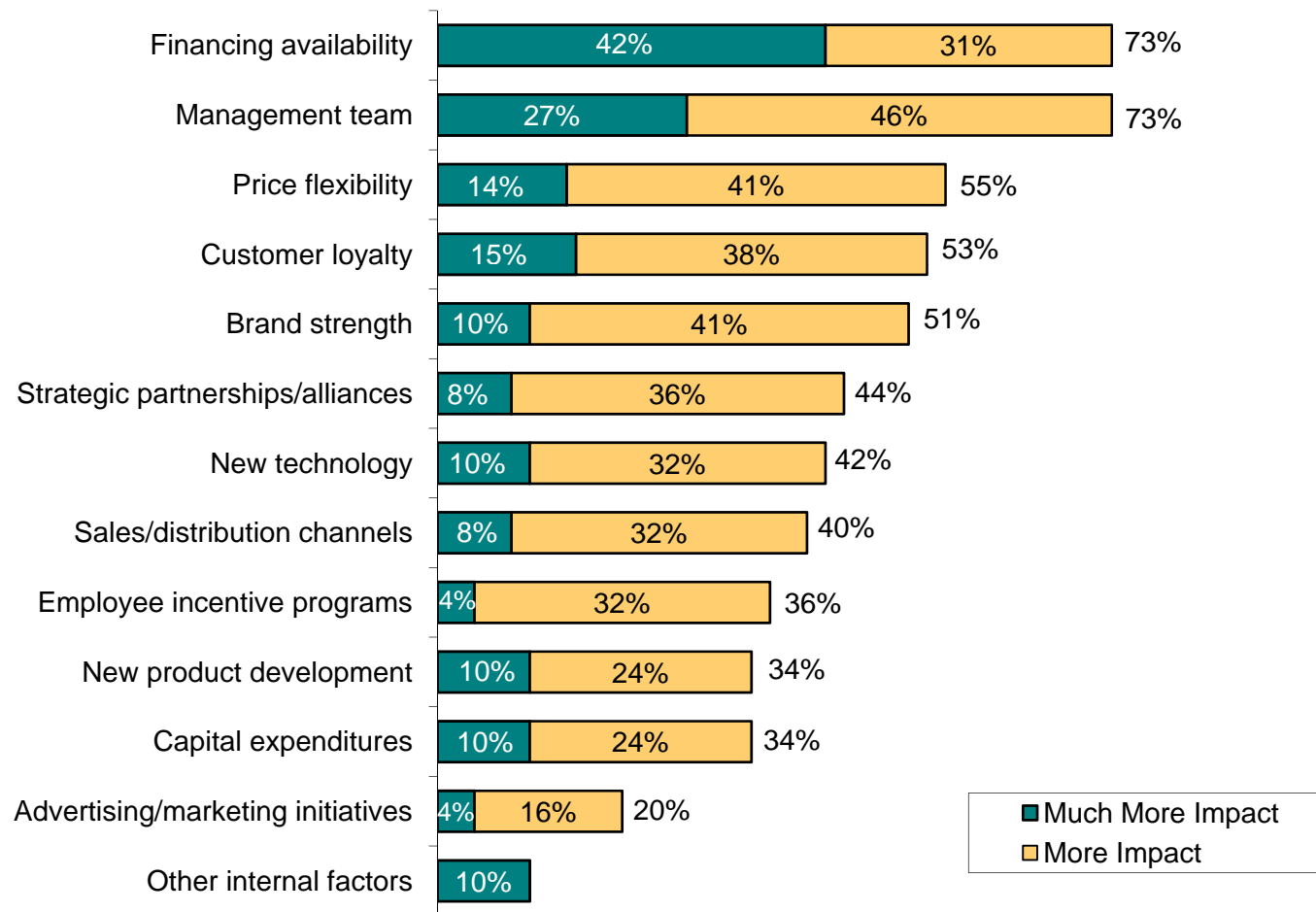
- *Making sure we have the right operating expense structure to withstand economic pressure going forward. (U.S., \$250M-\$1500M)*
- *More effective use of scenario planning developing more detailed "what if" plans ready for implementation. (U.S., \$1.5 billion+)*
- *Retrench and await the turnaround, don't chase the market and look for acquisitions. (U.S., \$250M-\$1500M)*
- *Sticking to your knitting and maintaining focus on the company's core mission. (U.S., \$1 billion+)*
- *Try to develop our long term memory. It's happened before and will happen again so we intend to keep a close eye on our overhead expenses in good times and in bad. (U.S., \$1.5 billion+)*



Business Opportunities and Challenges

Compared to three years ago, CEOs view financing availability and management as having the greatest impact on revenue growth through 2010, with price flexibility, customer loyalty and brand strength in the second tier of factors.

Impact of Internal Factors on Revenue Growth



Q2a: Compared with three years ago, please indicate the likely impact of each of the following internal factors on your company's revenue growth through calendar year 2010. Will each factor have much more impact, more impact, the same amount of impact, less impact or much less impact on your company's revenue growth?

By market cap and industry, there are significant differences in how CEOs expect various internal factors to impact company revenue growth through 2010.

- Management is viewed as more important than average by the CEOs of U.S.-based companies while strategic partnerships and alliances are more important than average to CEOs of non-U.S.-based companies. The results also vary significantly by market cap and industry.

Impact of Internal Factors on Revenue Growth – Much More/More Impact By U.S./Non-U.S., Market Cap and Industry

| | Home | | Market Cap | | | Industry | | | | |
|-----------------------------------|------|----------|------------|----------------|----------|-------------------------------------|----------------------|----------------------------------|------------------------------|--------------------|
| | U.S. | Non-U.S. | <\$250M | \$250M-\$1500M | \$1500M+ | Con. Products/ Retail/ Health | Enrgy./ Utilities | Bank/ Real Est./ Insur. | Manuf./ Const./ Mining | Bus./ Info Svc. |
| Financing ability | 74% | 71% | 78% | 73% | 68% | 81% | 76% | 70% | 72% | 71% |
| Management team | 79% | 62% | 76% | 73% | 71% | 81% | 61% | 78% | 70% | 79% |
| Price flexibility | 52% | 61% | 53% | 57% | 56% | 68% | 50% | 54% | 53% | 56% |
| Customer loyalty | 53% | 52% | 53% | 47% | 60% | 65% | 37% | 46% | 52% | 63% |
| Brand strength | 50% | 54% | 46% | 44% | 65% | 65% | 29% | 57% | 45% | 61% |
| Strategic partnerships/alliances | 39% | 54% | 51% | 38% | 42% | 32% | 39% | 41% | 47% | 49% |
| New technology | 40% | 44% | 42% | 32% | 51% | 42% | 39% | 28% | 39% | 56% |
| Sales/distribution channels | 36% | 46% | 47% | 35% | 35% | 48% | 21% | 31% | 47% | 41% |
| Employee incentive programs | 37% | 33% | 37% | 38% | 31% | 48% | 37% | 35% | 29% | 39% |
| New product development | 35% | 31% | 44% | 27% | 30% | 29% | 18% | 24% | 40% | 44% |
| Capital expenditures | 31% | 41% | 44% | 28% | 29% | 48% | 50% | 26% | 28% | 33% |
| Advertising/marketing initiatives | 20% | 22% | 25% | 15% | 21% | 45% | 11% | 19% | 14% | 26% |
| Other internal factors | 9% | 11% | 7% | 11% | 11% | 14% | 8% | 11% | 9% | 9% |

Q2a: Compared with three years ago, please indicate the likely impact of each of the following internal factors on your company's revenue growth through calendar year 2010. Will each factor have much more impact, more impact, the same amount of impact, less impact or much less impact on your company's revenue growth?

While in previous years there was very little change in the importance of internal factors on revenue growth, this year half a dozen factors were downgraded in importance, as CEOs are focused on weathering the downturn.

- Price flexibility is more important than in previous years.
- Financing availability, which was not an answer choice prior to this year, tops the list for which factor will be much more important through 2010.

Impact of Internal Factors on Revenue Growth
2006-2009 Comparison

| | 2006 | | | 2007 | | | 2008 | | | 2009 | | |
|---------------------------|-----------|------|------------|-----------|------|------------|-----------|------|------------|-----------|------|------------|
| | Much More | More | Total More | Much More | More | Total More | Much More | More | Total More | Much More | More | Total More |
| Financing availability | NA | NA | NA | NA | NA | NA | NA | NA | NA | 42% | 31% | 73% |
| Management team | 25% | 51% | 76% | 24% | 50% | 74% | 20% | 51% | 71% | 27% | 46% | 73% |
| Price flexibility | 7% | 41% | 48% | 10% | 31%↓ | 41% | 10% | 34% | 44% | 14% | 41% | 55%↑ |
| Customer loyalty | 11% | 43% | 54% | 11% | 41% | 52% | 11% | 41% | 52% | 15% | 38% | 53% |
| Brand strength | 12% | 46% | 58% | 10% | 51% | 61% | 11% | 45% | 56% | 10% | 41% | 51% |
| Strategic partnerships | 14% | 41% | 55% | 16% | 42% | 58% | 13% | 43% | 56% | 8% | 36% | 44%↓ |
| New technology | 15% | 48% | 63% | 16% | 47% | 63% | 13% | 43% | 56% | 10% | 32%↓ | 42%↓ |
| Sales/distribution chnls. | 11% | 42% | 53% | 10% | 40% | 50% | 9% | 42% | 51% | 8% | 32%↓ | 40%↓ |
| Employee incentive prog. | 3% | 38% | 41% | 4% | 36% | 40% | 8% | 33% | 41% | 4% | 32% | 36% |
| New product development | 16% | 46% | 62% | 18% | 42% | 60% | 13% | 46% | 59% | 10% | 24%↓ | 34%↓ |
| Capital expenditures | 18% | 35% | 53% | 14% | 33% | 47% | 13% | 30% | 43% | 10% | 24% | 34%↓ |
| Advertising/marketing | 3% | 36% | 39% | 5% | 32% | 37% | 4% | 26% | 30% | 4% | 16%↓ | 20%↓ |
| Other internal factors | 17% | - | 17% | 12% | - | 12% | 9% | - | 9% | 10% | - | 10% |

Q2a: Compared with three years ago, please indicate the likely impact of each of the following internal factors on your company's revenue growth through calendar year 2010. Will each factor have much more impact, more impact, the same amount of impact, less impact or much less impact on your company's revenue growth?

↑↓ Result significantly higher or lower compared with previous year

CEOs say finding financing is by far the internal factor with the greatest effect on revenue growth, as other factors take a back seat.

- As seen on other questions, emphasis on new product development, capital expenditures and new technology has declined as larger economic pressures come to the fore.
- Financing is far more important to smaller companies than to larger ones, where it is one of a number of concerns.

Internal Factor with the Greatest Effect on Revenue Growth 2006-2009 Comparison and Market Cap

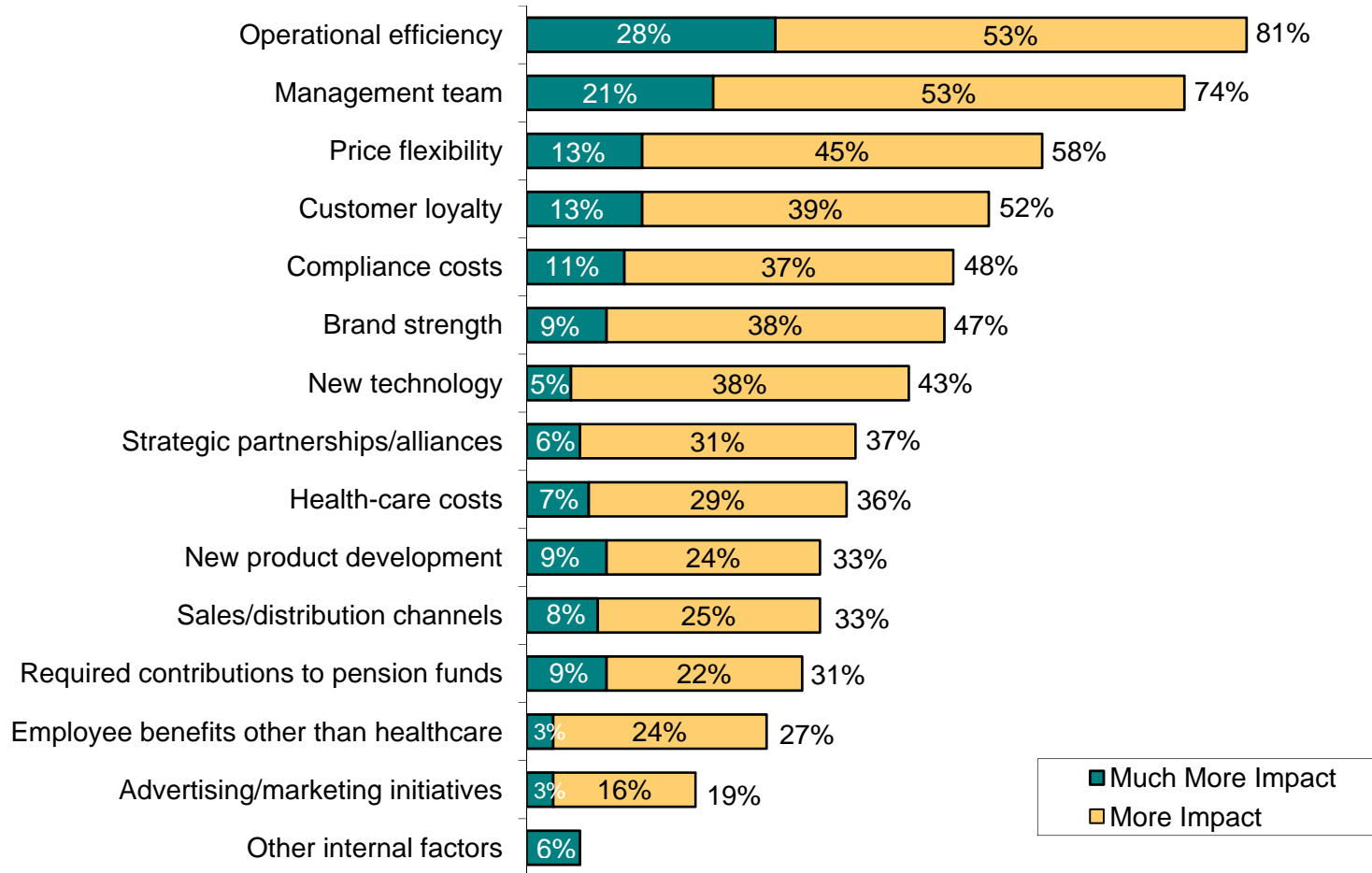
| | 2006 | 2007 | 2008 | 2009 | | | |
|-----------------------------------|------|------|------|-------|---------|--------------------|----------|
| | | | | Total | <\$250M | \$250M- \$1499M | \$1500M+ |
| Financing availability | NA | NA | NA | 40% | 52% | 45% | 19% |
| Management team | 14% | 18% | 18% | 13% | 11% | 13% | 13% |
| Price flexibility | 2% | 6% | 8% | 8% | 3% | 6% | 15% |
| Customer loyalty | 4% | 6% | 6% | 8% | 2% | 9% | 13% |
| New product development | 9% | 11% | 12% | 5%↓ | 5% | 8% | 4% |
| Capital expenditures | 14% | 10% | 11% | 5%↓ | 3% | 0% | 12% |
| Brand strength | 5% | 4% | 4% | 4% | 3% | 2% | 8% |
| Strategic partnerships/alliances | 8% | 7% | 7% | 4% | 8% | 0% | 4% |
| Sales/distribution channels | 6% | 5% | 4% | 2% | 3% | 4% | 0% |
| New technology | 3% | 8% | 7% | 2%↓ | 0% | 2% | 4% |
| Advertising/marketing initiatives | 0% | 1% | 2% | 1% | 3% | 0% | 0% |
| Employee incentive programs | 0% | 1% | 1% | 1% | 0% | 2% | 0% |
| Other internal factors | 15% | 8% | 9% | 8% | 6% | 9% | 8% |

Q2b: Which of these factors do you think will most affect your company's revenue growth through calendar year 2010?

↑↓ Result significantly higher or lower compared with previous year

Operational efficiency and management top the list as the internal factors expected to have more impact on company profitability.

Impact of Internal Factors on Profitability



Q3a: Compared with three years ago, please indicate the likely impact of each of the following internal factors on your company's profitability through calendar year 2010. Will each factor have much more impact, more impact, the same amount of impact, less impact or much less impact on your company's profitability?

There are substantial differences in the importance of internal factors on profitability by home country, market cap and industry.

Impact of Internal Factors on Profitability *By U.S./Non-U.S., Market Cap and Industry*

| | Home | | Market Cap | | | Industry | | | | |
|-----------------------------------|------|----------|------------|----------------|----------|-------------------------------------|----------------------|-------------------------------------|------------------------------|-----------------------|
| | U.S. | Non-U.S. | <\$250M | \$250M-\$1500M | \$1500M+ | Con. Products/ Retail/ Health | Energy/ Utilities | Banking/ Real Est./ Insurance | Manuf./ Const./ Mining | Bus./ Info Svc. |
| Operational efficiency | 83% | 77% | 77% | 84% | 83% | 81% | 73% | 78% | 81% | 89% |
| Management team | 78% | 65% | 74% | 79% | 68% | 85% | 78% | 73% | 75% | 66% |
| Price flexibility | 56% | 61% | 58% | 56% | 58% | 56% | 49% | 57% | 56% | 66% |
| Customer loyalty | 53% | 50% | 51% | 47% | 60% | 67% | 32% | 43% | 56% | 60% |
| Compliance costs | 49% | 44% | 56% | 49% | 34% | 37% | 46% | 49% | 51% | 45% |
| Brand strength | 46% | 48% | 42% | 46% | 53% | 67% | 22% | 53% | 41% | 55% |
| New technology | 44% | 41% | 44% | 38% | 48% | 59% | 43% | 33% | 34% | 56% |
| Strategic partnerships/alliances | 34% | 44% | 42% | 34% | 35% | 19% | 38% | 39% | 40% | 40% |
| Health-care costs | 47% | 12% | 37% | 44% | 27% | 52% | 41% | 35% | 35% | 29% |
| New product development | 33% | 33% | 38% | 26% | 34% | 41% | 14% | 18% | 40% | 44% |
| Sales/distribution channels | 31% | 38% | 38% | 33% | 27% | 37% | 19% | 37% | 38% | 31% |
| Required contributions to pension | 38% | 15% | 25% | 29% | 39% | 26% | 35% | 22% | 40% | 24% |
| Non-healthcare empl. benefits | 29% | 16% | 26% | 31% | 16% | 33% | 22% | 24% | 23% | 26% |
| Advertising/marketing initiatives | 18% | 18% | 22% | 13% | 21% | 44% | 16% | 16% | 14% | 16% |
| Other internal factors | 5% | 7% | 3% | 8% | 8% | 8% | 8% | 2% | 10% | 3% |

Q3a: Compared with three years ago, please indicate the likely impact of each of the following internal factors on your company's profitability through calendar year 2010. Will each factor have much more impact, more impact, the same amount of impact, less impact or much less impact on your company's profitability?

The importance of numerous internal factors on profitability has declined this year. As Q4a shows, CEOs are more concerned about the influence of the health of the economy overall and the effect that has on the bottom line.

Impact of Internal Factors on Profitability

| | 2006 | | | 2007 | | | 2008 | | | 2009 | | |
|----------------------------|-----------|------|------------|-----------|------|------------|-----------|------|------------|-----------|------|------------|
| | Much More | More | Total More | Much More | More | Total More | Much More | More | Total More | Much More | More | Total More |
| Operational efficiency | 20% | 60% | 80% | 19% | 60% | 79% | 22% | 60% | 82% | 28% | 53% | 81% |
| Management team | 18% | 57% | 75% | 18% | 58% | 76% | 19% | 53% | 72% | 21% | 53% | 74% |
| Price flexibility | 9% | 40% | 49% | 8% | 38% | 46% | 8% | 41% | 49% | 13% | 45% | 58% |
| Customer loyalty | 6% | 37% | 43% | 9% | 40% | 49% | 9% | 41% | 50% | 13% | 39% | 52% |
| Compliance costs | 24% | 46% | 70% | 14%↓ | 45% | 59%↓ | 11% | 36%↓ | 47%↓ | 11% | 37% | 48% |
| Brand strength | 6% | 42% | 48% | 6% | 51% | 57% | 5% | 50% | 55% | 9% | 38%↓ | 47% |
| New technology | 13% | 51% | 64% | 13% | 46% | 59% | 12% | 46% | 58% | 5%↓ | 38% | 43%↓ |
| Strategic partnerships | 6% | 44% | 50% | 8% | 47% | 55% | 9% | 45% | 54% | 6% | 31% | 37%↓ |
| Health-care costs | 6% | 53% | 59% | 5% | 42%↓ | 47%↓ | 5% | 36% | 41% | 7% | 29% | 36% |
| New product development | 11% | 50% | 61% | 14% | 44% | 58% | 12% | 48% | 60% | 9% | 24%↓ | 33%↓ |
| Sales/distribution chnls. | 8% | 38% | 46% | 5% | 36% | 41% | 6% | 40% | 46% | 8% | 25%↓ | 33%↓ |
| Req. cont. to pension | NA | NA | NA | NA | NA | NA | NA | NA | NA | 9% | 22% | 31% |
| Benefits other than health | 2% | 29% | 31% | 2% | 28% | 30% | 2% | 24% | 26% | 3% | 24% | 27% |
| Advertising/marketing | 3% | 22% | 25% | 2% | 28% | 30% | 3% | 24% | 27% | 3% | 16%↓ | 19%↓ |
| Other internal factors | 8% | - | 8% | 4% | - | 4% | 2% | - | 2% | 6% | - | 6% |

Q3a: Compared with three years ago, please indicate the likely impact of each of the following internal factors on your company's profitability through calendar year 2010. Will each factor have much more impact, more impact, the same amount of impact, less impact or much less impact on your company's profitability?

↑↓ Result significantly higher or lower compared with previous year

Operational efficiency and management are the top two internal factors CEOs believe will have the greatest effect on profitability, as new product development falls down the list.

Internal Factor with the Greatest Effect on Profitability
2006-2009 Comparison

| | 2006 | 2007 | 2008 | 2009 |
|--|------|------|------|------|
| Operational efficiency | 15% | 15% | 18% | 26% |
| Management team | 12% | 19%↑ | 18% | 18% |
| Compliance costs | 17% | 14% | 8%↓ | 7% |
| Required contributions to pensions funds | NA | NA | NA | 7% |
| Strategic partnerships/alliances | 5% | 5% | 5% | 7% |
| Price flexibility | 6% | 7% | 6% | 6% |
| Brand strength | 5% | 5% | 3% | 5% |
| Customer loyalty | 2% | 3% | 3% | 5% |
| New product development | 7% | 10% | 13% | 5%↓ |
| Health-care costs | 5% | 1% | 3% | 3% |
| Sales/distribution channels | 4% | 2% | 5% | 3% |
| New technology | 4% | 5% | 4% | 1% |
| Advertising/marketing initiatives | 0% | 0% | 1% | 1% |
| Employee benefits other than health care | 0% | 0% | 1% | 0% |
| Other internal factors | 9% | 5% | 2% | 7% |

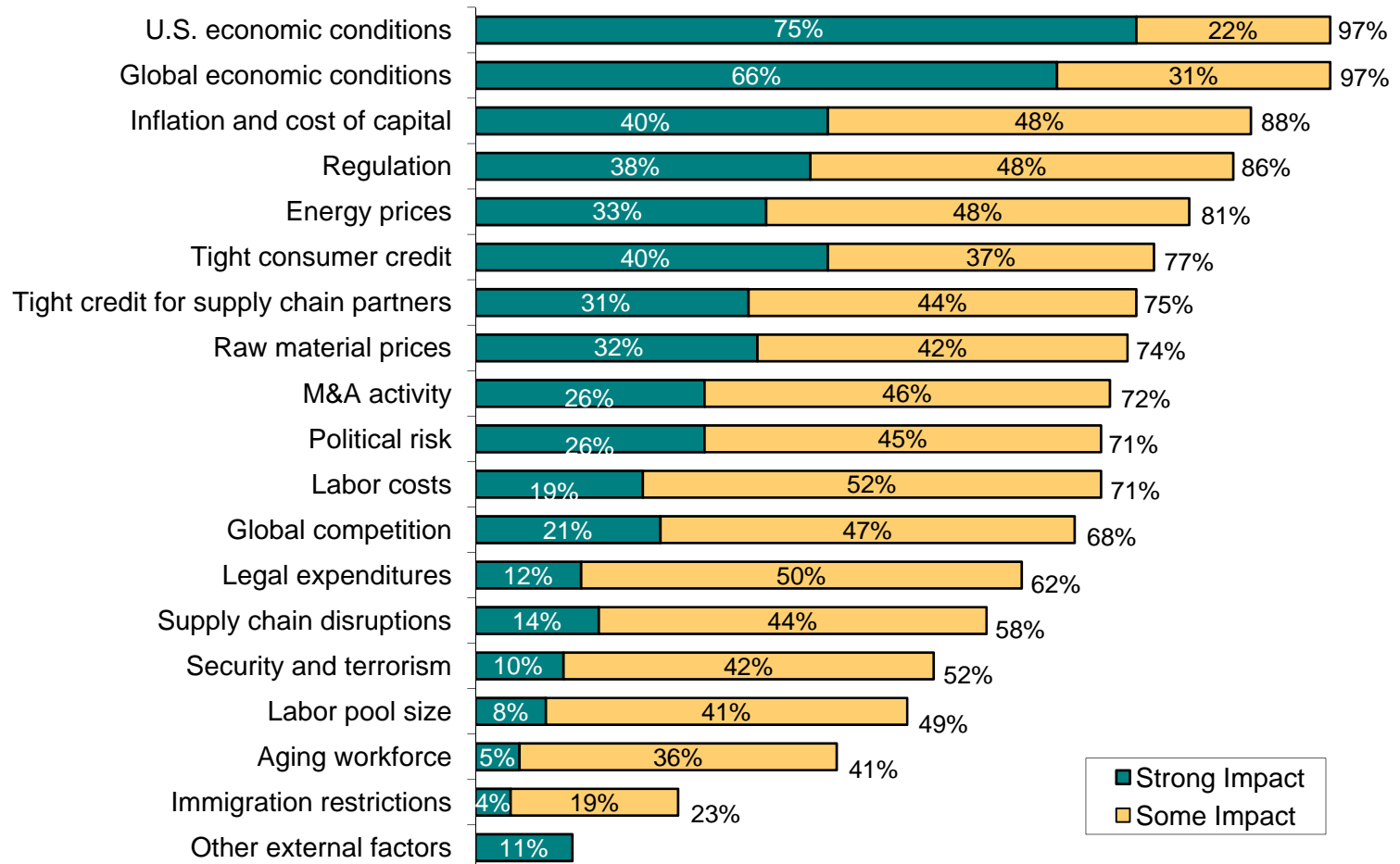
Q3b: Which of these factors do you think will most affect your company's profitability through calendar year 2010?

↑↓ Result significantly higher or lower compared with previous year

U.S. and global economic conditions, are seen as the most important external influences on company growth through 2010.

■ On the following page are the results for various subgroups.

Impact of External Factors on Overall Growth



Q4a: How much impact do you think each of the following external factors will have on your company's overall growth through calendar year 2010? Will each factor have a strong impact, some impact or no impact on your company's overall growth?

Impact of External Factors on Overall Growth – Strong/Some Impact
By U.S./Non-U.S., Market Cap and Industry

| | Home | | Market Cap | | | Industry | | | | |
|-----------------------------------|------|----------|------------|----------------|----------|-------------------------------------|----------------------|----------------------------------|------------------------------|--------------------|
| | U.S. | Non-U.S. | <\$250M | \$250M-\$1500M | \$1500M+ | Con. Products/ Retail/ Health | Enrgy./ Utilities | Bank/ Real Est./ Insur. | Manuf./ Const./ Mining | Bus./ Info Svc. |
| U.S. economic conditions | 99% | 91% | 97% | 99% | 95% | 100% | 97% | 98% | 97% | 93% |
| Global economic conditions | 97% | 99% | 96% | 99% | 97% | 96% | 94% | 100% | 97% | 97% |
| Inflation and the cost of capital | 90% | 85% | 90% | 92% | 83% | 88% | 86% | 94% | 90% | 83% |
| Regulation | 86% | 83% | 80% | 89% | 88% | 84% | 89% | 88% | 86% | 82% |
| Energy prices | 83% | 78% | 79% | 85% | 81% | 84% | 97% | 67% | 92% | 70% |
| Tight consumer credit | 79% | 71% | 80% | 81% | 68% | 84% | 66% | 82% | 81% | 70% |
| Tight credit for supply chain | 74% | 77% | 78% | 76% | 71% | 76% | 80% | 49% | 86% | 80% |
| Raw material prices | 74% | 72% | 74% | 74% | 72% | 80% | 94% | 43% | 91% | 62% |
| M&A activity | 69% | 78% | 61% | 76% | 80% | 72% | 74% | 69% | 70% | 75% |
| Political risk | 73% | 68% | 66% | 75% | 73% | 68% | 77% | 76% | 71% | 65% |
| Labor costs | 71% | 68% | 65% | 79% | 67% | 84% | 71% | 63% | 70% | 70% |
| Global competition | 62% | 81% | 62% | 69% | 75% | 52% | 60% | 59% | 78% | 75% |
| Legal expenditures | 62% | 63% | 73% | 68% | 44% | 60% | 54% | 65% | 66% | 62% |
| Supply chain disruptions | 54% | 65% | 54% | 60% | 59% | 64% | 57% | 31% | 73% | 57% |
| Security and terrorism | 57% | 42% | 47% | 57% | 53% | 40% | 57% | 45% | 53% | 60% |
| Labor pool size | 47% | 53% | 49% | 55% | 41% | 56% | 51% | 41% | 47% | 53% |
| Aging workforce | 43% | 36% | 39% | 45% | 37% | 40% | 43% | 31% | 43% | 45% |
| Immigration restrictions | 26% | 15% | 20% | 27% | 20% | 16% | 20% | 20% | 30% | 20% |
| Other external factors | 11% | 13% | 11% | 8% | 15% | 8% | 9% | 2% | 17% | 15% |

Q4a: How much impact do you think each of the following external factors will have on your company's overall growth through calendar year 2010? Will each factor have a strong impact, some impact or no impact on your company's overall growth?

The percentage of CEOs who think U.S. and global economic conditions, as well as inflation and the cost of capital, will have much more impact on company growth has increased substantially.

Impact of Internal Factors on Revenue Growth
2006-2009 Comparison

| | 2006 | | | 2007 | | | 2008 | | | 2009 | | |
|-------------------------------|-----------|------|------------|-----------|------|------------|-----------|------|------------|-----------|------|------------|
| | Much More | More | Total More | Much More | More | Total More | Much More | More | Total More | Much More | More | Total More |
| U.S. economic conditions | 52% | 43% | 95% | 49% | 46% | 95% | 51% | 43% | 94% | 75%↑ | 22%↓ | 97% |
| Global economic conditions | 37% | 55% | 92% | 39% | 50% | 89% | 45% | 47% | 92% | 66%↑ | 31%↓ | 97%↑ |
| Inflation and cost of capital | 22% | 60% | 82% | 24% | 63% | 87% | 29% | 62% | 91% | 40%↑ | 48%↓ | 88% |
| Regulation | 44% | 47% | 91% | 35% | 54% | 89% | 30% | 54% | 84% | 38% | 48% | 86% |
| Energy prices | 38% | 51% | 89% | 31% | 55% | 86% | 37%↑ | 47% | 84% | 33% | 48% | 81% |
| Tight consumer credit | NA | NA | NA | NA | NA | NA | NA | NA | NA | 40% | 37% | 77% |
| Tight credit for supply chain | NA | NA | NA | NA | NA | NA | NA | NA | NA | 31% | 44% | 75% |
| Raw material prices | 28% | 47% | 75% | 27% | 42% | 69% | 37% | 39% | 76% | 32% | 42% | 74% |
| M&A activity | 35% | 53% | 88% | 41% | 50% | 91% | 34% | 46% | 80%↓ | 26% | 46% | 72%↓ |
| Political risk | 16% | 50% | 66% | 19% | 53% | 72% | 20% | 51% | 71% | 26% | 45% | 71% |
| Labor costs | NA | NA | NA | NA | NA | NA | NA | NA | NA | 19% | 52% | 71% |
| Global competition | 26% | 45% | 71% | 32% | 43% | 75% | 26% | 48% | 74% | 21% | 47% | 68% |
| Legal expenditures | 7% | 58% | 65% | 7% | 61% | 68% | 7% | 54% | 61% | 12% | 50% | 62% |
| Supply chain disruptions | NA | NA | NA | NA | NA | NA | NA | NA | NA | 14% | 44% | 58% |
| Security and terrorism | 12% | 64% | 76% | 10% | 59% | 69% | 7% | 51% | 58%↓ | 10% | 42% | 52% |
| Labor pool size | NA | NA | NA | NA | NA | NA | NA | NA | NA | 8% | 41% | 49% |
| Aging workforce | NA | NA | NA | 10% | 41% | 51% | 10% | 39% | 49% | 5% | 36% | 41% |
| Immigration restrictions | NA | NA | NA | 5% | 25% | 30% | 4% | 35%↑ | 39%↑ | 4% | 19%↓ | 23%↓ |
| Other external factors | 8% | - | 8% | 3% | - | 3% | 2% | - | 2% | 11% | - | 11%↑ |

Q4a: How much impact do you think each of the following external factors will have on your company's overall growth through calendar year 2010? Will each factor have a strong impact, some impact or no impact on your company's overall growth?

↑↓ Result significantly higher or lower compared with previous year

Economic conditions, either in the U.S. or globally, are viewed by CEOs as the external factors having the most impact on their company's overall growth.

- M&A activity, raw material prices and global competition have fallen well down the list.

External Factor with the Most Impact on Overall Growth

| | 2006 | 2007 | 2008 | 2009 | | |
|--|------|------|------|-------|------|----------|
| | | | | Total | U.S. | Non-U.S. |
| U.S. economic conditions | 22% | 26% | 20% | 35%↑ | 46% | 9% |
| Global economic conditions | 12% | 12% | 17% | 26%↑ | 17% | 45% |
| Energy prices | 12% | 9% | 8% | 9% | 10% | 9% |
| Tight consumer credit | NA | NA | NA | 6% | 8% | 2% |
| M&A activity | 12% | 18% | 20% | 4%↓ | 3% | 8% |
| Inflation and cost of capital | 6% | 4% | 5% | 4% | 3% | 6% |
| Political risk | 1% | 2% | 2% | 3% | 3% | 2% |
| Regulation | 12% | 7% | 7% | 3% | 1% | 9% |
| Raw material prices | 5% | 5% | 11%↑ | 2%↓ | 1% | 3% |
| Global competition | 7% | 11% | 17% | 1%↓ | 1% | 0% |
| Security and terrorism | 1% | 2% | 0% | 1% | 1% | 0% |
| Labor costs | NA | NA | NA | 1% | 0% | 3% |
| Tight credit for supply chain partners | NA | NA | NA | 1% | 1% | 0% |
| Immigration restrictions | NA | 0% | 1% | 0% | 0% | 0% |
| Other external factors | 5% | 1% | 0% | 3% | 3% | 5% |

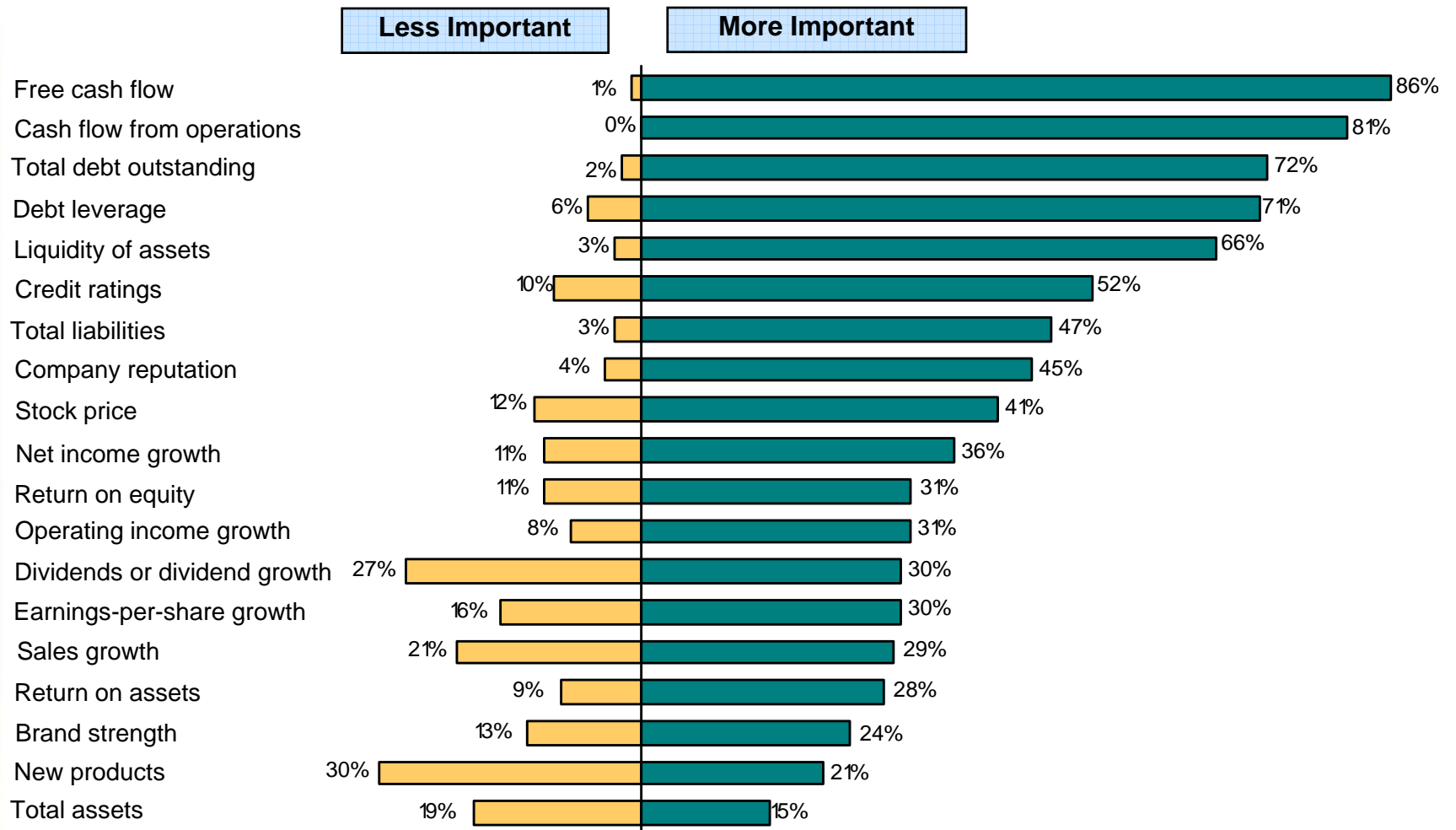
Q4b: Which of the following external factors do you think will have the most impact on your company's overall growth through calendar year 2010?

↑↓ Result significantly higher or lower compared with previous year

Cash flow, as well as debt and liquidity are viewed as the measures which are more important to shareholders compared with three years ago, while many CEOs think dividends and new products are less important.

- On the following page, the results are shown for various subgroups.

Importance of Performance Measures Compared with Three Years Ago



Q5: Compared with three years ago, do you feel each of the following performance measures is more important, about the same in importance, or less important to shareholders?

Importance of Performance Measures Compared with Three Years Ago – *More Important* By U.S./Non-U.S., Market Cap and Industry

| | Home | | Market Cap | | | Industry | | | | |
|------------------------------|------|----------|------------|----------------|----------|-------------------------------------|----------------------|----------------------------------|------------------------------|--------------------|
| | U.S. | Non-U.S. | <\$250M | \$250M-\$1500M | \$1500M+ | Con. Products/ Retail/ Health | Enrgy./ Utilities | Bank/ Real Est./ Insur. | Manuf./ Const./ Mining | Bus./ Info Svc. |
| Free cash flow | 85% | 86% | 88% | 78% | 91% | 92% | 79% | 74% | 95% | 85% |
| Cash flow from operations | 82% | 81% | 84% | 74% | 86% | 79% | 76% | 68% | 92% | 83% |
| Total debt outstanding | 73% | 70% | 71% | 77% | 69% | 75% | 71% | 68% | 77% | 69% |
| Debt leverage | 76% | 61% | 64% | 78% | 73% | 67% | 76% | 76% | 76% | 61% |
| Liquidity of assets | 70% | 56% | 58% | 76% | 64% | 79% | 59% | 82% | 64% | 53% |
| Credit ratings | 50% | 56% | 38% | 54% | 65% | 58% | 56% | 40% | 60% | 46% |
| Total liabilities | 50% | 40% | 50% | 50% | 39% | 42% | 41% | 46% | 59% | 37% |
| Company reputation | 45% | 45% | 37% | 43% | 58% | 67% | 38% | 36% | 51% | 42% |
| Stock price | 39% | 45% | 42% | 40% | 41% | 33% | 44% | 42% | 44% | 37% |
| Net income growth | 35% | 38% | 37% | 38% | 31% | 29% | 38% | 26% | 37% | 42% |
| Return on equity | 27% | 38% | 30% | 34% | 27% | 21% | 41% | 34% | 29% | 27% |
| Operating income growth | 30% | 32% | 30% | 33% | 30% | 21% | 35% | 30% | 36% | 27% |
| Dividends or dividend growth | 28% | 35% | 22% | 27% | 43% | 25% | 35% | 30% | 33% | 25% |
| Earning-per-share growth | 27% | 35% | 34% | 28% | 27% | 25% | 35% | 20% | 25% | 42% |
| Sales growth | 25% | 35% | 35% | 22% | 28% | 33% | 24% | 22% | 25% | 39% |
| Return on assets | 25% | 34% | 27% | 32% | 26% | 29% | 26% | 26% | 39% | 17% |
| Brand strength | 27% | 18% | 28% | 18% | 27% | 58% | 12% | 20% | 27% | 19% |
| New products | 19% | 25% | 29% | 15% | 18% | 38% | 9% | 8% | 24% | 27% |
| Total assets | 15% | 14% | 19% | 12% | 14% | 25% | 9% | 14% | 20% | 8% |

Q5: Compared with three years ago, do you feel each of the following performance measures is more important, about the same in importance, or less important to shareholders?

Cash flow has always been one of the top performance measures, but many measures which were rated very low a few years ago are thought to be much more important now, particularly those related to a company's current bottom line health.

Importance of Performance Measures Compared with Three Years Ago
2006-2009 Comparison

| | 2006 | | 2007 | | 2008 | | 2009 | | |
|------------------------------|------|------|------|-------|------|-------|-------|------|---|
| | Less | More | Less | More | Less | More | Less | More | |
| Free cash flow | 2% | 57% | 2% | 52% | 2% | 55% | 1% | 86% | ↑ |
| Cash flow from operations | 2% | 58% | 2% | 47% ↓ | 1% | 61% ↑ | 0% | 81% | ↑ |
| Total debt outstanding | 20% | 15% | 19% | 14% | 11% | 35% ↑ | 2% ↓ | 72% | ↑ |
| Debt leverage | NA | NA | NA | NA | NA | NA | 6% | 71% | |
| Liquidity of assets | 11% | 14% | 11% | 9% | 10% | 25% ↑ | 3% ↓ | 66% | ↑ |
| Credit ratings | 16% | 15% | 14% | 18% | 13% | 28% ↑ | 10% | 52% | ↑ |
| Total liabilities | 17% | 8% | 11% | 8% | 11% | 14% ↑ | 3% ↓ | 47% | ↑ |
| Company reputation | 2% | 44% | 2% | 46% | 1% | 35% ↓ | 4% | 45% | ↑ |
| Stock price | 0% | 47% | 1% | 51% | 1% | 50% | 12% ↑ | 41% | |
| Net income growth | 1% | 53% | 1% | 57% | 1% | 46% ↓ | 11% ↑ | 36% | ↓ |
| Return on equity | 2% | 31% | 4% | 42% ↑ | 4% | 33% | 11% ↑ | 31% | |
| Operating income growth | 1% | 56% | 0% | 55% | 1% | 50% | 8% | 31% | ↓ |
| Dividends or dividend growth | 10% | 41% | 16% | 35% | 18% | 23% ↓ | 27% ↑ | 30% | |
| Earnings-per-share growth | 2% | 58% | 2% | 56% | 2% | 46% ↓ | 16% ↑ | 30% | ↓ |
| Sales growth | 2% | 36% | 5% | 47% ↑ | 4% | 44% | 21% ↑ | 29% | ↓ |
| Return on assets | 2% | 31% | 5% | 29% | 5% | 29% | 9% | 28% | |
| Brand strength | 5% | 23% | 6% | 29% | 8% | 27% | 13% | 24% | |
| New products | 10% | 28% | 9% | 32% | 11% | 31% | 30% ↑ | 21% | ↓ |
| Total assets | 20% | 7% | 16% | 6% | 17% | 10% | 19% | 15% | |

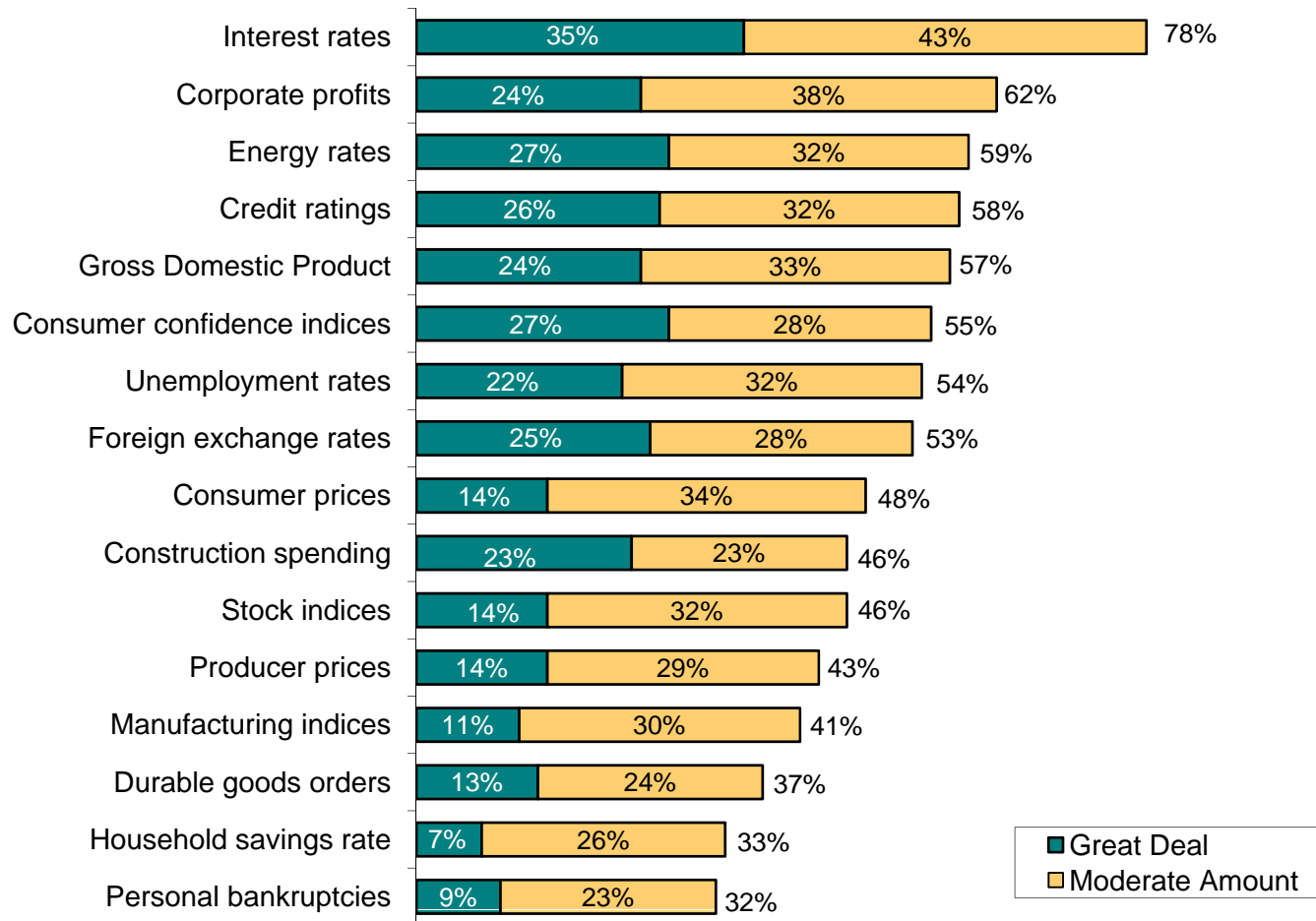
Growth measures are less important

Q5: Compared with three years ago, do you feel each of the following performance measures is more important, about the same in importance, or less important to shareholders?

↑↓ Result significantly higher or lower compared with previous year

Trends in interest rates are viewed by CEOs as having the greatest influence on their business planning, with many other indicators grouped together in a second tier of importance.

Influence Trends in Indicators Have on Business Planning



Q6b: How much influence do the following indicators have on your business planning? Do they have a great influence, moderate influence, little influence or no influence? How about trends in...?

The importance of various indices varies by industry, particularly consumer products/retail and manufacturing and construction.

Influence Trends in Indicators Have on Business Planning – Great Deal/Moderate Amount By Industry

| | Consumer Products/ Retail/ Health | Energy/ Utilities | Banking/ Real Estate/ Insurance | Manufacturing/ Construction/ Mining | Business/ Info Services |
|-----------------------------|--------------------------------------|----------------------|---------------------------------------|---|-------------------------------|
| Interest rates | 82% | 85% | 94% | 77% | 63% |
| Corporate profits | 64% | 56% | 62% | 60% | 65% |
| Energy rates | 73% | 91% | 31% | 66% | 48% |
| Credit ratings | 68% | 65% | 58% | 59% | 49% |
| Gross Domestic Product | 50% | 53% | 59% | 62% | 55% |
| Consumer confidence indices | 82% | 42% | 58% | 56% | 50% |
| Unemployment rates | 73% | 53% | 67% | 43% | 50% |
| Foreign exchange rates | 41% | 42% | 32% | 71% | 59% |
| Consumer prices | 73% | 38% | 46% | 56% | 36% |
| Construction spending | 37% | 47% | 52% | 54% | 36% |
| Stock indices | 36% | 53% | 61% | 36% | 50% |
| Producer prices | 54% | 50% | 27% | 61% | 26% |
| Manufacturing indices | 37% | 38% | 33% | 60% | 26% |
| Durable goods orders | 23% | 29% | 29% | 55% | 31% |
| Household savings rate | 45% | 24% | 43% | 30% | 26% |
| Personal bankruptcies | 50% | 30% | 42% | 24% | 27% |

Q6b: How much influence do the following indicators have on your business planning? Do they have a great influence, moderate influence, little influence or no influence? How about trends in...?

CEOs are focusing on more indicator trends than in the past, confirmation of their increased concern with how the health of the overall economy is affecting their companies.

Influence Trends in Indicators Have on Business Planning
2007-2009 Comparison

| | 2007 | | | 2008 | | | 2009 | | |
|---|------------|-----------|-----|------------|-----------|------|------------|-----------|------|
| | Great Deal | Mod. Amt. | Net | Great Deal | Mod. Amt. | Net | Great Deal | Mod. Amt. | Net |
| Interest rates (Fed Funds rate in 2007) | 20% | 36% | 56% | 34%↑ | 37% | 71%↑ | 35% | 43% | 78% |
| Corporate profits | 15% | 34% | 49% | 18% | 33% | 51% | 24% | 38% | 62%↑ |
| Energy rates | 32% | 35% | 67% | 24% | 33% | 57%↓ | 27% | 32% | 59% |
| Credit ratings | NA | NA | NA | NA | NA | NA | 26% | 32% | 58% |
| Gross Domestic Product | 18% | 41% | 59% | 21% | 32% | 53% | 24% | 33% | 57% |
| Consumer confidence Indices | NA | NA | NA | NA | NA | NA | 27% | 28% | 55% |
| Unemployment rates | NA | NA | NA | NA | NA | NA | 22% | 32% | 54% |
| Foreign exchange rates | NA | NA | NA | 26% | 30% | 56% | 25% | 28% | 53% |
| Consumer prices | 9% | 42% | 51% | 16%↑ | 35% | 51% | 14% | 34% | 48% |
| Construction spending | 19% | 25% | 44% | 20% | 20% | 40% | 23% | 23% | 46% |
| Stock indices | 7% | 24% | 31% | 9% | 27% | 36% | 14% | 32% | 46%↑ |
| Producer prices | 8% | 35% | 43% | 12% | 34% | 46% | 14% | 29% | 43% |
| Manufacturing indices | 6% | 21% | 27% | 6% | 26% | 32% | 11% | 30% | 41%↑ |
| Durable good orders | 7% | 26% | 33% | 7% | 24% | 31% | 13%↑ | 24% | 37% |
| Household savings rate | NA | NA | NA | NA | NA | NA | 7% | 26% | 33% |
| Personal bankruptcies | 4% | 16% | 20% | 3% | 18% | 21% | 9%↑ | 23% | 32%↑ |

Q6b: How much influence do the following indicators have on your business planning? Do they have a great influence, moderate influence, little influence or no influence? How about trends in...?

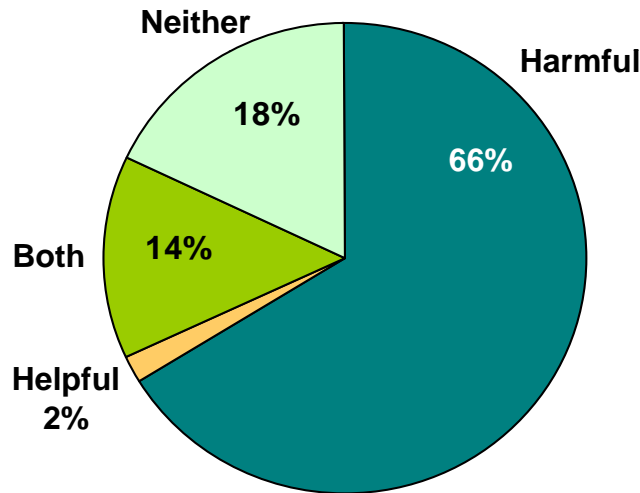
↑↓ Result significantly higher or lower compared with previous year

Most CEOs think short selling is harmful to their company's stock and shareholders, and three in four think it should be temporarily prohibited after a certain level of trading volatility is reached.

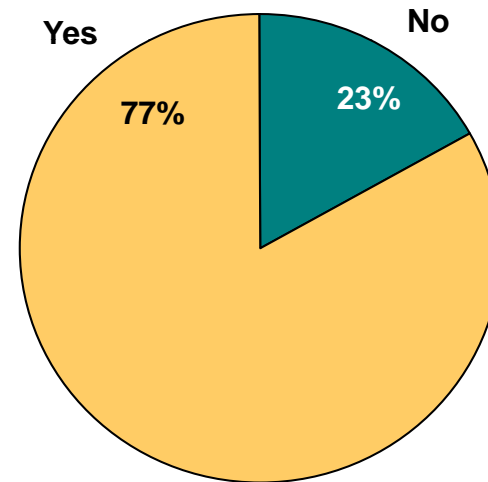
- The percentage who think it is harmful is higher among CEOs of U.S.-based companies (70% vs. 57%).
- The results are similar to those from an NYSE study conducted among a larger audience, including CEOs, in October of last year.

Short Selling

Is Short Selling Harmful or Helpful to Your Stock/Shareholders?



Temporarily Prohibiting Short Selling After Certain Level of Volatility



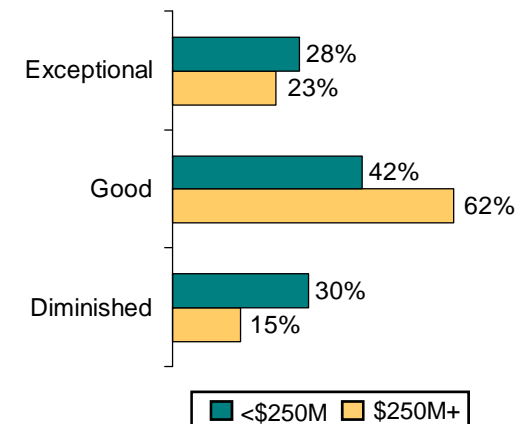
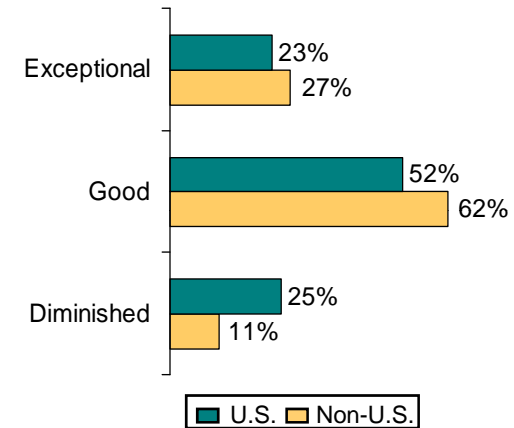
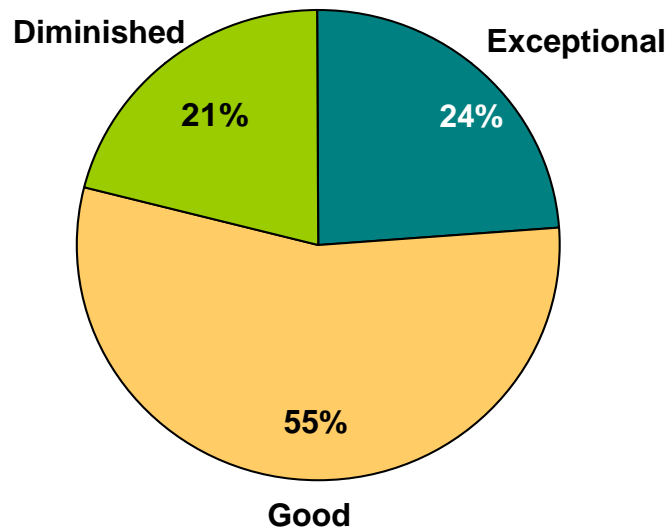
| October 2008 Study* | | |
|---------------------|--|-----|
| Helpful | | 4% |
| Harmful | | 59% |
| Both | | 24% |
| Neither | | 13% |

| | |
|-----|-----|
| Yes | 75% |
| No | 25% |

*Study of CEO, CFO and IR contacts at issuing companies (N=438)
 Q6c: Is the practice of short selling stock harmful or helpful to your company's stock and shareholders?
 Q6d: Should short selling in a stock be temporarily prohibited after it experiences a certain level of volatility?

About eight in ten CEOs think M&A market opportunities are at least good through 2010; one-fourth believe opportunities are exceptional. The percentages are slightly lower among CEOs of U.S.-based and smaller cap companies.

The M&A Market Opportunities Through 2010



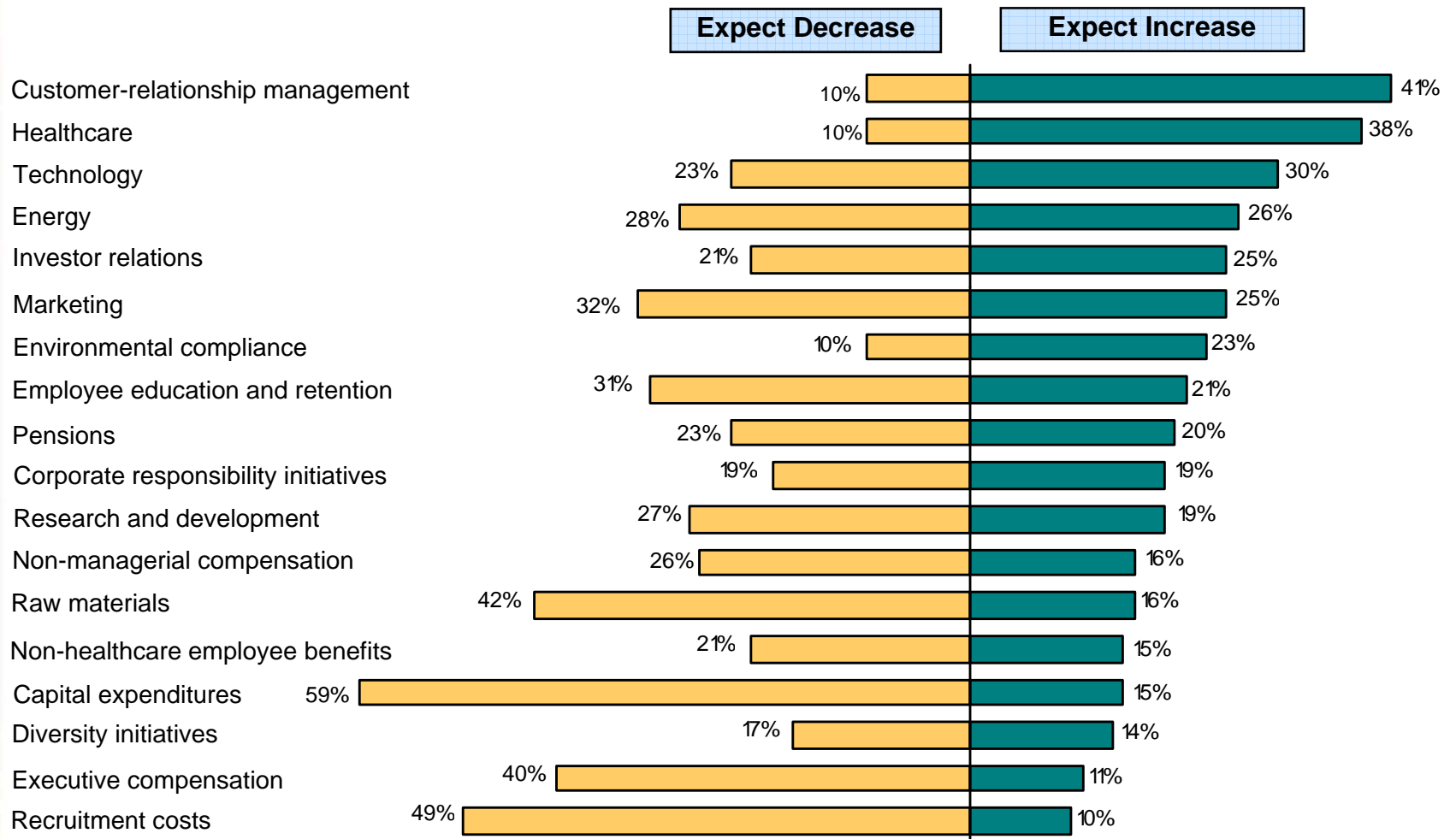
Q6a: Which one of the following statements do you believe best characterizes the M&A market through 2010?



Outlays and Expectations

CEOs expect net increases in only five areas through 2010: customer-relationship management, healthcare, technology, investor relations and environmental compliance.

Expected Budget Through 2010



NOTE: Net increase refers to areas where a larger percentage expects an increase rather than a decrease.

Q7: For each of the following areas, please indicate whether you expect the budget for this category to increase, stay about the same, or decrease through calendar year 2010.

With the exceptions of capital expenditures and recruitment costs, most budget changes are not expected to be significant.

Expected Budget Through 2010

| | Decrease | | Stay the Same | Increase | |
|--------------------------------------|---------------|----------|---------------|----------|---------------|
| | Significantly | Somewhat | | Somewhat | Significantly |
| Customer-relationship management | 2% | 8% | 49% | 36% | 5% |
| Healthcare | 1% | 9% | 51% | 31% | 7% |
| Technology | 2% | 23% | 47% | 27% | 3% |
| Energy | 6% | 22% | 46% | 23% | 3% |
| Investor relations | 3% | 18% | 54% | 20% | 5% |
| Marketing | 5% | 27% | 43% | 24% | 1% |
| Environmental compliance | <1% | 10% | 67% | 22% | 1% |
| Employee education and retention | 3% | 28% | 48% | 20% | 1% |
| Pensions | 7% | 16% | 57% | 15% | 5% |
| Corporate responsibility initiatives | 3% | 16% | 62% | 16% | 3% |
| Research and development | 5% | 22% | 54% | 17% | 2% |
| Non-managerial compensation | 4% | 22% | 58% | 16% | <1% |
| Raw materials | 7% | 35% | 43% | 14% | 2% |
| Non-healthcare employee benefits | 2% | 19% | 64% | 14% | 1% |
| Capital expenditures | 20% | 39% | 26% | 13% | 2% |
| Diversity initiatives | 6% | 11% | 69% | 13% | 1% |
| Executive compensation | 9% | 31% | 49% | 10% | 1% |
| Recruitment costs | 14% | 35% | 41% | 9% | 1% |

Q7: For each of the following areas, please indicate whether you expect the budget for this category to increase, stay about the same, or decrease through calendar year 2010.

There are numerous differences in expected budget changes by subgroups, particularly related to industry.

Expected Budget Through 2010 – Expect Increase
By U.S./Non-U.S., Market Cap and Industry

| | Home | | Market Cap | | | Industry | | | | |
|------------------------------|------|----------|------------|----------------|----------|-------------------------------------|----------------------|----------------------------------|------------------------------|--------------------|
| | U.S. | Non-U.S. | <\$250M | \$250M-\$1500M | \$1500M+ | Con. Products/ Retail/ Health | Enrgy./ Utilities | Bank/ Real Est./ Insur. | Manuf./ Const./ Mining | Bus./ Info Svc. |
| Healthcare | 52% | 8% | 38% | 34% | 43% | 45% | 39% | 31% | 37% | 42% |
| Technology | 26% | 38% | 25% | 32% | 33% | 36% | 18% | 31% | 25% | 39% |
| Marketing | 24% | 27% | 27% | 25% | 22% | 45% | 12% | 21% | 21% | 33% |
| Environmental compliance | 21% | 26% | 17% | 20% | 32% | 27% | 33% | 6% | 28% | 21% |
| Employee education and ret. | 21% | 20% | 24% | 22% | 17% | 32% | 9% | 15% | 21% | 28% |
| Pensions | 24% | 14% | 14% | 13% | 36% | 23% | 33% | 6% | 25% | 18% |
| Research and development | 16% | 26% | 23% | 14% | 21% | 18% | 9% | 10% | 23% | 28% |
| Non-managerial compensation | 21% | 4% | 19% | 11% | 17% | 23% | 9% | 13% | 17% | 18% |
| Raw materials | 15% | 18% | 21% | 13% | 13% | 32% | 6% | 2% | 29% | 9% |
| Non-healthcare employee bnf. | 17% | 9% | 14% | 18% | 13% | 27% | 24% | 10% | 8% | 18% |
| Capital expenditures | 12% | 22% | 20% | 14% | 11% | 9% | 21% | 6% | 16% | 21% |
| Diversity initiatives | 18% | 12% | 10% | 10% | 22% | 18% | 9% | 13% | 12% | 18% |

NOTE: Only areas which showed significant differences by group are shown

Q7: For each of the following areas, please indicate whether you expect the budget for this category to increase, stay about the same, or decrease through calendar year 2010.

There is only one area (pensions) where the expected increase in spending is larger than last year.

- Results for customer-relationship management indicate that CEOs know that in tough times especially, keeping customers satisfied is vital.

Expected Budget Through 2010

2006-2009 Comparison

| | 2006 | | 2007 | | 2008 | | 2009 | |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Decrease | Increase | Decrease | Increase | Decrease | Increase | Decrease | Increase |
| Customer-relationship management | 1% | 41% | 1% | 53% | 5% | 50% | 10% ↑ | 41% |
| Healthcare | 1% | 70% | 2% | 66% ↑ | 4% | 49% | 10% ↑ | 38% ↓ |
| Technology | 1% | 61% | 1% | 63% | 6% | 58% ↓ | 23% ↑ | 30% ↓ |
| Energy | 1% | 64% | 4% | 54% | 3% | 62% | 28% ↑ | 26% ↓ |
| Investor relations | NA | NA | NA | NA | NA | NA | 21% | 25% |
| Marketing | 3% | 39% | 5% | 41% | 6% | 42% | 32% ↑ | 25% ↓ |
| Environmental compliance | 2% | 27% | 1% | 35% | 4% | 40% | 10% ↑ | 23% ↓ |
| Employee education and retention | 1% | 51% | 1% | 48% | 6% | 50% | 31% ↑ | 21% ↓ |
| Pensions | 10% | 16% | 10% | 19% | 16% | 10% ↓ | 23% | 20% ↑ |
| Corporate responsibility initiatives | 1% | 32% | 2% | 35% | 5% | 40% | 19% ↑ | 19% ↓ |
| Research and development | 3% | 37% | 1% | 43% | 4% | 44% | 27% ↑ | 19% ↓ |
| Non-managerial compensation | 2% | 49% | 1% | 64% ↑ | 4% | 43% ↓ | 26% ↑ | 16% ↓ |
| Raw materials | 4% | 51% | 3% | 51% | 5% | 55% | 42% ↑ | 16% ↓ |
| Non-healthcare employee benefits | 2% | 28% | 1% | 33% | 5% | 22% ↓ | 21% ↑ | 15% |
| Capital expenditures | 13% | 56% | 11% | 54% | 16% | 49% | 59% ↑ | 15% ↓ |
| Diversity initiatives | 1% | 31% | 2% | 31% | 4% | 24% | 17% ↑ | 14% ↓ |
| Executive compensation | 5% | 42% | 3% | 59% ↑ | 6% | 50% | 40% ↑ | 11% ↓ |
| Recruitment costs | NA | NA | 4% | 36% | 10% ↑ | 30% | 49% ↑ | 10% ↓ |

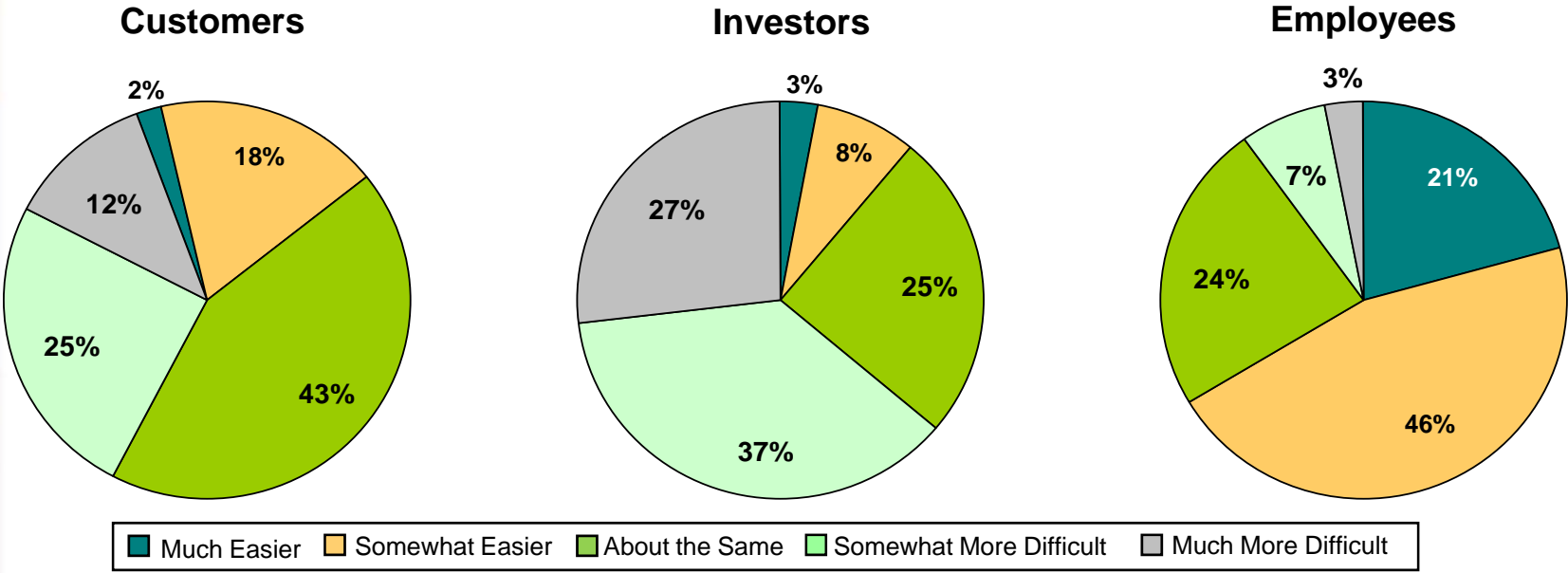
Q7: For each of the following areas, please indicate whether you expect the budget for this category to increase, stay about the same, or decrease through calendar year 2010.

↑ ↓ Result significantly higher or lower compared with previous year

Compared with three years ago, CEOs think it is more difficult to attract customers and investors and easier to attract employees.

- One in four CEOs think it is much more difficult to attract investors.

Ease or Difficulty in Attracting Customers, Investors and Employees Compared With Three Years Ago

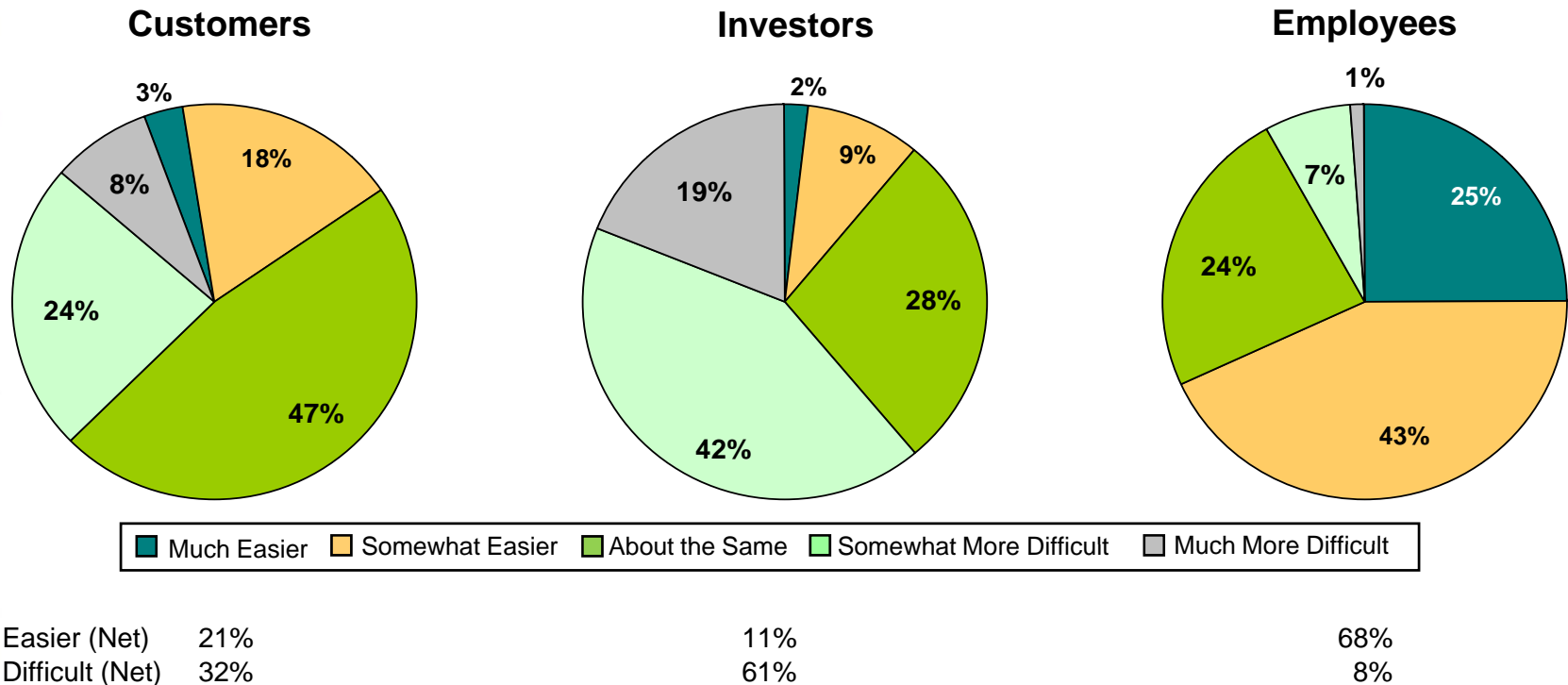


| | | | |
|-----------------|-----|-----|-----|
| Easier (Net) | 20% | 11% | 67% |
| Difficult (Net) | 37% | 64% | 10% |

Q8: Compared with three years ago, how much easier or more difficult is it for your company to attract customers, investors and employees? Is it much easier, somewhat easier, about the same, somewhat more difficult or much more difficult?

By a wide margin, CEOs think it is more difficult than it was three years ago to retain investors and easier to retain employees. Slightly more think it is more difficult to retain customers.

Ease or Difficulty in Retaining Customers, Investors and Employees Compared With Three Years Ago



Q9: Compared with three years ago, how much easier or more difficult is it for your company to retain customers, investors and employees? Is it much easier, somewhat easier about the same, somewhat more difficult or much more difficult?

Compared with last year, about twice as many CEOs think it is more difficult to attract and retain investors.

- Interestingly, the results for attracting and retaining customers are not very different than they were in 2005, when the economy was much healthier.

Ease or Difficulty Attracting or Retaining Customers, Investors and Employees 2005-2009 Comparison

| | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | |
|-------------------|--------|----------------|--------|----------------|--------|----------------|--------|----------------|--------|----------------|
| | Easier | More Difficult | Easier | More Difficult | Easier | More Difficult | Easier | More Difficult | Easier | More Difficult |
| Attracting | | | | | | | | | | |
| Customers | 26% | 33% | 40%↑ | 22%↓ | 39% | 21% | 36% | 25% | 20%↓ | 37%↑ |
| Investors | 37% | 25% | 56%↑ | 17% | 54% | 19% | 40%↓ | 30%↑ | 11%↓ | 64%↑ |
| Employees | 49% | 24% | 44% | 24% | 42% | 27% | 35% | 24% | 67%↑ | 10%↓ |
| Retaining | | | | | | | | | | |
| Customers | 22% | 34% | 31% | 23%↓ | 29% | 24% | 36% | 25% | 21%↓ | 32% |
| Investors | 32% | 25% | 40% | 19% | 37% | 22% | 26%↓ | 35% | 11%↓ | 61%↑ |
| Employees | 36% | 22% | 32% | 31% | 31% | 34% | 33% | 26% | 68%↑ | 8%↓ |

Q8: Compared with three years ago, how much easier or more difficult is it for your company to attract customers, investors and employees? Is it much easier, somewhat easier, about the same, somewhat more difficult or much more difficult?

Q9: Compared with three years ago, how much easier or more difficult is it for your company to retain customers, investors and employees? Is it much easier, somewhat easier, about the same, somewhat more difficult or much more difficult?

↑↓ Result significantly higher or lower compared with previous year

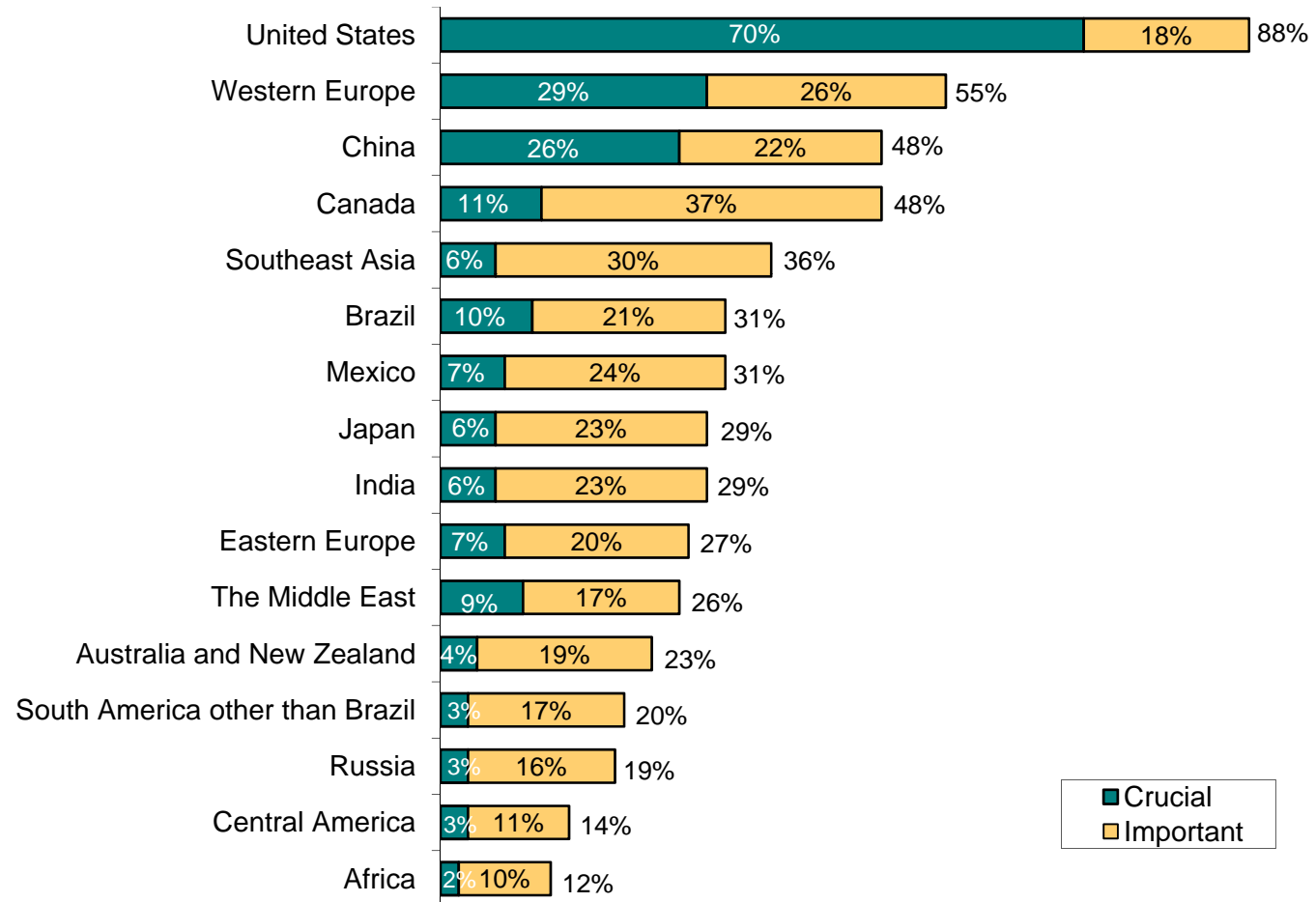


Global Operations

As in previous years, the United States is strategically the most crucial area for business through 2010, with Western Europe placing second and China third.

- The results are skewed by the dominance of U.S.-based companies among those who responded.

Strategic Importance of Regions to Business



Q10a: How important strategically are each of the following regions to your business through calendar year 2009? Are they crucial, important, not too important or not at all important?

The United States is regarded as strategically crucial for eight in ten CEOs of companies based in the US, as well as 39% of CEOs of companies based elsewhere. Western Europe, Japan and South America are greater focuses for non-U.S.-based companies.

Strategic Importance of Regions to Business
By U.S./Non-U.S.

| | Crucial | | Crucial/Important | |
|---------------------------------|---------|----------|-------------------|----------|
| | U.S. | Non-U.S. | U.S. | Non-U.S. |
| United States | 84% | 39% | 96% | 72% |
| Western Europe | 26% | 36% | 47% | 73% |
| China | 24% | 28% | 43% | 57% |
| Canada | 11% | 11% | 55% | 35% |
| Southeast Asia | 5% | 9% | 33% | 45% |
| Brazil | 9% | 12% | 29% | 36% |
| Mexico | 6% | 8% | 33% | 26% |
| Japan | 6% | 5% | 24% | 41% |
| India | 7% | 5% | 26% | 38% |
| Eastern Europe | 7% | 7% | 24% | 34% |
| The Middle East | 9% | 8% | 26% | 27% |
| Australia and New Zealand | 5% | 1% | 22% | 24% |
| South America other than Brazil | 2% | 5% | 14% | 32% |
| Russia | 4% | 3% | 17% | 26% |
| Central America | 2% | 3% | 12% | 15% |
| Africa | 1% | 4% | 10% | 18% |

Q10a: How important strategically are each of the following regions to your business through calendar year 2009? Are they crucial, important, not too important or not at all important?

The US is strategically the most crucial region for two in three CEOs, with Western Europe and China distant seconds. This is one of the few questions with no significant changes compared with last year.

Strategically Most Crucial Region

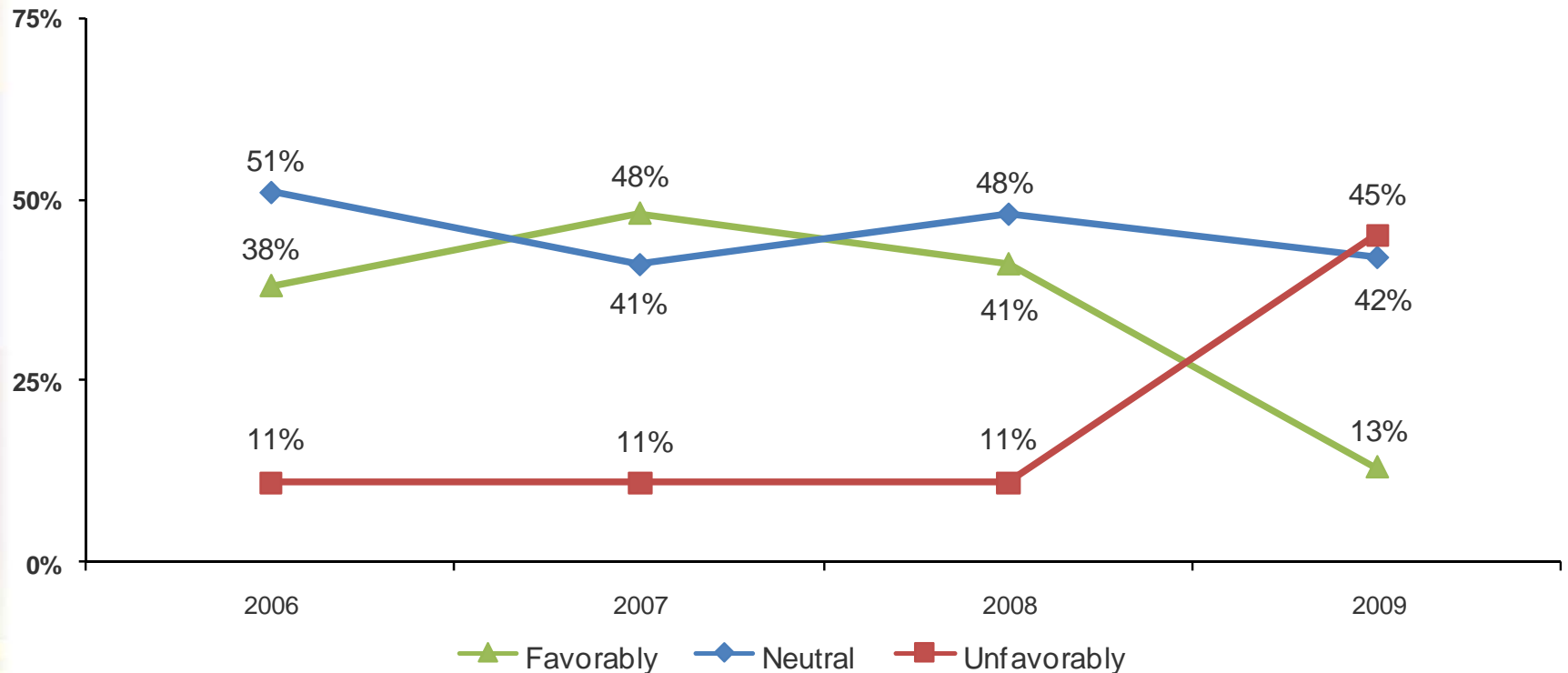
| | Total | | | U.S.-Based | | | Non-U.S.-Based | | |
|---------------------------------|-------|-----------------|------|------------|------|------|----------------|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| United States | 66% | 66% | 68% | 79% | 82% | 83% | 18% | 21% | 29% |
| China | 9% | 9% | 10% | 7% | 8% | 5% | 15% | 13% | 21% |
| Western Europe | 3% | 9% [↑] | 10% | 1% | 5% | 3% | 8% | 19% | 25% |
| Mexico | 4% | 4% | 3% | 1% | 1% | 1% | 18% | 13% | 7% |
| Brazil | 4% | 4% | 3% | 1% | 0% | 1% | 13% | 17% | 7% |
| Africa | 1% | 0% | 2% | 1% | 0% | 1% | 3% | 0% | 4% |
| Eastern Europe | 0% | 0% | 1% | 0% | 0% | 1% | 0% | 0% | 0% |
| Southeast Asia | 4% | 2% | 1% | 5% | 1% | 1% | 3% | 4% | 0% |
| The Middle East | 1% | 2% | 1% | 1% | 1% | 1% | 0% | 2% | 0% |
| Canada | 1% | 1% | 1% | 0% | 0% | 0% | 5% | 2% | 4% |
| India | 1% | 1% | 1% | 0% | 1% | 0% | 5% | 2% | 2% |
| South America other than Brazil | 1% | 1% | 1% | 0% | 0% | 1% | 5% | 2% | 2% |
| Central America | 1% | 0% | 1% | 0% | 0% | 1% | 3% | 0% | 0% |
| Australia and New Zealand | 1% | 0% | 1% | 0% | 0% | 1% | 3% | 0% | 0% |

Q10b: And, which of these regions would you say is the strategically MOST crucial to your business through calendar year 2010?

↑↓ Result significantly higher or lower compared with previous year

Presumably due to the significant drop in international trade volume, far more CEOs than in previous years say their companies are unfavorably impacted by the global trade environment.

Impact of Global Trade Environment



Q11a: Which of the following best describes how the current global trade environment affects your business?

As in previous years, companies based outside the U.S. are more influenced by the trade environment, which is currently affecting them very unfavorably.

Impact of Global Trade Environment

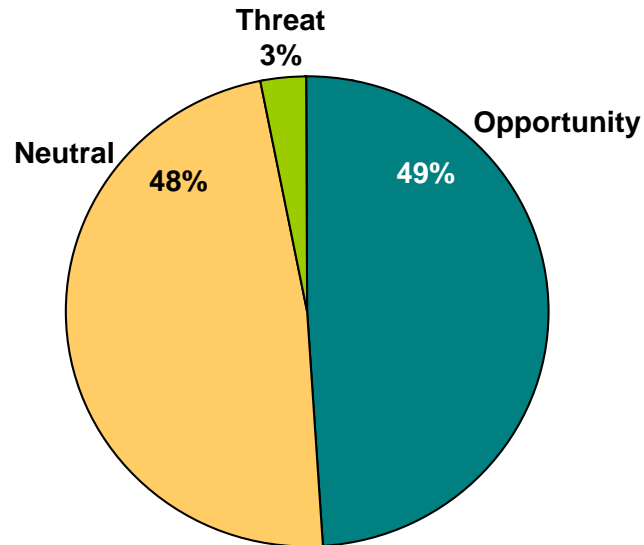
| | Favorably | Neutral | Unfavorably |
|-----------------------------------|-----------|---------|-------------|
| Home Country | | | |
| U.S. | 14% | 51% | 35% |
| Non-U.S. | 11% | 23% | 66% |
| Industry | | | |
| Consumer products/retail/health | 14% | 68% | 18% |
| Energy/utilities | 12% | 46% | 42% |
| Banking/real estate/insurance | 10% | 50% | 40% |
| Manufacturing/construction/mining | 12% | 27% | 61% |
| Business/information services | 18% | 43% | 39% |

Q11a: Which of the following best describes how the current global trade environment affects your business?

Half of CEOs think the impact of emerging markets are an opportunity for their business, while about an equal number think the impact is neutral.

- Large companies, as well as those in manufacturing/construction and business/information services are more likely than average to think emerging markets are an opportunity.
- Last year this question was asked in relation to the BRIC countries, and the percentage thinking they were an opportunity was 63%, with 34% neutral and 3% a threat.

Emerging Markets



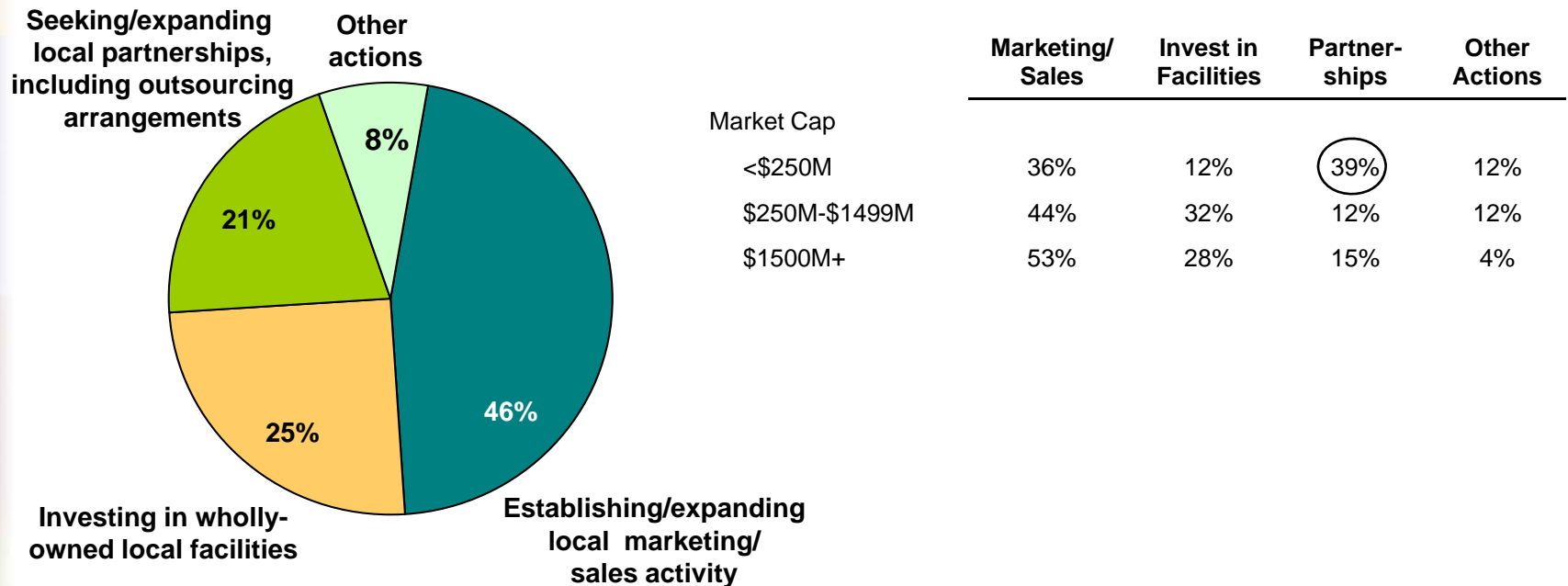
| | Opportunity | Neutral | Threat |
|-----------------------------------|-------------|---------|--------|
| Market Cap | | | |
| <\$250M | 39% | 56% | 5% |
| \$250M-\$1499M | 45% | 53% | 3% |
| \$1500M+ | 65% | 35% | 0% |
| Industry | | | |
| Consumer products/retail/health | 36% | 59% | 5% |
| Energy/utilities | 34% | 66% | 0% |
| Banking/real estate/insurance | 27% | 73% | 0% |
| Manufacturing/construction/mining | 63% | 33% | 4% |
| Business/information services | 63% | 33% | 4% |

Q12a: Which statement best describes the impact of emerging markets on your business?

Seeking or expanding local marketing and sales activity is the most common action CEOs plan to take to maximize their company's opportunity in emerging markets.

- Smaller companies are more likely to be seeking partnerships, while larger ones are more likely to be planning to invest in local facilities.

How Plan to Maximize Opportunity of Emerging Markets



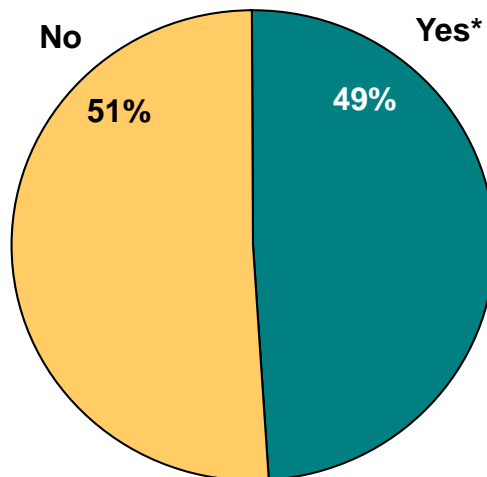
Q12b: Since emerging countries represent an opportunity, which SINGLE action best describes how you plan to maximize the opportunity through calendar year 2010?

About half of CEOs say their companies have moved operations offshore or did in the past. Slightly more think outsourcing offers less economic value than five years ago.

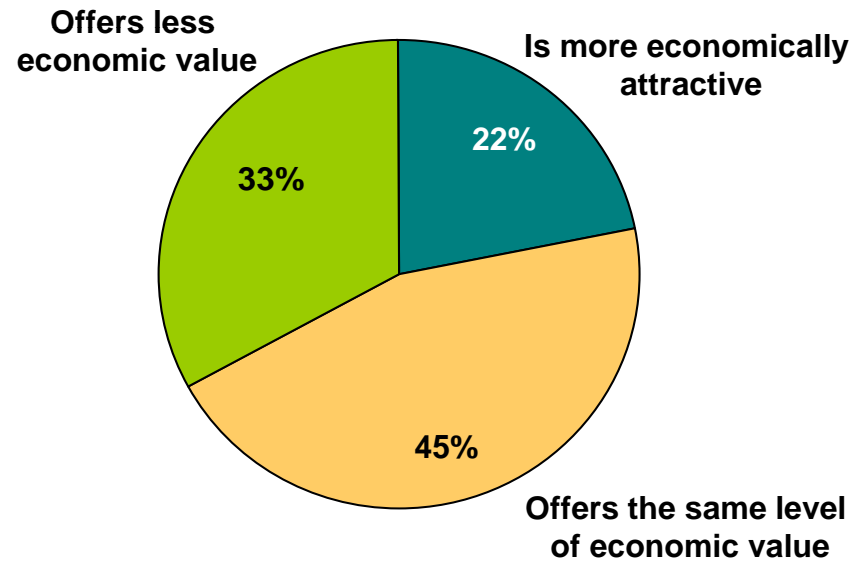
- The percentage outsourcing has changed very little over the past two years.

Outsourcing

Have/Had Offshore Operations



Economic Value of Outsourcing Compared with Five Years Ago



*In 2006 41% said they had moved operations offshore, while 47% said they had in 2007
Q11b: Does your company have, or did you previously move any, operations offshore?
Q11c: In general, do you believe outsourcing:

CEOs of non-U.S.-based companies find outsourcing more attractive than CEOs of U.S.-based businesses.

- Larger companies, as well as those involved in manufacturing/construction and business/information services are most likely to have used outsourcing.
- The results for economic value are little different among those who have outsourced.

Outsourcing By U.S./Non-U.S., Market Cap and Industry

| | Home | | Market Cap | | | Industry | | | | | Out-sourced |
|-----------------------------|------|----------|------------|----------------|----------|-------------------------------------|----------------------|-------------------------------|------------------------------|--------------------|-------------|
| | U.S. | Non-U.S. | <\$250M | \$250M-\$1500M | \$1500M+ | Con. Products/ Retail/ Health | Enrgy./ Utilities | Bank/ Real Est./ Insur. | Manuf./ Const./ Mining | Bus./ Info Svc. | |
| Outsource/outsourced | | | | | | | | | | | |
| Yes | 48% | 49% | 35% | 48% | 65% | 41% | 24% | 33% | 65% | 56% | 100% |
| No | 52% | 51% | 65% | 52% | 35% | 59% | 76% | 67% | 35% | 44% | 0% |
| Economic value | | | | | | | | | | | |
| More attractive | 15% | 35% | 20% | 22% | 22% | 23% | 6% | 15% | 24% | 32% | 22% |
| As attractive | 48% | 39% | 42% | 47% | 47% | 36% | 69% | 42% | 44% | 40% | 50% |
| Less attractive | 37% | 26% | 38% | 31% | 31% | 41% | 25% | 44% | 32% | 28% | 29% |

Q11b: Does your company have, or did you previously move any, operations offshore?

Q11c: In general, do you believe outsourcing:

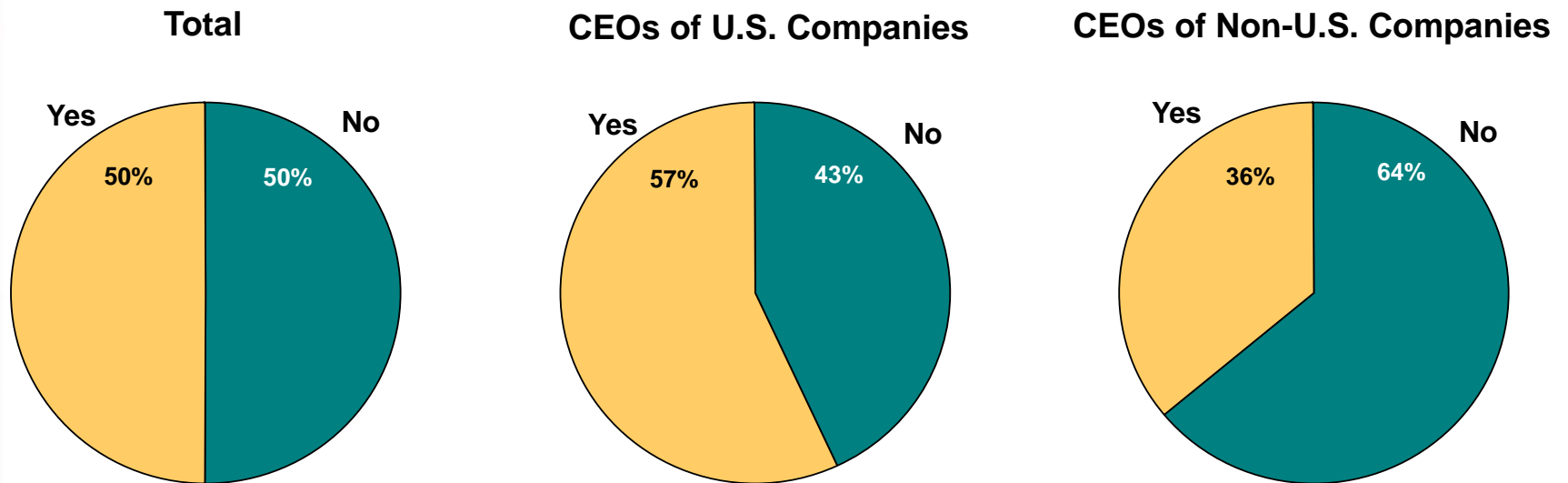


Corporate Governance

Half of CEOs say there have been changes to their company's executive compensation plans in the past year.

- A majority of U.S.-based companies have had changes, while only about one in three non-U.S.-based companies have.

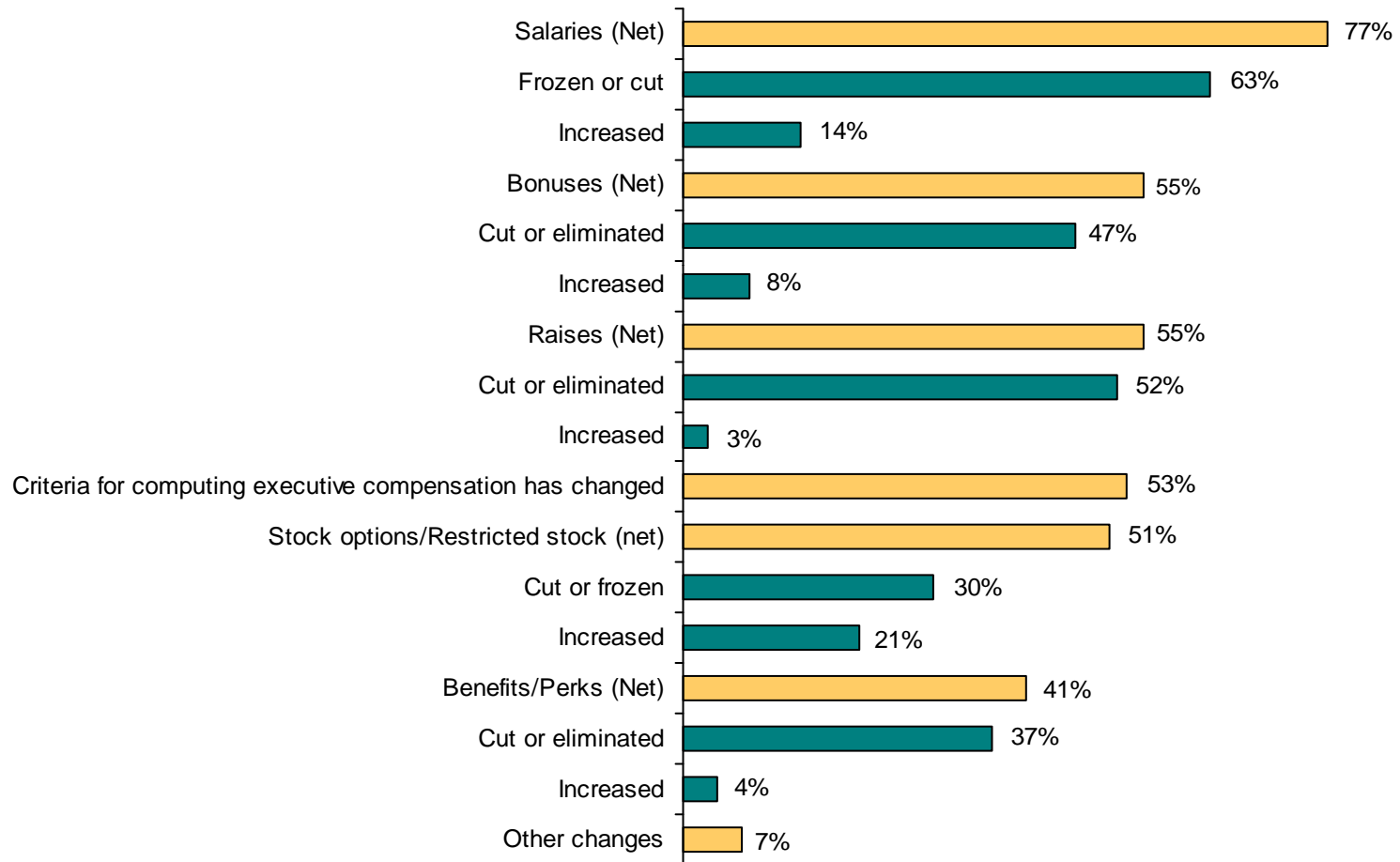
Changes to Company's Executive Compensation Plans in Past 12 Months



Q13a: Have there been changes to your company's executive compensation plans in the past 12 months?

In all compensation categories there have been far more cuts than increases, although the margin is more narrow in terms of stock benefits.

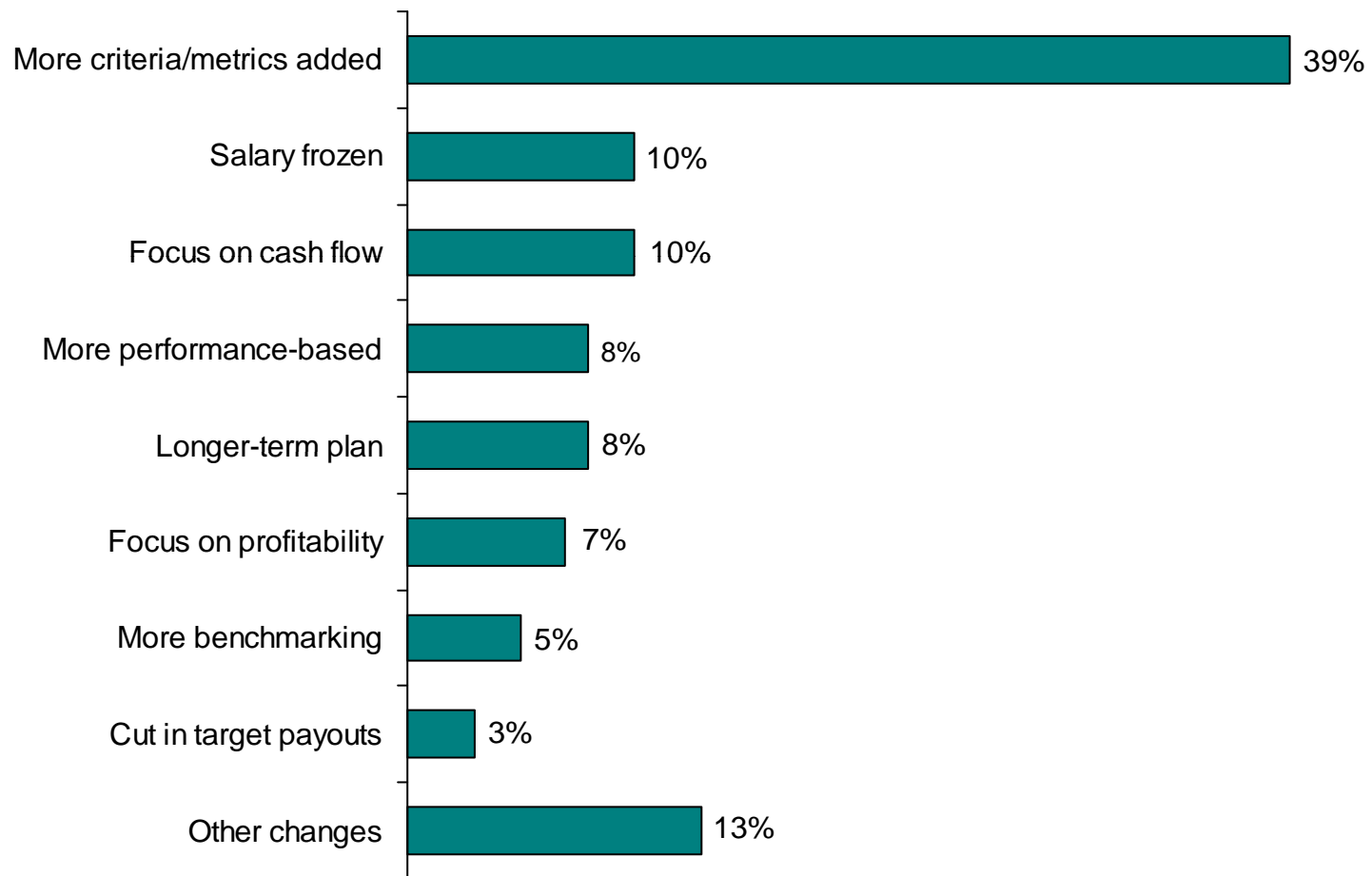
Changes in Executive Compensation Process



Q13b: What changes has your company made in the executive compensation process?

The most common change in criteria for computing executive compensation changes has been the addition of more factors in determining compensation.

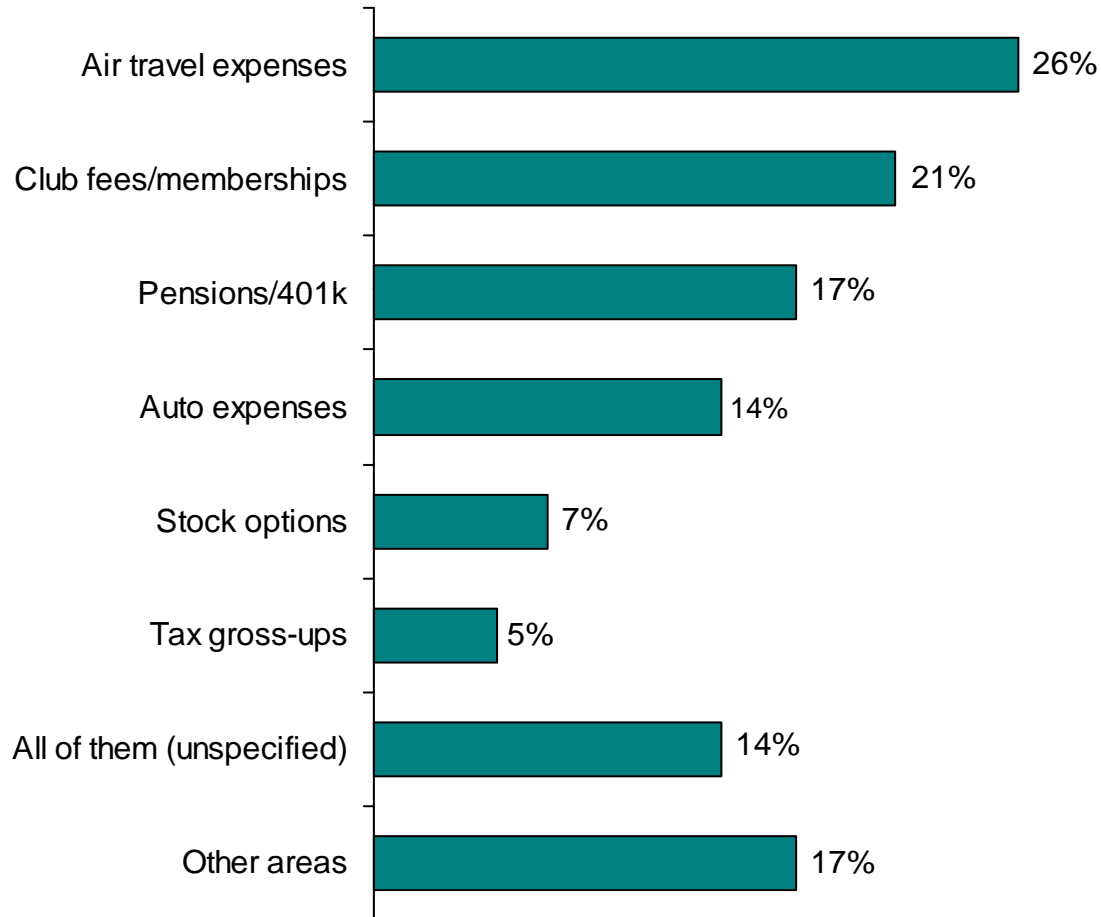
Changes in Criteria for Computing Executive Compensation



Q14a: How have the criteria for computing executive compensation at your company changed?

CEOs gave a variety of answers when asked what executive benefits or perks have been cut or eliminated.

Changes in Criteria for Computing Executive Compensation



NOTE: Only three answered the question about which executive benefits or perks have been increased, which is why the results are not presented
Q14c: What executive benefits or perks have been cut or eliminated?

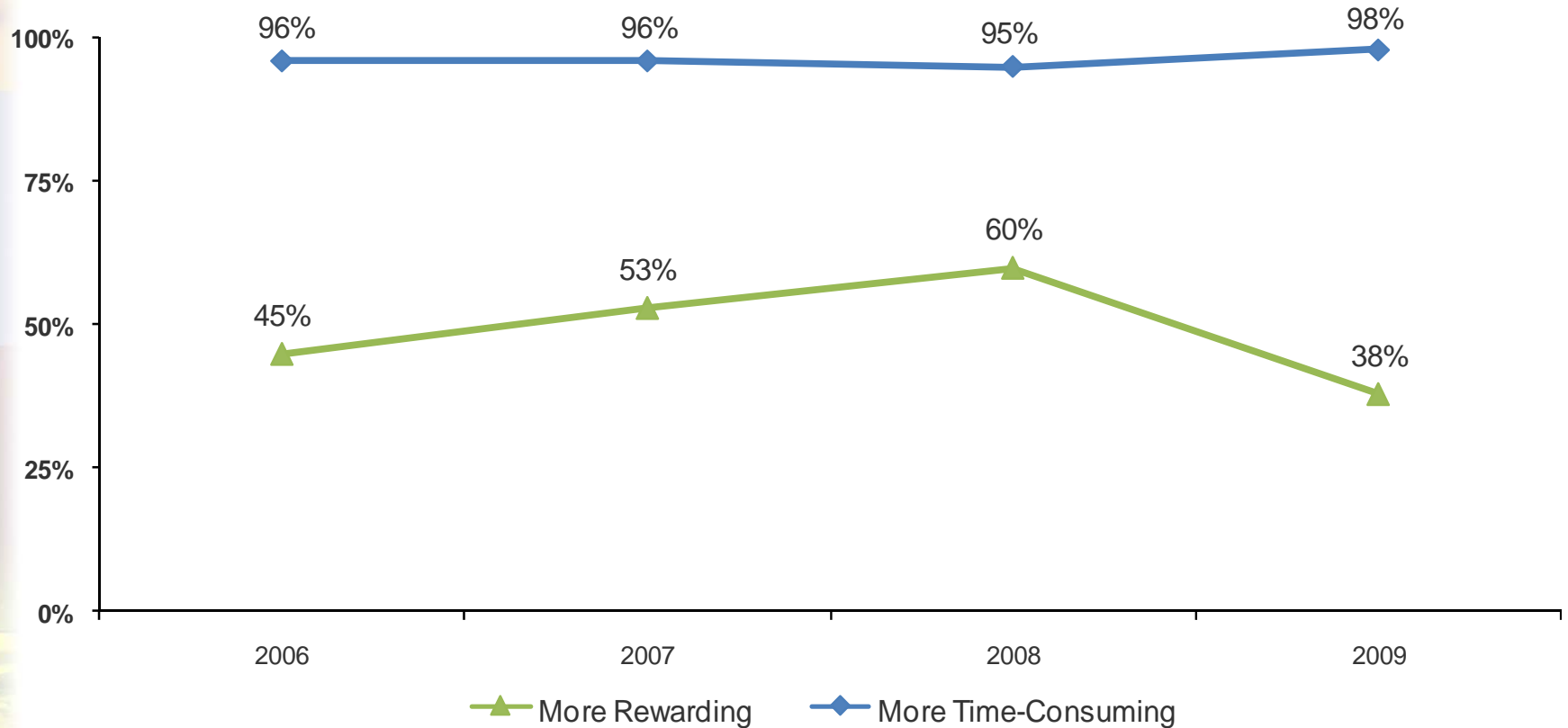


The CEO Role

After increasing for two years, the percentage of CEOs who think the CEO role is more rewarding plummeted this year. Virtually all still think the job is more time-consuming.

- At companies where executive benefits or perks have been cut or eliminated, only 19% of CEOs say the role is more rewarding.

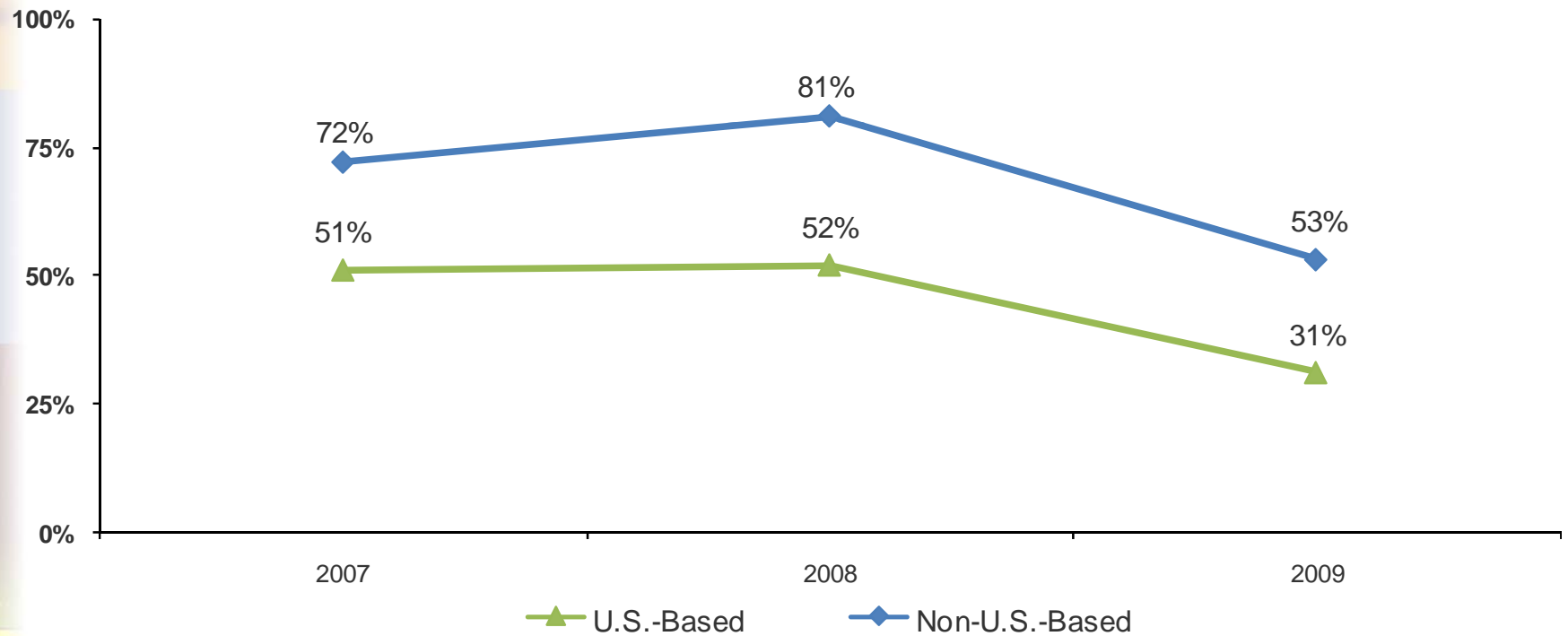
Compared With Three Years Ago, CEO Role Today Is...



Q15: How does the CEO role today compare with the role three years ago? Is it...?

CEOs of non-U.S.-based companies have consistently been more likely to view the CEO role as more rewarding, although the percentage declined almost 30 points this year.

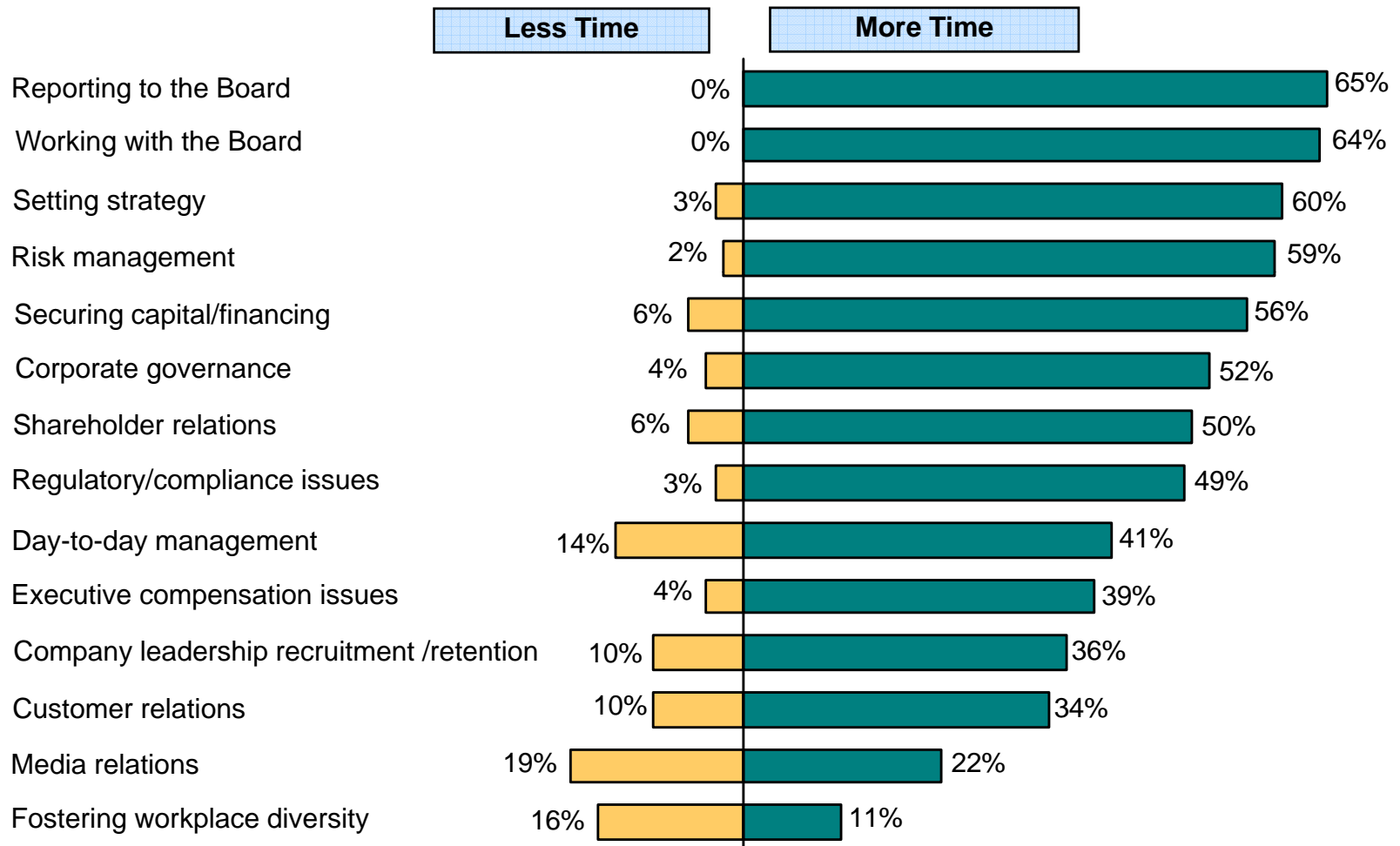
Compared With Three Years Ago, CEO Role Today Is More Rewarding
By U.S./Non-U.S.



Q15: How does the CEO role today compare with the role three years ago? Is it...?

Compared with three years ago, the largest percentage of CEOs say they are spending more time reporting to and working with their Boards.

CEO Time Allocation Compared with Three Years Ago



Q16: Considering your various roles as a CEO, how has your time allocation for each of the following tasks changed over the past three years? Are you spending more time about the same amount of time, or less time on each task?

CEOs of U.S.-based companies say they are spending more time than their non-U.S. counterparts on regulatory and compliance issues, as well as executive compensation.

- There are also differences by company size.

CEO Time Allocation Compared with Three Years Ago – Spending More Time *By U.S./Non-U.S. and Market Cap*

| | Home | | Market Cap | | |
|--|------|----------|------------|----------------|----------|
| | U.S. | Non-U.S. | <\$250M | \$250M-\$1500M | \$1500M+ |
| Reporting to the Board | 63% | 68% | 67% | 73% | 52% |
| Working with the Board | 65% | 63% | 64% | 68% | 61% |
| Setting strategy | 59% | 61% | 58% | 65% | 56% |
| Risk management | 61% | 54% | 53% | 65% | 59% |
| Security capital/financing | 55% | 60% | 66% | 60% | 41% |
| Corporate governance | 55% | 47% | 58% | 53% | 45% |
| Shareholder relations | 47% | 57% | 53% | 52% | 45% |
| Regulatory/compliance issues | 53% | 39% | 52% | 51% | 44% |
| Day-to-day management | 40% | 42% | 46% | 38% | 38% |
| Executive compensation issues | 47% | 19% | 35% | 45% | 35% |
| Company leadership recruitment/retention | 38% | 33% | 31% | 38% | 41% |
| Customer relations | 34% | 35% | 31% | 36% | 35% |
| Media relations | 16% | 36% | 24% | 21% | 21% |
| Fostering workplace diversity | 11% | 11% | 7% | 4% | 24% |

Q16: Considering your various roles as a CEO, how has your time allocation for each of the following tasks changed over the past three years? Are you spending more time about the same amount of time, or less time on each task?

CEOs who report their job is less rewarding report spending more time than three years ago on regulatory and compliance issues and executive compensation.

- CEOs who think the job is more rewarding spend more time setting strategy than those who think the job is less rewarding.

CEO Time Allocation Compared with Three Years Ago – Spending More Time *By Whether CEO Role is More or Less Rewarding*

| | More Rewarding | Less Rewarding |
|--|----------------|----------------|
| Reporting to the Board | 62% | 66% |
| Working with the Board | 63% | 64% |
| Setting strategy | 68% | 55% |
| Risk management | 55% | 61% |
| Security capital/financing | 54% | 57% |
| Corporate governance | 49% | 54% |
| Shareholder relations | 56% | 46% |
| Regulatory/compliance issues | 40% | 54% |
| Day-to-day management | 37% | 43% |
| Executive compensation issues | 28% | 45% |
| Company leadership recruitment/retention | 39% | 34% |
| Customer relations | 34% | 34% |
| Media relations | 25% | 20% |
| Fostering workplace diversity | 11% | 10% |

Q16: Considering your various roles as a CEO, how has your time allocation for each of the following tasks changed over the past three years? Are you spending more time about the same amount of time, or less time on each task?

Despite the current economic turmoil, the only major changes in CEO time allocation since last year are an increase in the percentage spending more time on day-to-day management and a decrease in the percentage spending more time on shareholder relations.

CEO Time Allocation Compared with Three Years Ago
2005-2009

| | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | |
|-------------------------------------|------|------|------|------|------|------|------|------|------|------|
| | Less | More | Less | More | Less | More | Less | More | Less | More |
| Reporting to the Board | 1% | 68% | 1% | 72% | 1% | 69% | 1% | 61% | 0% | 65% |
| Working with the Board | NA | NA | NA | NA | NA | NA | NA | NA | 0% | 64% |
| Setting strategy | 3% | 62% | 9% | 47% | 4% | 63%↑ | 1% | 62% | 3% | 60% |
| Risk management | NA | NA | NA | NA | 3% | 51% | 3% | 51% | 2% | 59% |
| Securing capital/financing | NA | NA | NA | NA | NA | NA | NA | NA | 6% | 56% |
| Corporate governance | NA | NA | NA | NA | NA | NA | NA | NA | 4% | 52% |
| Shareholder relations | 4% | 44% | 4% | 58%↑ | 4% | 58% | 2% | 63% | 6% | 50%↓ |
| Regulatory/compliance issues | 1% | 80% | 2% | 89%↑ | 2% | 78%↓ | 8% | 56%↓ | 3%↓ | 49% |
| Day-to-day management | 29% | 24% | 27% | 28% | 29% | 22% | 26% | 22% | 14%↓ | 41%↑ |
| Executive compensation issues | NA | NA | NA | NA | 4% | 49% | 8% | 38%↓ | 4% | 39% |
| Company leadership recruitment/ret. | NA | NA | NA | NA | 7% | 44% | 5% | 42% | 10% | 36% |
| Customer relations | 21% | 25% | 27% | 22% | 15%↓ | 32%↑ | 10% | 35% | 10% | 34% |
| Media relations | 22% | 20% | 11%↓ | 31%↑ | 17% | 25% | 11% | 30% | 19%↑ | 22% |
| Fostering workplace diversity | 12% | 27% | 13% | 26% | 8% | 20% | 8% | 17% | 16%↑ | 11% |

NOTE: 2005 question asked in terms of change in the past five years

Q16: Considering your various roles as a CEO, how has your time allocation for each of the following tasks changed over the past three years? Are you spending more time about the same amount of time, or less time on each task?

↑↓ Result significantly higher or lower compared with previous year



Corporate Responsibility

CEOs think the most important corporate responsibility task is ensuring all labor practices are ethical across their organization, followed by formalizing policies related to corporate responsibility.

Corporate Responsibility Actions Important to Actively Pursue



Q17: Please indicate which of the following areas you feel is **most important**, **second most important**, and **third most important** for corporations to actively pursue.

The economy has affected which CSR actions CEOs think are most important, with 'green' practices and increased charitable giving falling down the list, while formalizing positions and policies has increased in importance.

- It is curious that with all the attention given to 'green' issues, initiating and sustaining 'green' practices has fallen down the list.

Corporate Responsibility Actions Important to Actively Pursue – First and Second Choices
2008-2009

| | 2008 | 2009 |
|---|------|-------|
| Ensuring all labor activities are ethical across your organization | 63% | 57% |
| Formalizing positions and policies related to corporate responsibility | 36% | 51% ↑ |
| Initiating or participating in industry-level regulatory efforts to enforce ethical business behaviors and practices | 31% | 39% |
| Creating and sustaining programs or public-private partnerships designed to have a positive impact in communities where your company operates | 26% | 33% |
| Initiating and sustaining 'green' practices | 29% | 17% ↓ |
| Increasing charitable giving | 14% | 3% ↓ |

Q17: Please indicate which of the following areas you feel is **most important**, **second most important**, and **third most important** for corporations to actively pursue.

↑↓ Result significantly higher or lower compared with previous year

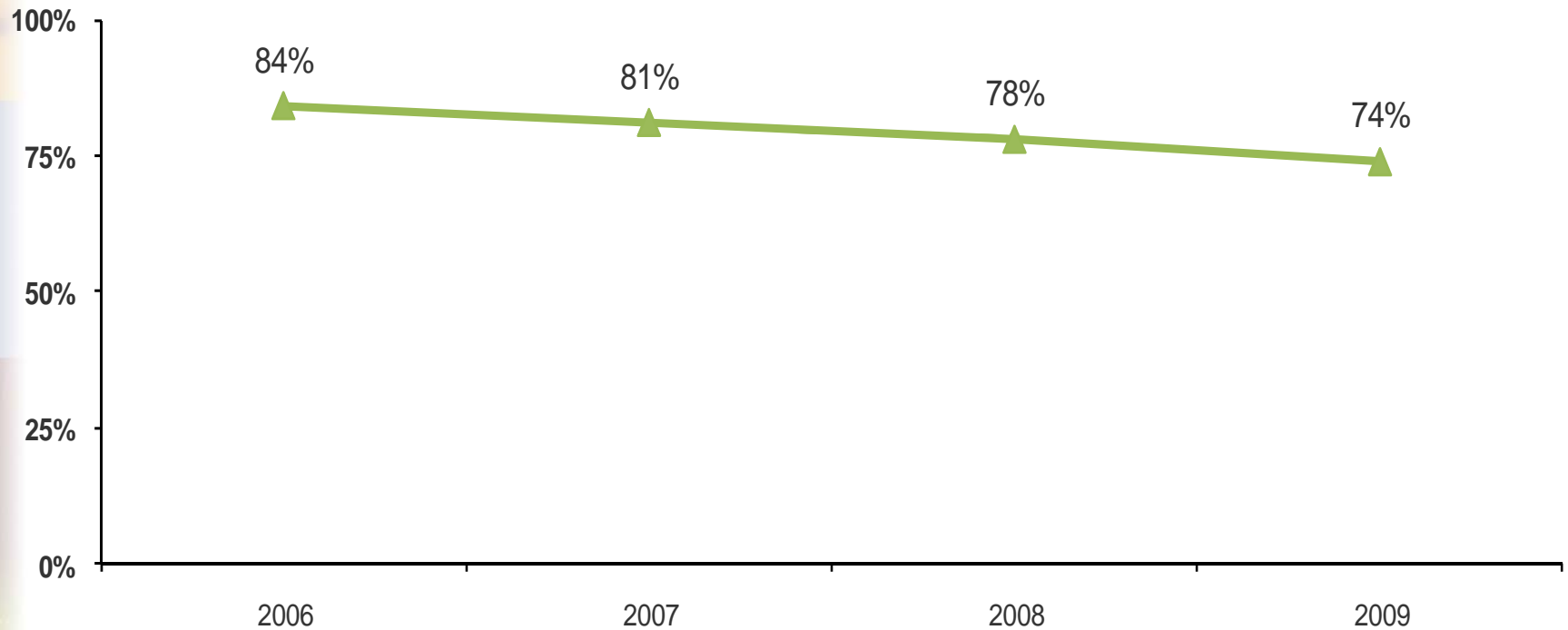


Reputation Management

There has been a gradual erosion in the percentage of CEOs who think they take as much action as they should to protect the reputation of their companies.

- There is little difference in the results by subgroups.

Do CEOs Take Enough Action to Protect Their Company's Reputation?

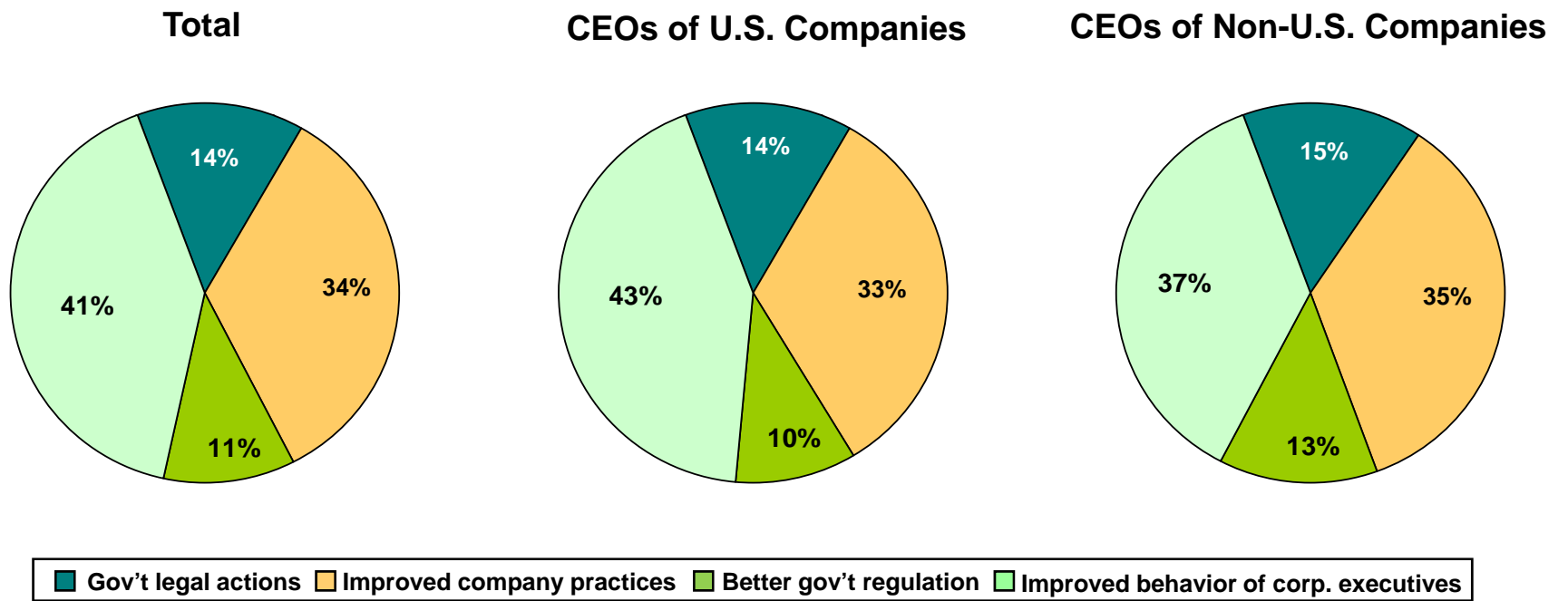


Q18: In general, do you think CEOs take as much action as they should to protect the reputation of their companies?

Most CEOs think improved company practices and improved behavior of corporate executives are the best ways to ensure the ethical business behavior of senior corporate executives.

- Only one in four think government involvement would have a positive impact.
- This is one issue where CEOs of U.S. and non-U.S.-based companies agree.

Positive Impact on Ensuring Ethical Business Behavior of Senior Corporate Executives



Gov't -related (Net) 25%

24%

28%

Q19: Please spread 100 points across the following in terms of the positive impact each has on ensuring the ethical business behavior of senior corporate executives.



Appendix

Demographic Profile of the Sample

| | 2006 | 2007 | 2008 | 2009 |
|--|---------|---------|---------|---------|
| Home Country | | | | |
| United States | 78% | 78% | 72% | 69% |
| Outside the United States | 22% | 22% | 28% | 31% |
| Market Capitalization | | | | |
| Less than \$500 million | 18% | 16% | 27%↑ | 50%↑ |
| \$500 million to less than \$1 billion | 12% | 15% | 12% | 13% |
| \$1 billion to less than \$3 billion | 26% | 34% | 34% | 19%↓ |
| \$3 billion or more | 44% | 35% | 26%↓ | 18%↓ |
| Industry | | | | |
| Consumer products/Retail/Health care | 18% | 11%↓ | 13% | 11% |
| Energy/Utilities | 21% | 11%↓ | 11% | 14% |
| Financial services/Banking/Insurance/Real Estate | 24% | 24% | 21% | 19% |
| Manufacturing/Construction/Mining | 23% | 30% | 29% | 31% |
| Business services/Transportation/Distribution/Information services | 14% | 22%↑ | 24% | 25% |
| Years as CEO of Company | | | | |
| One or two years | 21% | 26% | 22% | 20% |
| Three or four years | 17% | 20% | 24% | 24% |
| Five to nine years | 38% | 33% | 29% | 33% |
| Ten or more years | 24% | 21% | 25% | 23% |
| Median | 6 years | 5 years | 7 years | 5 years |

↑↓ Result significantly higher or lower compared with last year

Home Country

| | <u>2009</u> |
|---------------------|-------------|
| Home Country | |
| United States | 195 |
| Belgium | 17 |
| Canada | 15 |
| France | 10 |
| Netherlands | 8 |
| United Kingdom | 6 |
| Brazil | 6 |
| China | 5 |
| Bermuda | 3 |
| Ireland | 2 |
| Puerto Rico | 2 |
| Japan | 2 |
| Mexico | 2 |
| Luxembourg | 1 |
| Spain | 1 |
| Hong Kong | 1 |
| Norway | 1 |
| Germany | 1 |
| India | 1 |
| Italy | 1 |
| Colombia | 1 |
| Panama | 1 |
| South Africa | 1 |
| Israel | 1 |