

ABAF-BVFA AWARD FOR BEST FINANCIAL INFORMATION

27 OCTOBER 2009





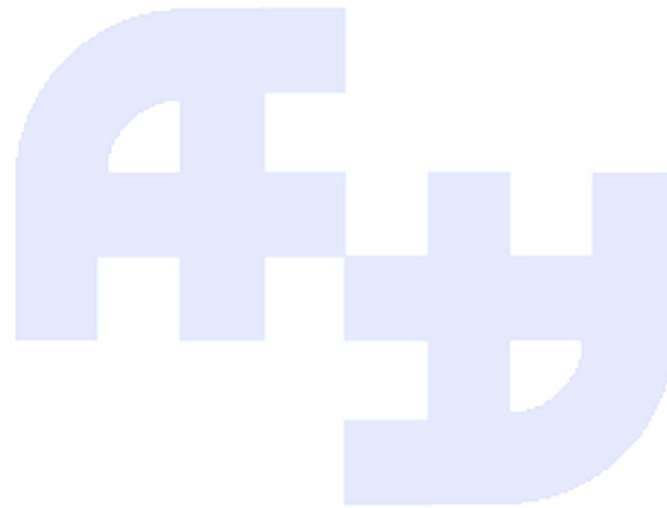
Mobile phones off please

Welcome



Pierre Olivier Beckers, CEO
Delhaize Group, winner of the Award 2008

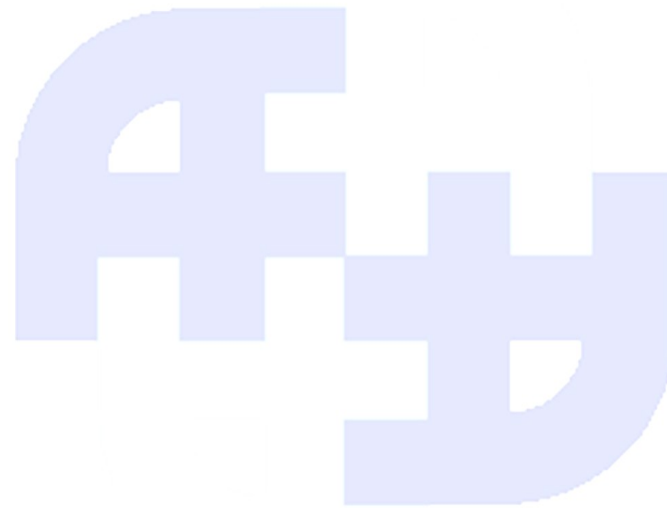
Opening remarks



Hans Buysse
Chairman of the ABAF/BVFA

October 27, 2009

Academic session



“Management Remuneration after the Financial Crisis”

Mr Patrick Vermeulen
Head of European Equities, JP Morgan Asset Management



FEAR!

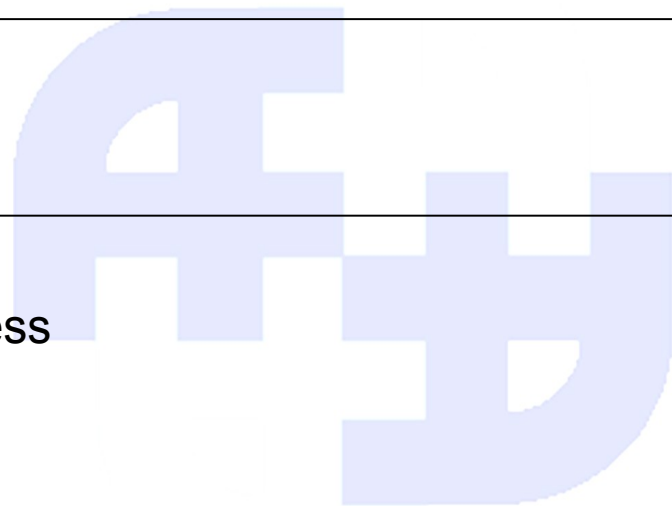
Why is it an issue now?

- MR is always an issue after a financial crisis
- This time governments are involved
- Someone needs to be blamed

What are the issues?

Specific for financials

- Asymmetric Risk
- Long Duration business



What are the issues?

General

- Should there be IC in the first place
- Is openness good?
- Short termism
- Should IC be linked to TSR
- Should there be a shareholder vote
- The level of MR

Management Remuneration in the UK

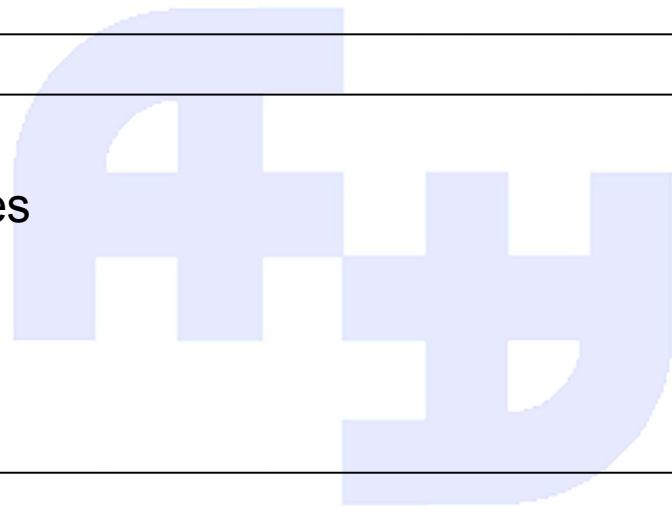
	FTSE 100	FTSE 250
Max Annual Bonus	125-200%	100-150%
Partial Deferral	Nearly 66%	Nearly 50%
LTIP	150-200%	100-150%

Objectives of MR

- Align the duration of variable pay with that of the business
- Avoid asymmetric risk
- Correct and measurable performance criteria
- Independent remuneration committee

Possible action

- Regulation on pay
- Bonus malus schemes
- Bonus clawback
- Shares





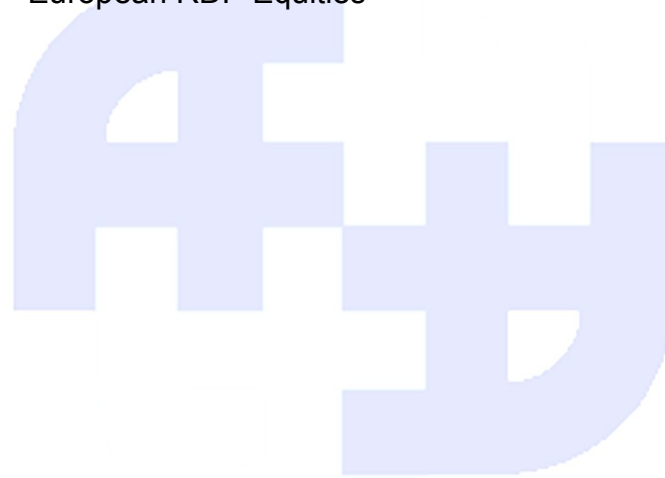
J.P. Morgan Asset Management

Contact:

Patrick Vermeulen, Managing Director – European RDP Equities

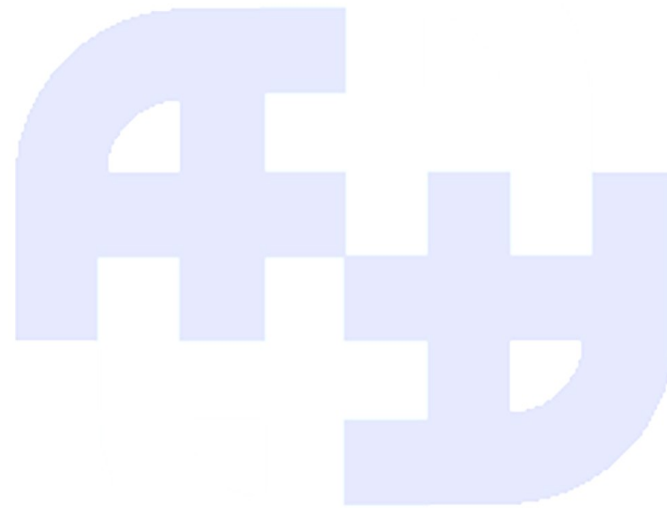
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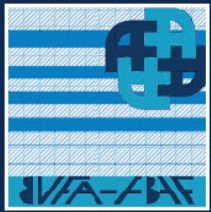
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Opening the procedure for the Award of Best Financial Information



Hans Buysse
Chairman of the ABAF-BVFA

October 27, 2009



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Procedure & Screening Process

Luc Van der Elst
Bank Delen
Vice President ABAF-BVFA

1. Procedure

▶ Spring 2009

- ▶ Preliminary Selection of companies, based on available analyst resources (voluntary commitment)
- ▶ Questionnaire (factual questions) sent to companies

▶ Summer 2009

- ▶ Screening process

▶ Autumn 2009

- ▶ Rankings ... Award

1. Procedure

- ▶ Companies were invited to fill in questionnaire
 - ▶ Factual data underpins the screening
 - ▶ 26 companies responded
- ▶ Screening process: almost unchanged

Annual report:	100 points
Press releases:	100 points
Investor Relations:	200 points
Website:	100 points
<hr/>	
Total:	500 points

1. Procedure

▶ Screening process

37 Equity Analysts screened:

- ▶ Annual report
- ▶ Press releases
- ▶ Investor Relations
- ▶ Website

5 Fund Managers

- ▶ Investor Relations

1. Procedure

▶ 37 equity analysts participated (39 in 2008)

Bank Degroof (5)

ING (5)

Bank Delen (4)

KBC Securities (9)

De Belegger (3)

SG Private Bank (2)

Delta Lloyd Bank (1)

Value Square (1)

BNP P. Fortis (5)

ABAF-BVFA Board

1. Procedure

► Support for IR ranking from 5 fund managers (6)

Patrick Casselman
(KBC AM)

Rudy Vandorpe
(BNP P. Fortis Priv. Banking)

Yves Vaneerdewegh
(Quest Management)

Johan Reybroeck
(Dexia AM)

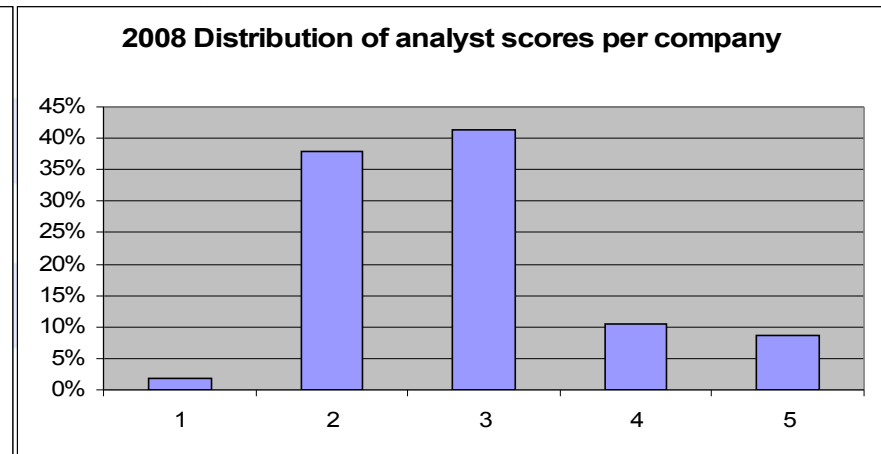
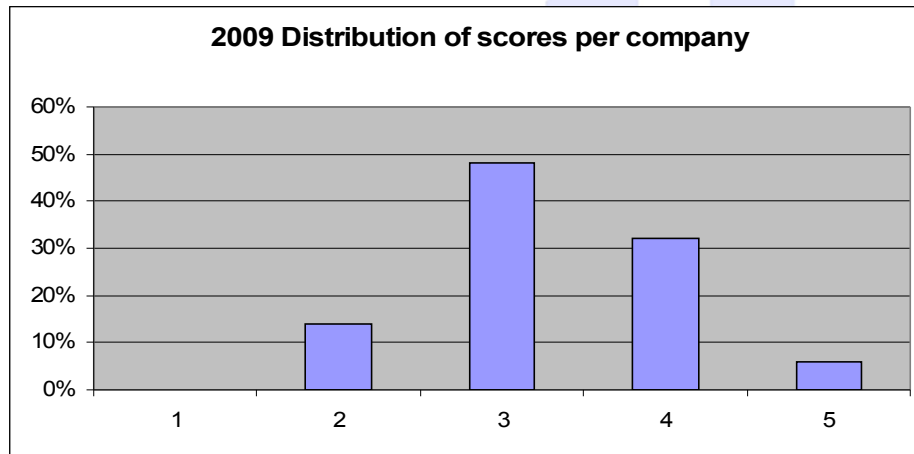
Johan van Geeteruyen
(Petercam)



1. Procedure

► Quality objective and control

- Objective unchanged: at least 3 analysts per company
- Realised: 3.3 analysts per company on average (2.9 in 2008)



- A posteriori ad-hoc control by board members
- A posteriori control of top-ranked companies

2. Screening Process

2.1 Annual Report (100 points)

2.2 Press Release (100 points)

2.3 Investor Relations (200 points)

2.4 Website (100 points)



2.1 Annual Report (100 points)

▶ Annual report: **57.6 (54.6) / 100**

2.1.1. Key Figures & Ratios: **11.1 (10.4) / 20**

- ▶ Don't hide them; Show a LT view (7 ... 10 years)
- ▶ Include # shares and per-share numbers, also:
 - ▶ EV components, Net Debt, non-recurring (cost) elements,
 - ▶ credit ratings and ratios (+ definitions)

2.1.2. Products / Services / Markets: **11.6 (11.1) / 20**

- ▶ Explain and show what you do
- ▶ Inform about markets positions (leader, challenger ...)

2.1 Annual Report (100 points)

2.1.3. Strategy & LT objectives: 9.3 (8.5) / 20

- ▶ Often remains too general
- ▶ Show (potential) investors that you have a vision, a (good) strategy, and a plan to reach your objectives
- ▶ Quantify your objectives

2.1.4. Financials: 19.0 (19.3*) / 30

- ▶ Focus was on balance sheet risks: debt (composition, covenants), pension deficits, GW impairment ...
- ▶ * Recalculated

2.1 Annual Report (100 points)

▶ 2.1.5. Other: 6.6 (6.4*) / 10

▶ Risk analysis, key events, lexicon, market trends

▶ * Recalculated

▶ Statistics

Scores AR 2009	1	2	3	4	5	Total
Maximum	20	20	20	30	10	100
Average #50	11,1	11,6	9,3	19,0	6,6	57,6
Individual High	20,0	20,0	17,5	30,0	10,0	nr
Winner AR 2009	20,0	15,0	17,5	22,5	8,8	83,8

2.2 Press Releases (100 points)

▶ Press Releases: **56.3 (54.6) / 100**

2.2.1. Numbers: **12.5 (11.9) / 20**

- ▶ Add non-recurring numbers
- ▶ Add H1 and H2 numbers to FY report

2.2.2. YoY changes: **10.8 (10.8) / 20**

- ▶ Breakdown change in sales: consolidation scope, forex, volumes, prices, product mix
- ▶ Break down change in NAV (investment companies): market value (listed), valuation methodology (unlisted)

2.2 Press Releases (100 points)

▶ Press Releases: **56.3 (54.6) / 100**

2.2.3. Segments: **11.5 (11.1) / 20**

▶ Relevant numbers (EBIT level) and comments

2.2.4. Timing: **8.7 (9.6) / 20**

▶ Publication date FY08 results is delayed vs FY07!

2.2.5. Other PR & Quarter results: **12.9 (11.4) / 20**

▶ Quality of trading update

▶ Relevant ad-hoc press releases

2.2 Press Releases (100 points)

► Statistics

Scores PR 2009	1	2	3	4	5	Total
Maximum	20	20	20	20	20	100
Average #50	12,5	10,8	11,5	8,7	12,9	56,3
Individual High	20,0	20,0	20,0	20,0	20,0	nr
Winner PR 2009	20,0	20,0	20,0	5,0	20,0	85,0

2.3 Investor Relations (200 points)

▶ Investor relations: **125.3 (114.3) / 200**

2.3.1. Guidance / 2.3.2. Consistency / 2.3.3. Availability

- ▶ More difficult to benchmark
- ▶ Advantage for less cyclical companies?
 - ▶ Lower score for banks this year

2.3.4. Reactivity / 2.3.5. Reliability / 2.3.6. Access mgmt.

- ▶ Personal appreciation
- ▶ Access to sr. management easier at smaller companies

2.3 Investor Relations (200 points)

▶ Inv. Relations: **125.3 (114.3) / 200**

2.3.7. Date Alert Service

- ▶ Is not a subscription service
- ▶ Great support for analysts

2.3.8. An. Meetings / 2.3.9 Field trips / 2.3.10 Roadshows

- ▶ Excellent opportunity to highlight strategy (change) or specific division or aspect of the business and ...
- ▶ ... meet (operational) management

2.3 Investor Relations (200 points)

- ▶ Inv. Relations: **125.3 (114.3) / 200**
- ▶ Statistics

Scores IR 2009	1	2	3	4	5	6	7	8	9	10	Total
Maximum	20	20	20	20	20	20	20	20	20	20	200
Average #50	11,4	12,5	12,1	12,9	13,2	13,0	12,8	13,4	11,7	12,4	125,3
Individual High	15,6	16,0	17,1	15,9	17,7	16,1	17,3	17,0	17,5	16,4	nr
Winner IR 2009	15,6	15,4	14,7	15,6	15,5	14,6	16,3	16,5	16,8	15,6	156,3

2.4 Website (100 points)

▶ Website: **69.2 (66.2) / 100**

2.4.1. Operational Info: **13.0 (12.3) / 20**

- ▶ Has become the reference source of (basic) information on history, products/services, strategy

2.4.2. Financial Info: **28.3 (27.2) / 40**

- ▶ Not only archive, but also
- ▶ Latest investor presentations
- ▶ Subscription service (press releases) is must have

2.4 Website (100 points)

▶ Website: **69.2 (66.2) / 100**

2.4.3. Corporate Governance: **7.2 (6.7) / 10**

- ▶ Shareholding
- ▶ More transparency on stock options needed

2.4.4. Financial Calendar: **6.4 (6.4) / 10**

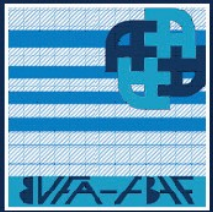
- ▶ More than publication dates (dividend, analyst meetings)
- ▶ Looking 12 months ahead, at any time

2.4.5. Navigation comfort, up to date: **14.3 (13.7) / 20**

2.4 Website (100 points)

- ▶ Website: **69.2 (66.2) / 100**
- ▶ Statistics:

Scores Web 2009	1	2	3	4	5	Total
Maximum	20	40	10	10	20	100
Average #50	13,0	28,3	7,2	6,4	14,3	69,2
Individual High	18,0	38,7	10,0	9,8	17,6	nr
Winner Web 2009	18,0	36,7	7,3	9,3	16,3	87,7



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Rankings & Nominations

**Luc Van der Elst
Hans Buysse**

3. Rankings and nominations

► Some statistics:

Score 2009	AR	PR	IR	WEB	Total
Maximum	100	100	200	100	500
Average #50	57,6	56,3	125,3	69,2	309
Individ. High	83,8	85,0	156,3	87,7	nr
Winner 2009	83,8	60,0	151,1	84,3	379,1

Score 2008	AR	PR	IR	WEB	Total
Maximum	100	100	200	100	500
Average #58	55,8	54,6	114,3	66,2	291
Individ. High	85,0	90,0	161,8	86,2	nr
Winner 2008	68,0	83,0	161,7	82,0	395

Best Annual Report: **Bekaert**

Best Press Releases: **AB InBev**

Best Investor Relations: **Umicore**

Best Website: **KBC**

4. 2009 Award overall Ranking

Previous 3 years' laureates:

2008: Delhaize

2007: Solvay (scored highest points in 2009)

2006: KBC Group

Are not eligible for the overall 2009 Award

4. 2008 Award overall Ranking

5. Recticel

4. AB InBev

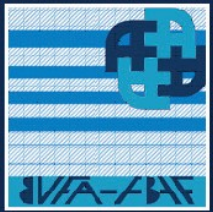
3. Umicore

2. Hansen Transmissions

1. Bekaert

4. 2008 Award overall Ranking





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@ BEKAERT

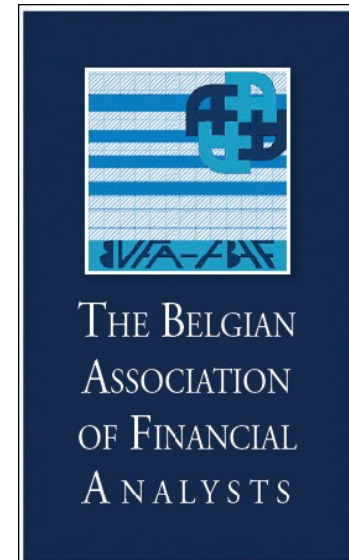
better together

1. Bekaert

Bruno Humblet (CFO)



**All screening criteria and all
detailed scorings will be
available on the ABAF-BVFA
website as from tomorrow.
www.abaf-bvfa.be**





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