



Richard Davies Investor Relations

Scandinavian Equity

Fund Manager Survey 2006

Nordic IR Conference, Stockholm

15th June 2006

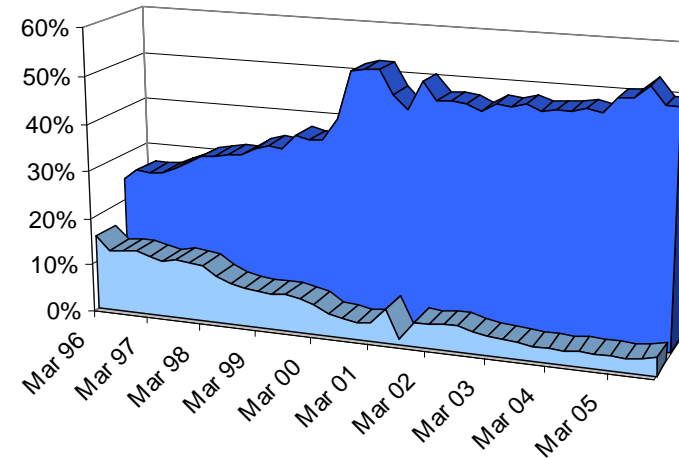
RD:IR Key business areas

- **Shareholder Identification**
 - ◆ Share register / nominee analysis
 - ◆ Telephone shareholder ID surveys
 - ◆ Dedicated online IR products & tools
 - ◆ Peer group analysis
- **IR Consultancy**
 - ◆ Investor perception audits
 - ◆ Investor targeting
 - ◆ Investor profiling
 - ◆ Roadshow management
 - ◆ Valuation methodology analysis
- **Investor Contact / Equity Marketing Databases**
- **Online Investor Relations CRM**
- **Financial Market Research**
 - ◆ Alternative assets (hedge & private equity)
 - ◆ Derivatives & portfolio trading
 - ◆ Custody & settlement
 - ◆ Asset allocation studies
 - ◆ Pension fund studies
 - ◆ Emerging market equities

Fundamental changes in Scandinavian equity markets (case study)

- The rising trend of foreign ownership in Finnish equities

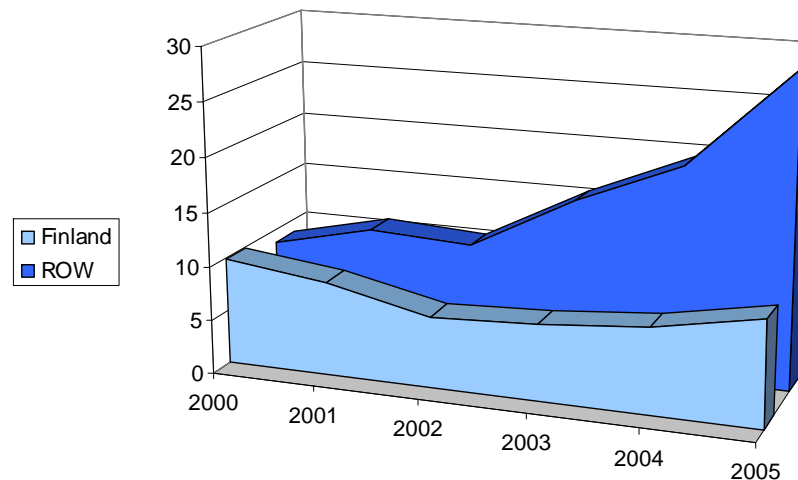
Source: NCSO



■ Finnish financial institutions ■ Foreign and Nominee registrations

- Finnish pension funds investing ex-Finland

Source: Bank of Finland



■ Finland ■ ROW

Survey research methodology

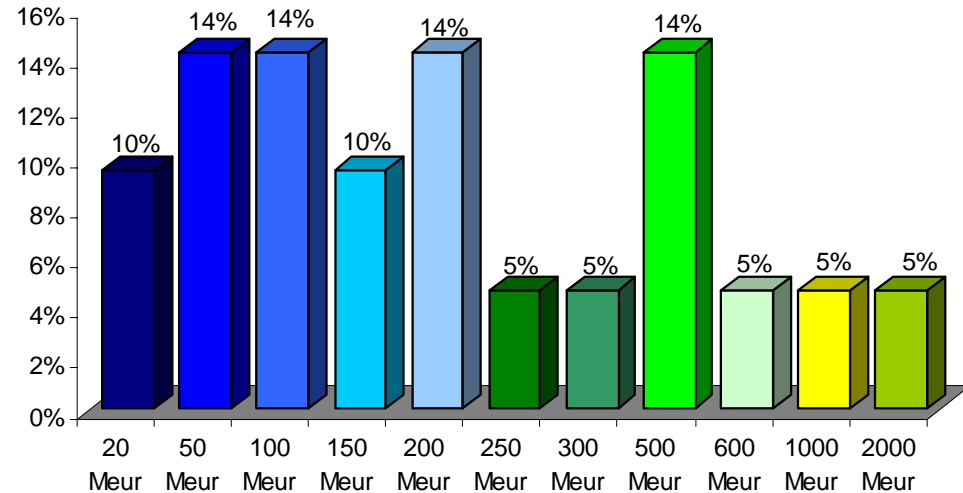
- Research fieldwork carried out from London during Q1 2006 by combination of telephone & online surveying
- Sample included 30 international investors into Scandinavian equities from across all global markets (25 investors in final quantitative research sample)
- Sample drawn from range of investors by investment style & type of funds managed
- Participants drawn from buy-side firms in:
 - ◆ United Kingdom, France, Belgium, Netherlands, Spain, Italy, Switzerland, USA, Canada

Participants

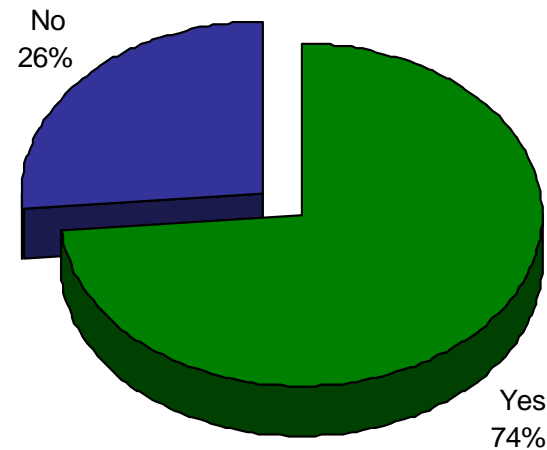
- Total funds under management of investors in survey (all asset classes):
 - ◆ 1.7 trillion euros
- Total size of funds in survey:
 - ◆ Over 29 billion euros
- Range of fund sizes:
 - ◆ 24 million euros to 10 billion euros
- Types of funds by region of investment:
 - ◆ Nordic
 - ◆ European
- Three main indices by which funds benchmarked:
 - ◆ 38.1% MSCI Euro Index
 - ◆ 9.5% MSCI Pan-Euro Index
 - ◆ 9.5% FTSE Intl – World Europe ex-UK GBP Index
- Four investors did not use indices for benchmarking their investments into Scandinavian equities

Minimum market cap threshold

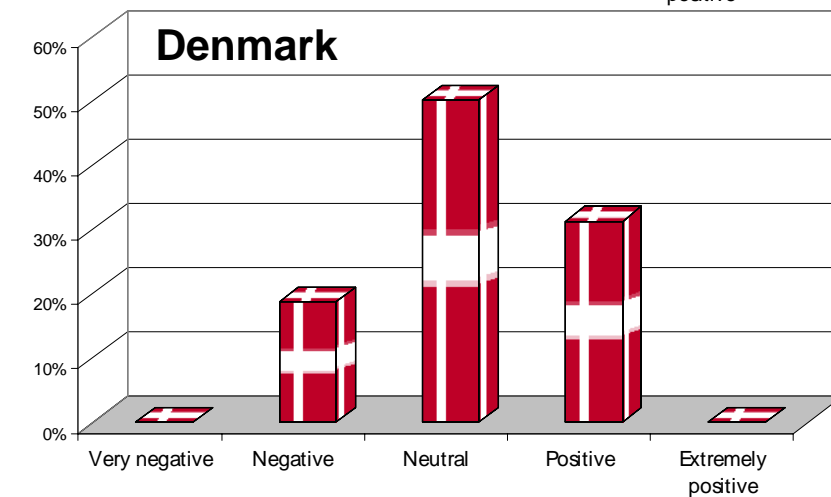
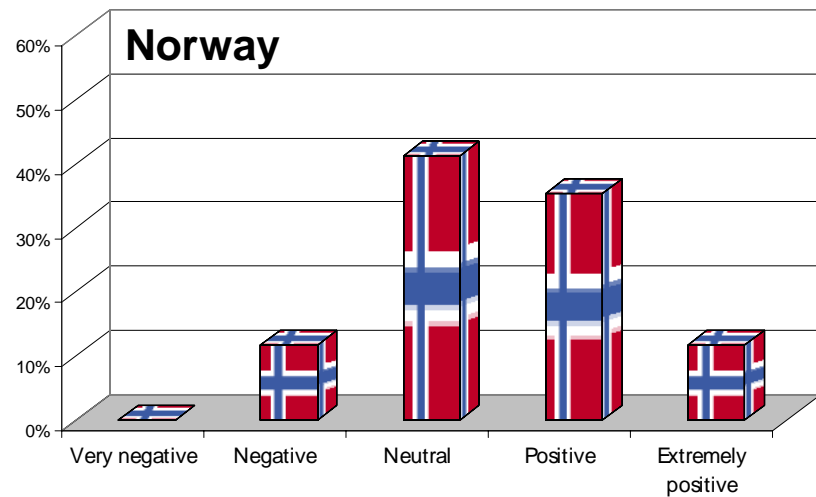
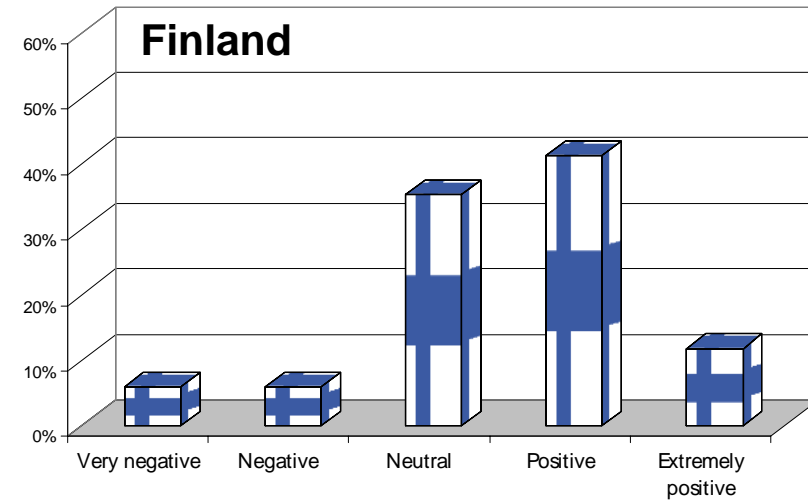
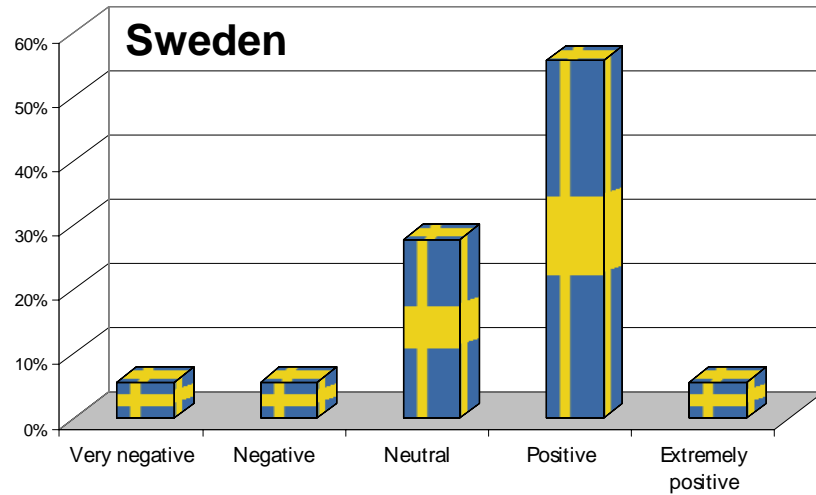
- Participant's minimum threshold (in terms of market cap) for inclusion in portfolio



- Would fund manager look at companies with a smaller market cap than their stated threshold?

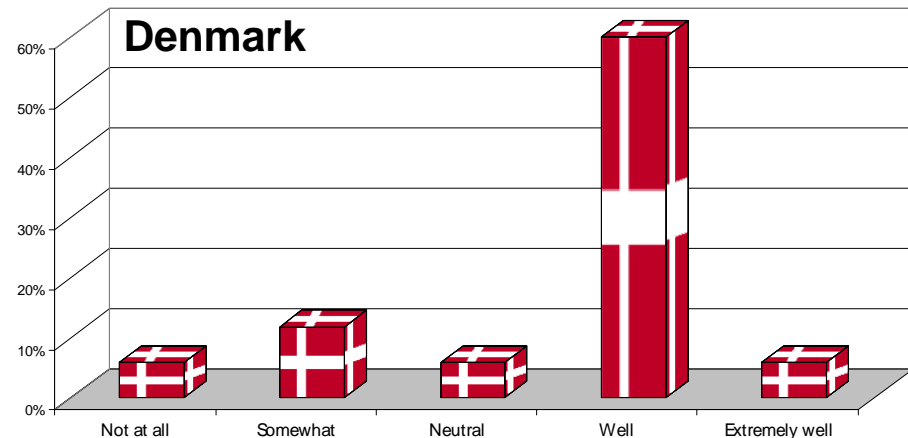
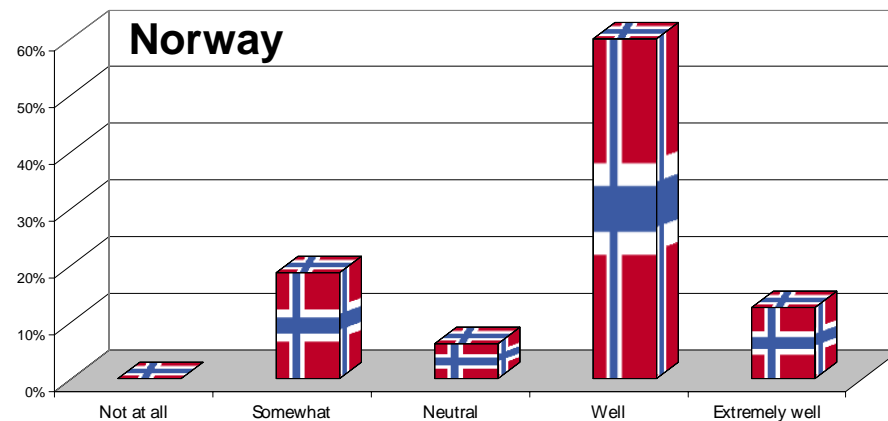
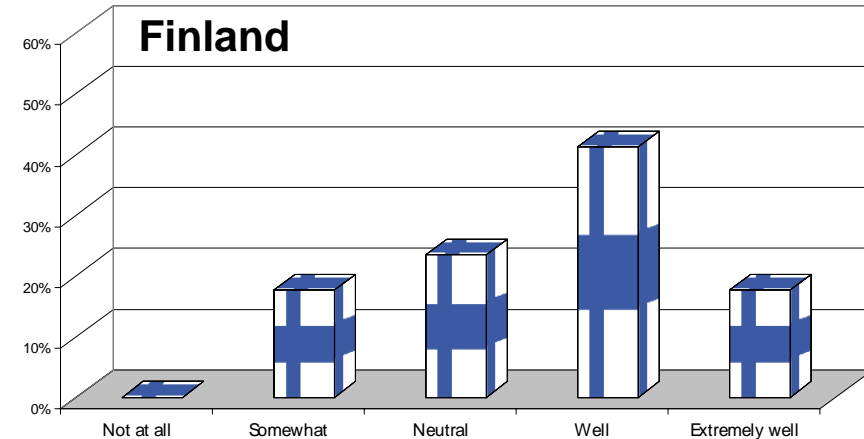
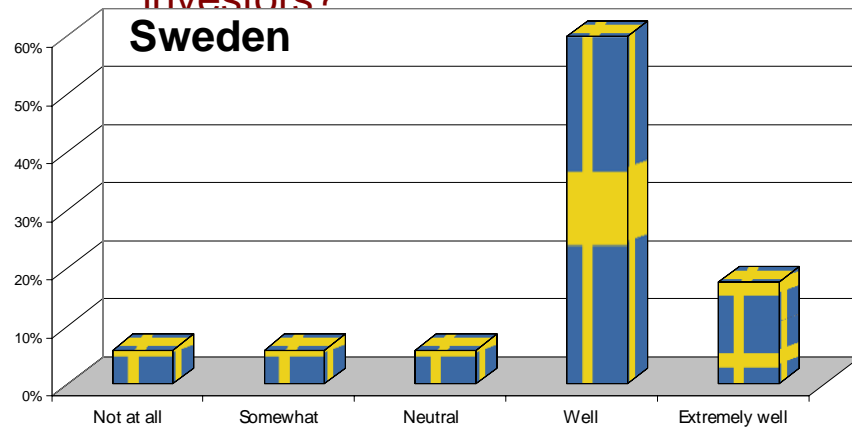


Sentiment towards Scandinavian equities



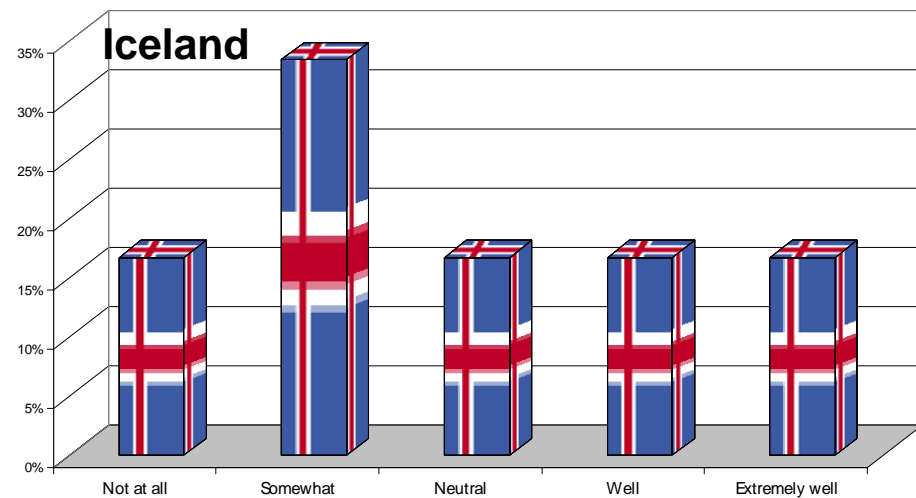
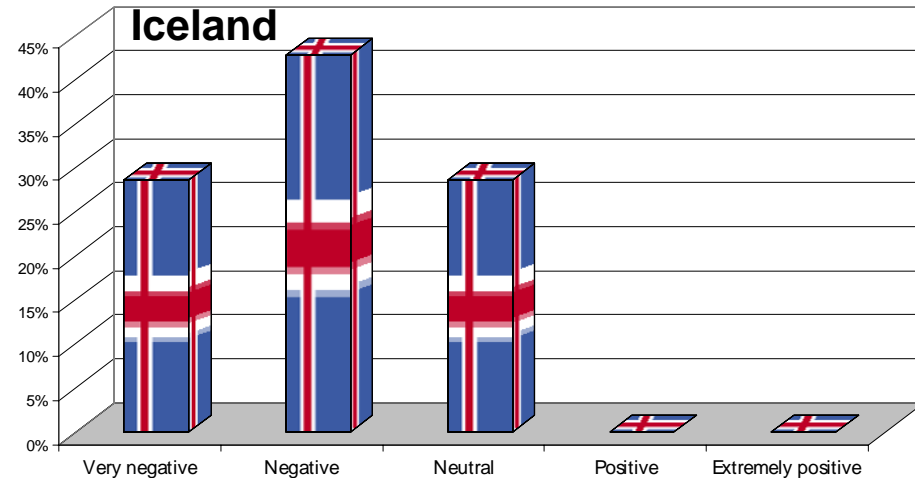
Sentiment towards communication from Scandinavian companies

- Do Scandinavian companies communicate adequately to buy-side international investors?



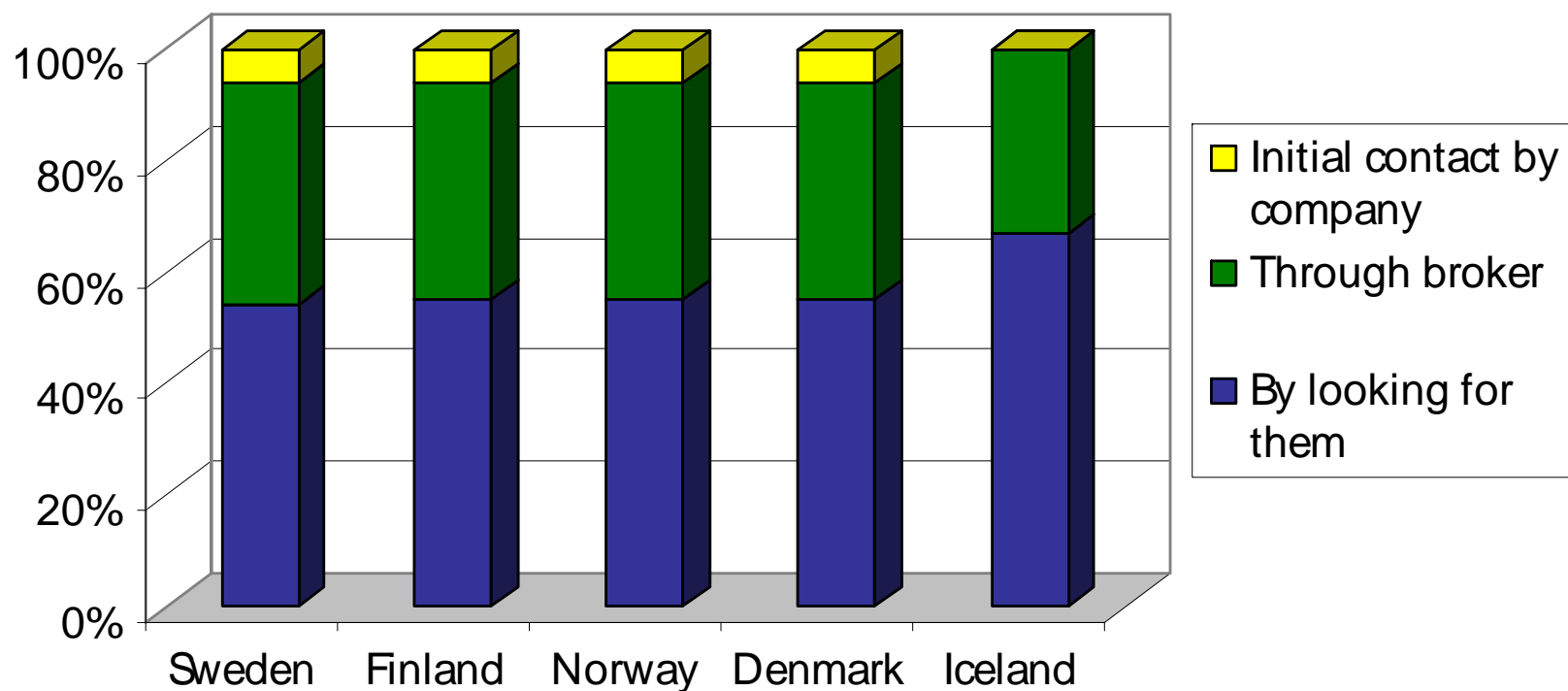
Iceland

- International investor sentiment towards Icelandic equities
- Do Icelandic companies communicate adequately to buy-side international investors?

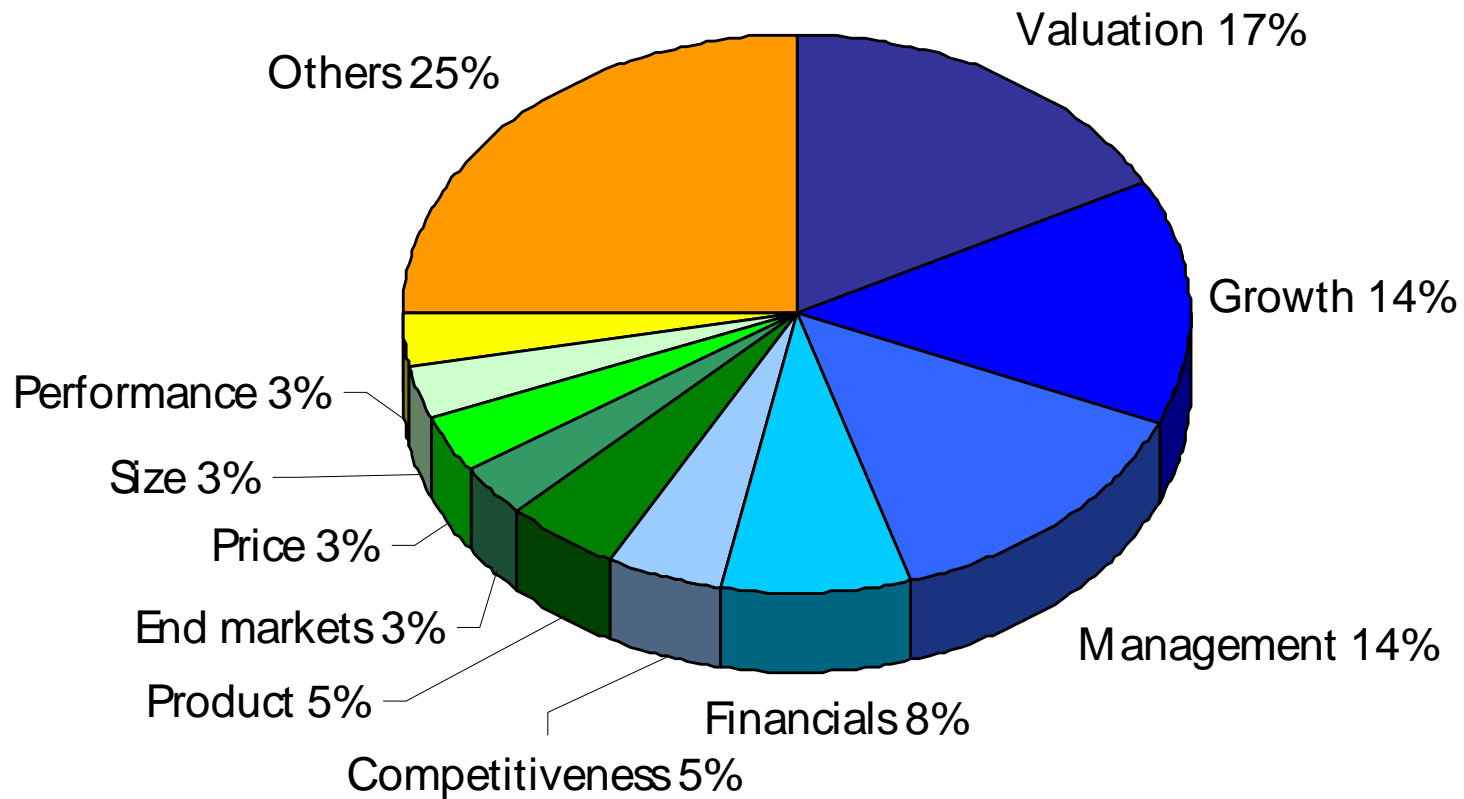


Routes to investment into Scandinavian equities

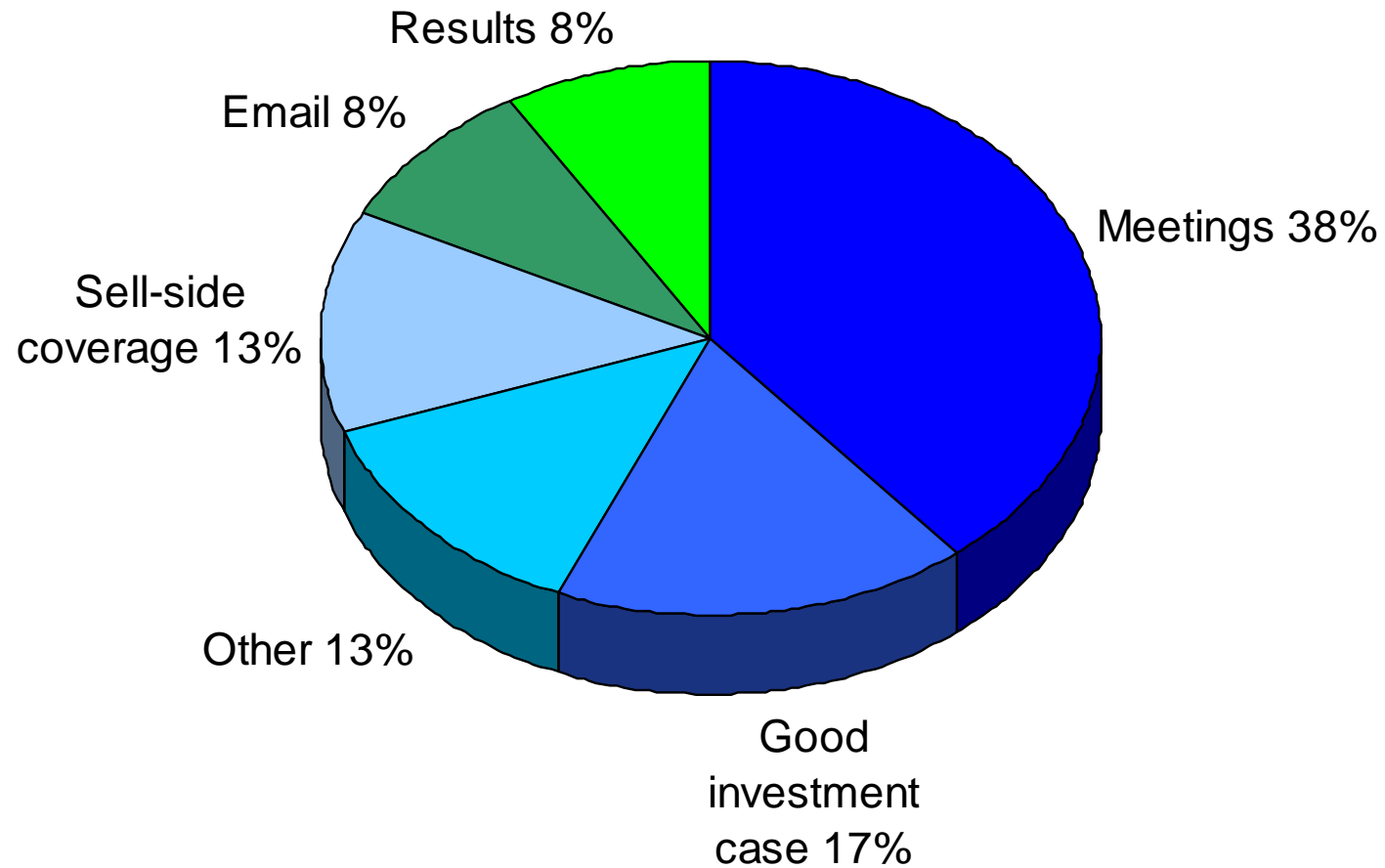
How international investors find out about Scandinavian stocks



Primary stock selection factor for Scandinavian equities

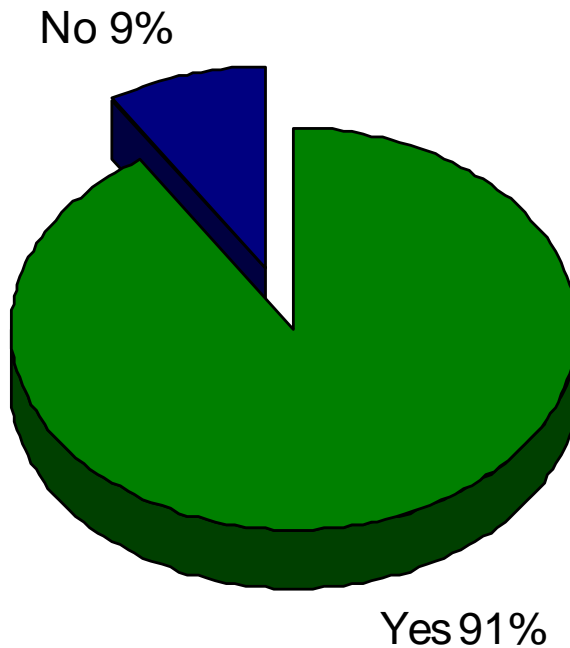


Maintaining investor interest

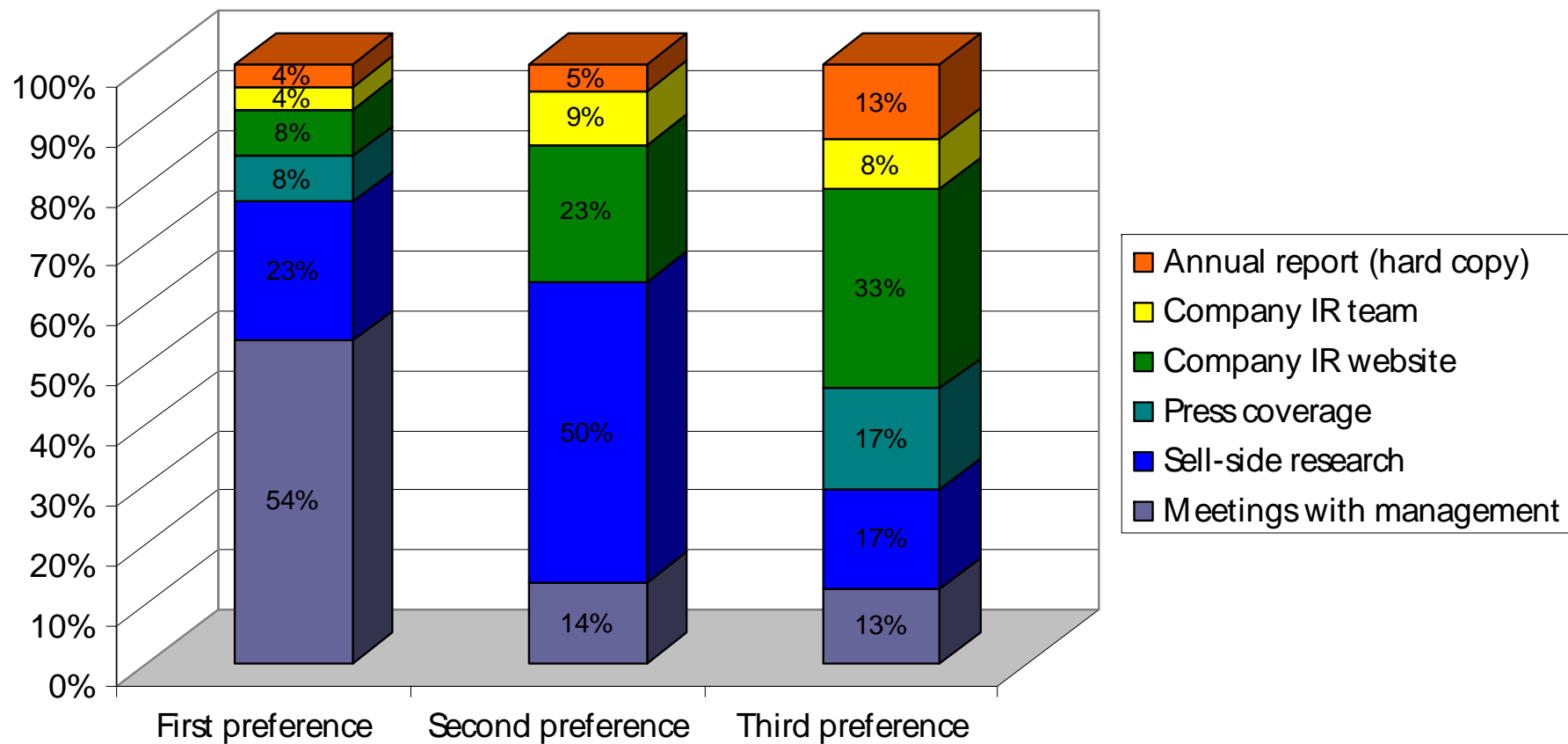


Marketing equity directly to investors

- Would you welcome more Scandinavian companies (relevant to your portfolio) marketing their equity directly to you instead of you being introduced via a broker/bank?

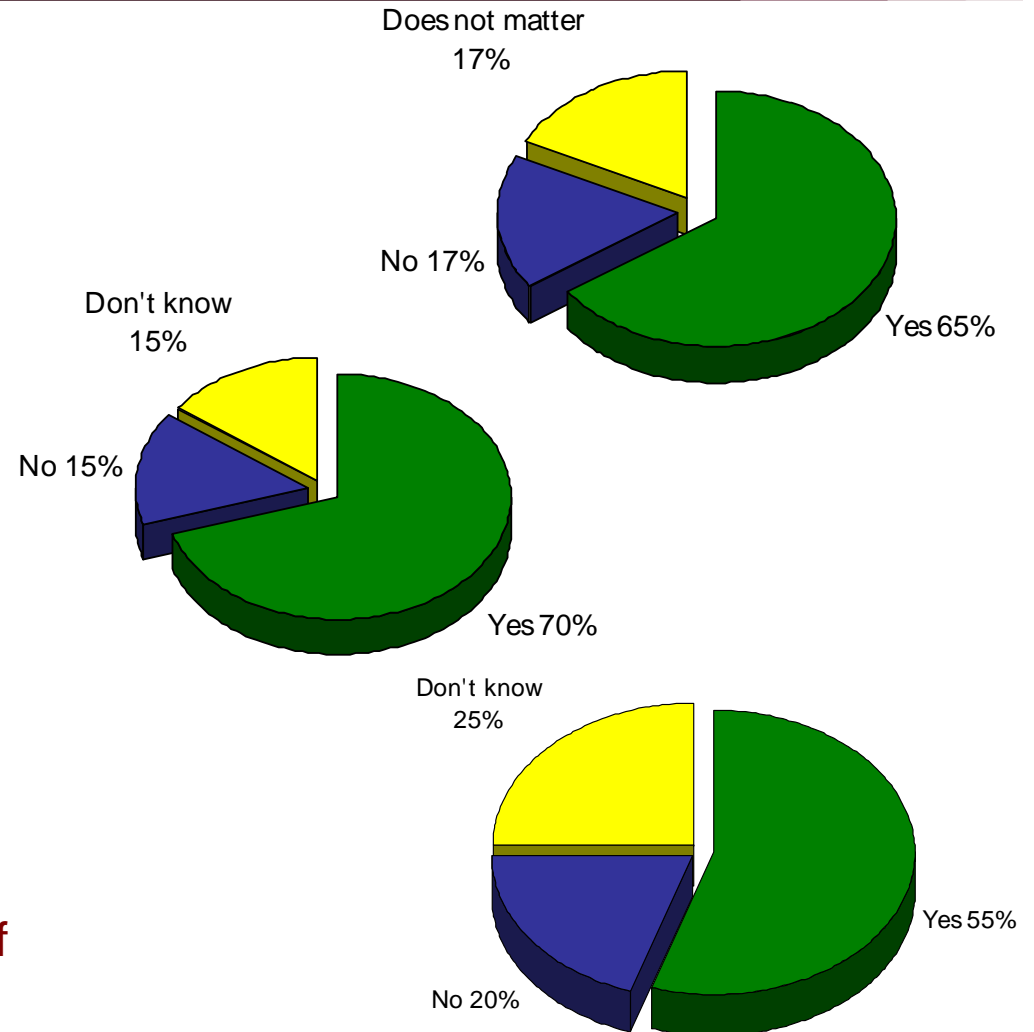


Investors' preferred sources of information about Scandinavian companies



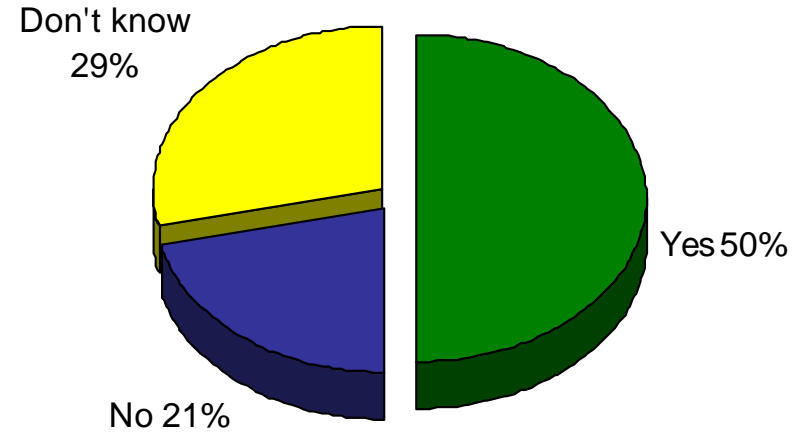
Influencing investor sentiment

- Will more direct communication from the company to the fund manager improve sentiment towards the company?
- Will more direct communication from the company to the fund manager improve the liquidity of the company's shares?
- Will more direct communication from the company to the fund manager improve the valuation of the company's shares over time?

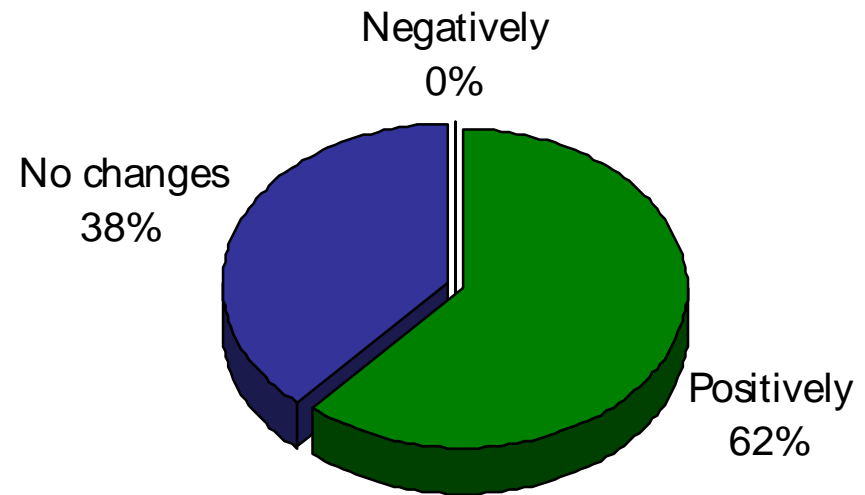


OMX Nordic List

- Will the OMX Nordic List improve the visibility of Scandinavian companies in the global financial markets?



- How will the OMX Nordic List affect the ability of Scandinavian small- and mid-cap companies to attract foreign investors?



Conclusions

- Scandinavia undergoing fundamental change in equity markets due to growth in number and size of international investors on share registers & sell-off of domestic equity by domestic investors
- International investor sentiment towards Scandinavian equities remains broadly positive
- International investors welcome more direct dialogue with stocks outside the traditional bank/broker route
- Direct marketing of equity particularly helpful for smaller companies which may not fall into relevant indices
- OMX Nordic List will help promote Scandinavian stocks
- Change = challenge + opportunity



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