

NYSE Euronext CEO Report 2009

Managing During Economic Turbulence

Conducted for



Prepared by



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Background and Methodology

Background

This is the fourth annual survey of CEOs of NYSE Euronext listing 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. This year (2009 Report), CEOs from Euronext and NYSE Arca also participated resulting in 254 total respondents.

Methodology

Several different methods were used to obtain completed surveys. A total of 18 participated via phone, while 222 participated online and 14 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 February 29-March 31, 2008.

Questions about this report should be directed to Jeffrey T. Resnick, President, Opinion Research USA:

E-Mail: Jeff.Resnick@opinionresearch.com

Direct Phone: 609-452-5210

The 2009 CEO Report

This is the fourth annual NYSE CEO Report and in many respects we find the viewpoints and challenges of CEOs around the world have not dramatically changed. However, they do believe the economic environment has been radically altered over the past year and this has resulted in significant changes in numerous areas.

A number of important themes emerged this year that indicate how CEOs are adjusting to the softer economic environment, as well as the turmoil in financial markets which has led to a tightening of credit despite reductions in interest rates in many countries.

Overshadowing everything this year is the **collapse in perceptions about the US economy**. Last year 84% of CEOs of US-based companies described the US economy as excellent or good; this year 10% do. The gap between perceptions of US-based CEOs and those based outside the United States has essentially been eliminated this year, although fewer CEOs of US-based companies think the American economy is in a 'poor' state currently.

Closely linked with views about the US economy, is the second theme – **greater difficulty attracting and retaining investors**. While more CEOs still think it is easier rather than more difficult to attract investors, they are much less confident than they were in 2006 and 2007. CEOs of financial service-related companies in particular see the task of attracting and retaining investors as much more difficult than just a year ago. This is not surprising given the calamity that has occurred in the US financial sector in particular.

The difficulty attracting and retaining investors has led to **a redefining of metrics viewed as important to shareholders**. CEOs tend to view measures related to stock price as less important now than a year ago, while those related to the bottom-line health of a company (and ability to obtain credit during the credit crunch) are more important, particularly to financial service companies:

- Cash flow from operations
- Credit ratings
- Total debt outstanding
- Liquidity of assets
- Total liabilities

A fourth theme is **the importance of globalization and trade liberalization**. Far more CEOs say the global trade environment favorably rather than unfavorably affects their business. Furthermore, a majority of CEOs leading both US and non-US companies see the BRIC countries as opportunities through 2009. And, contrary to much of the political tenor in the United States, pursuing free trade and fighting protectionism are major goals of CEOs when asked what they think the next US President should do to keep the United States competitive in the global business environment.

A continuing theme, first noticed last year, is **lessening of concerns with compliance costs and health-care costs**. Compared with 2006 and 2007, fewer US companies are taking steps to help control health care costs and the expected impact of health care on company profitability continues to decline. This may be indicative that CEOs believe they have achieved all they can in the area of healthcare cost savings. Similarly, while compliance costs are still regarded as a significant influence on profitability, fewer CEOs cite this compared previous years and the percentage of CEOs who report spending more time on regulatory and compliance issues has dropped more than 30 points since 2006.

A final theme is **continuity in CEO satisfaction with their jobs despite the new challenges** which have sprung up during the past year. Just as many CEOs of American-based companies say their job is more rewarding as did last year, and the percentage has increased among CEOs based outside the United States. Even CEOs of financial services companies, which have been hit hardest in the economic turmoil, think their job is just as rewarding as last year.

2009 CEO Report Highlights

Business Opportunities and Challenges

- As last year, CEOs view their management team as the strongest internal factor having a greater impact on revenue growth through 2009, with new product development, brand strength, strategic partnerships and alliances and new technology in a second tier of factors.
- CEOs of non-US based companies are more likely than CEOs of US companies to think sales and distribution channels, as well as strategic partnerships and alliances, will have more impact on revenue growth compared with three years ago.
- Operational efficiency and management stand out as the internal factors expected to have more impact on profitability. The expected impact of compliance costs has declined by 23 points since 2006. Similarly, the expected impact of health-care costs have dropped 18 points in the past two years likely indicating that CEOs believe they may have done all they can to reduce these costs.
- Along with United States and global economic conditions, CEOs view inflation and the cost of capital as one of the most important external influences on their companies' overall growth through 2008.
- CEOs of non-US-based companies are more likely than those in the US to think global competition will have a stronger influence on their companies, while those in the US are more likely to view political risk and legal expenditures as factors having stronger influences.

- Huge majorities of CEOs based inside as well as outside the United States, as well as the US Public, think US economic conditions are 'fair' or 'poor', a huge change compared with last year among American-based CEOs. CEOs of US-based companies, however, are less likely than the other groups to rate American economic conditions as 'poor'.
- Compared with last year, the importance of some metrics related to a company's overall financial health have increased because of the past year's financial environment. For example, credit ratings, cash flow from operations and debt levels have all increased in importance. CEOs of financial service companies in particular think performance measures related to a company's current bottom line are more important to shareholders than three years ago.
- Trends in interest rates have the most influence on business planning, with energy rates leading a second tier of factors. The importance of interest rates has jumped over the past year.
- More than half of CEOs expect growth both in their company and industry to be driven organically. Compared with last year, fewer expect M&A activity to drive growth in their industry.
- Asked what guidance they would offer to the next US President, CEOs are most likely to mention keeping taxes low, reducing regulation and supporting trade liberalization.

Outlays and Expectations

- CEOs expect some level of budget increase in every area through 2008, particularly for energy, technology and raw materials. However, expenditures are expected to rise somewhat, not significantly with the exception of energy, raw materials, capital expenditures, and technology.

- The number of CEOs who expect budget increases to cover health care costs, non-managerial compensation, pensions and other employee benefits has declined since last year.
- Compared with three years ago, more CEOs think it is easier to attract customers, employees and investors, although the percentage who think it has become easier to attract investors has dropped significantly over the past year. The weaker numbers for attracting and retaining investors are driven primarily by financial service companies, where far more think over the past year it has gotten more difficult to attract and retain investors.

Global Operations

- The United States is the region CEOs most frequently cite as crucial for their business through 2008. 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. Clearly, the state of the US economy weighs heavily for many for many CEOs.
- When CEOs of non-US-based companies are asked what country or region is strategically most crucial to them, the United States is of equal importance as Western Europe and Brazil.
- Four times as many CEOs say the global trade environment affects their business favorably rather than unfavorably. CEOs of companies based outside the United States are more likely to report they are favorably affected, while those in the US are more likely to say it is neutral.

- Nearly two in three CEOs view the BRIC countries as an opportunity through 2009, including 79% of companies based outside the United States. Of those who view the BRIC countries as opportunities, half are establishing or expanding local marketing and sales activities in these countries to maximize the opportunity.

Governance

- The vast majority of CEOs are positive about the value of Boards of Directors and the guidance they provide. CEOs who think their job is more rewarding than it used to be have more favorable opinions of their Boards on most measurements.
- While 59% of CEOs agree that they are satisfied with the executive compensation process, very few (7%) strongly agree.
- A wide range of measurements are used to calculate executive bonus plans, although nearly all CEOs say overall company profitability and profitability growth are part of the calculation. Other common yardsticks included are division profitability and its growth, company revenue and its growth and stock appreciation.
- The vast majority of CEOs think changes to the US legal and regulatory system, as well as the easing of some governance rules and regulations will have a positive impact on the competitiveness of US capital markets.

The CEO Role

- Compared with last year, slightly more CEOs think their job is more rewarding, which is driven by CEOs of companies based outside the United States. There is a link between satisfaction with the executive compensation process and whether CEOs feel their job is more or less rewarding.

- Compared with three years ago, most CEOs say they are spending more time on shareholder relations, setting strategy, reporting to their Boards, as well as regulatory and compliance issues. Even though regulatory and compliance issues are still time consuming, far fewer CEOs now say these issues are taking up more of their time than two years ago.
- By far the element CEOs think is most crucial to their long term survival as a CEO is sustainable growth.
- Six in ten CEOs have encouraged adding independent directors to their Boards. CEOs at companies based in the US are more likely to have both sought and declined Board posts at other companies.

Managing Human Capital

- CEOs think a variety of benefits and incentives will have more impact on employee retention through 2009, while employee discounts and daycare programs will have less impact. CEOs view the importance of cash bonuses, external employee education (including tuition refund) and diversity initiatives as less important than in 2007.
- While a majority of US-based companies are increasing employee premiums and deductibles to help control health-care costs, the percentages are lower than in 2006 and 2007. More are setting up corporate wellness programs than either of those options.

Corporate Responsibility

- CEOs feel the most important corporate responsibility task is ensuring all labor practices are ethical across their organization.

Reputation Management

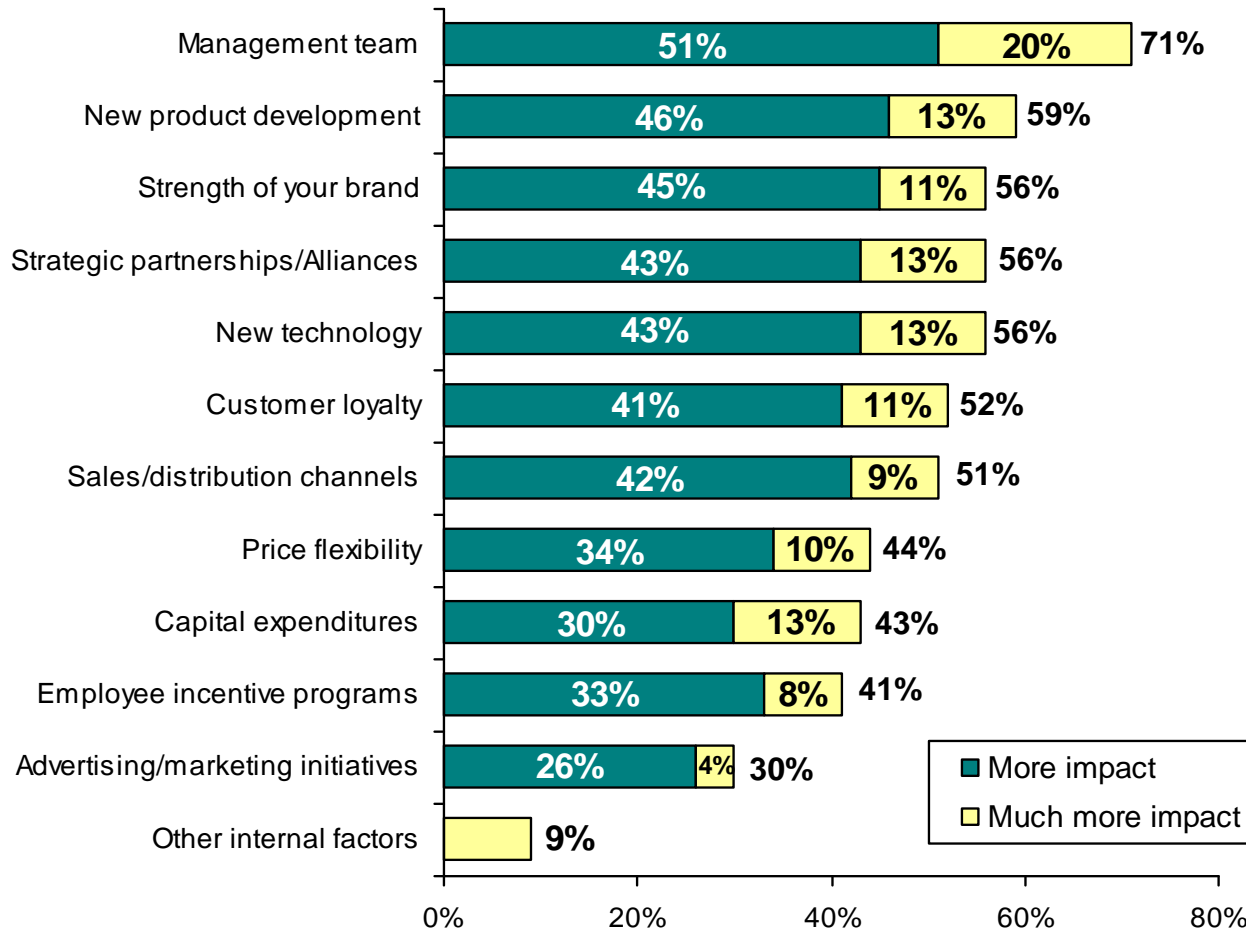
- Most CEOs (78%) think CEOs take enough action to protect their company's reputation.
- Asked why corporate behavior and ethical practices have improved in the past two years, a solid majority of CEOs in both US and non-US-based companies think improved company practices and executive behavior are the reasons. Slightly half of Americans adults, however, think government action is the reason.

Detailed Findings

Business Opportunities and Challenges

Compared to three years ago, CEOs view their management team as having the greatest impact on revenue growth through 2009, with new product development, brand strength, strategic partnerships and alliances and new technology in the second tier of factors.

Impact of Internal Factors on Revenue Growth



Q1a: 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 2009. 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?

CEOs of companies based outside the US see strategic partnerships and alliances, as well as sales and distribution channels as having a larger impact on revenue growth than CEOs of US-based companies. Sales and distribution channels were also more important to non-US CEOs last year. Manufacturing companies are more likely than average to think new product development will have more impact on revenue growth, while CEOs of financial services/real estate companies, as well as those specializing in business, information services and transportation/distribution think advertising and marketing initiatives will have more impact.

Impact of Internal Factors on Revenue Growth – More Impact
US/Non-US and Industry Comparisons

	US	Non-US	Consumer Products/ Retail/ Health Care	Energy/ Utilities	Financial Services/ Banking/ Real Estate	Manuf/ Const/ Mining	Business/ Info Services/ Trans/Distrib
New product development	57%	64%	78%	39%	48%	69%	52%
New technology	53%	64%	52%	48%	45%	49%	78%
Strategic partnerships/ Alliances	52%	67%	52%	43%	57%	59%	62%
Customer loyalty	51%	54%	59%	30%	50%		
Sales/Distribution channels	46%	61%	59%	30%	52%	46%	66%
Advertising/Marketing initiatives	31%	27%	30%	22%	41%	20%	38%

NOTE: Only indicators which showed significant differences by geography or industry are shown.
 Highlighted results indicate results which are significantly above average.

Despite the financial turmoil over the past year, CEOs don't see any significant changes in the importance of internal factors on revenue growth.

Impact of Internal Factors on Revenue Growth
2006-2008 Comparison

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

↑↓ Result significantly higher or lower compared with previous year

As in 2007, management stands out as the factor having the greatest impact on revenue growth, with new product development and capital expenditures following. There have been no significant changes in importance since last year. Price flexibility is rated much higher among CEOs of US-based companies, while those of non-US companies rate strategic partnerships and alliances as more important.

Internal Factor Influencing Revenue Growth with the Greatest Impact
2006-2008 Comparison

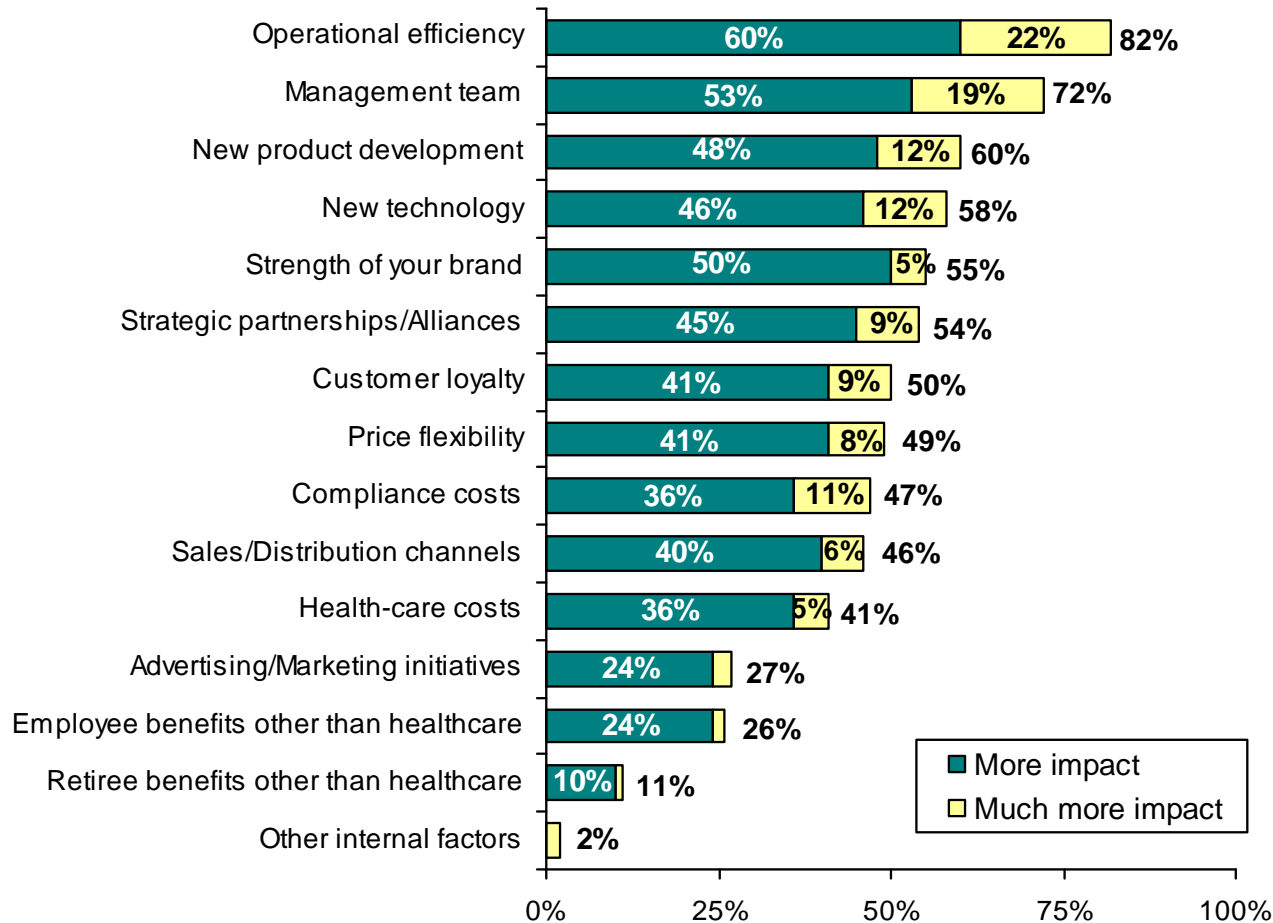
	2006	2007	2008
Management team	14%	18%	18%
Capital expenditures	14%	10%	11%
New product development	9%	11%	12%
Strategic partnerships/Alliances	8%	7%	7%
Sales/Distribution channels	6%	5%	4%
Strength of your brand	5%	4%	4%
Customer loyalty	4%	6%	6%
New technology	3%	8% [↑]	7%
Mergers and acquisitions	3%	2%	2%
Price flexibility	2%	6%	8%
Employee incentives	-	1%	1%
Advertising and marketing	-	1%	2%
Other internal factors	15%	8%	9%

Q1b: Which of these factors do you think will most affect your company's revenue growth through calendar year 2009?

[↑]_↓ 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



Q2a: 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 2009. 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?

CEOs of US-based companies see their management team and health-care costs as having more impact on profitability, while those at non-US based companies think strategic partnership and alliances will have more impact than their US-based colleagues do. CEOs of financial services and real estate companies think brand strength and advertising and marketing initiatives will have more impact than average.

Impact of Internal Factors on Profitability – More Impact US/Non-US and Industry Comparisons

	US	Non-US	Consumer Products/ Retail/ Health Care	Energy/ Utilities	Financial Services/ Banking/ Real Estate	Manuf/ Const/ Mining	Business/ Info Services/ Trans/Distrib
Management team	76%	62%	85%	78%	84%	79%	88%
New technology	59%	56%	56%	48%	59%	48%	70%
Strength of your brand	52%	62%	56%	22%	64%	41%	62%
Strategic partnerships/Alliances	49%	67%	48%	48%	57%	59%	60%
Health-care costs	51%	15%	48%	39%	39%	41%	38%
Advertising/Marketing initiatives	28%	26%	33%	17%	39%	16%	32%

NOTE: Only indicators which showed significant differences by geography or industry are shown. Highlighted results indicate results which are significantly above average.

The importance of compliance costs as internal factors affecting profitability has declined by 23 points in the past two years and the importance of health-care costs has declined by 18.

Impact of Internal Factors on Profitability
2006-2008 Comparison

	2006			2007			2008		
	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%
Management team	18%	57%	75%	18%	58%	76%	19%	53%	72%
Compliance costs	24%	46%	70%	14%↓	45%	59%↓	11%	36%↓	47%↓
New technology	13%	51%	64%	13%	46%	59%	12%	46%	58%
New product development	11%	50%	61%	14%	44%	58%	12%	48%	60%
Health-care costs	6%	53%	59%	5%	42%↓	47%↓	5%	36%	41%
Strategic partnership/alliances	6%	44%	50%	8%	47%	55%	9%	45%	54%
Price flexibility	9%	40%	49%	8%	38%	46%	8%	41%	49%
Strength of your brand	6%	42%	48%	6%	51%	57%	5%	50%	55%
Sales/distribution channels	8%	38%	46%	5%	36%	41%	6%	40%	46%
Customer loyalty	6%	37%	43%	9%	40%	49%	9%	41%	50%
Emp. benefits other than health care	2%	29%	31%	2%	28%	30%	2%	24%	26%
Advertising/marketing initiatives	3%	22%	25%	2%	28%	30%	3%	24%	27%
Ret. benefits other than health care	3%	10%	13%	1%	11%	12%	1%	10%	11%
Other internal factors	8%	-	8%	4%	-	4%	2%	-	2%

↑↓ Result significantly higher or lower compared with previous year

The percentage of CEOs who think compliance costs will be the most importance internal factor influencing profitability has been cut in half in the past two years, while the perceived importance of management has increased.

Most Important Internal Factor Influencing Profitability
2006-2008 Comparison

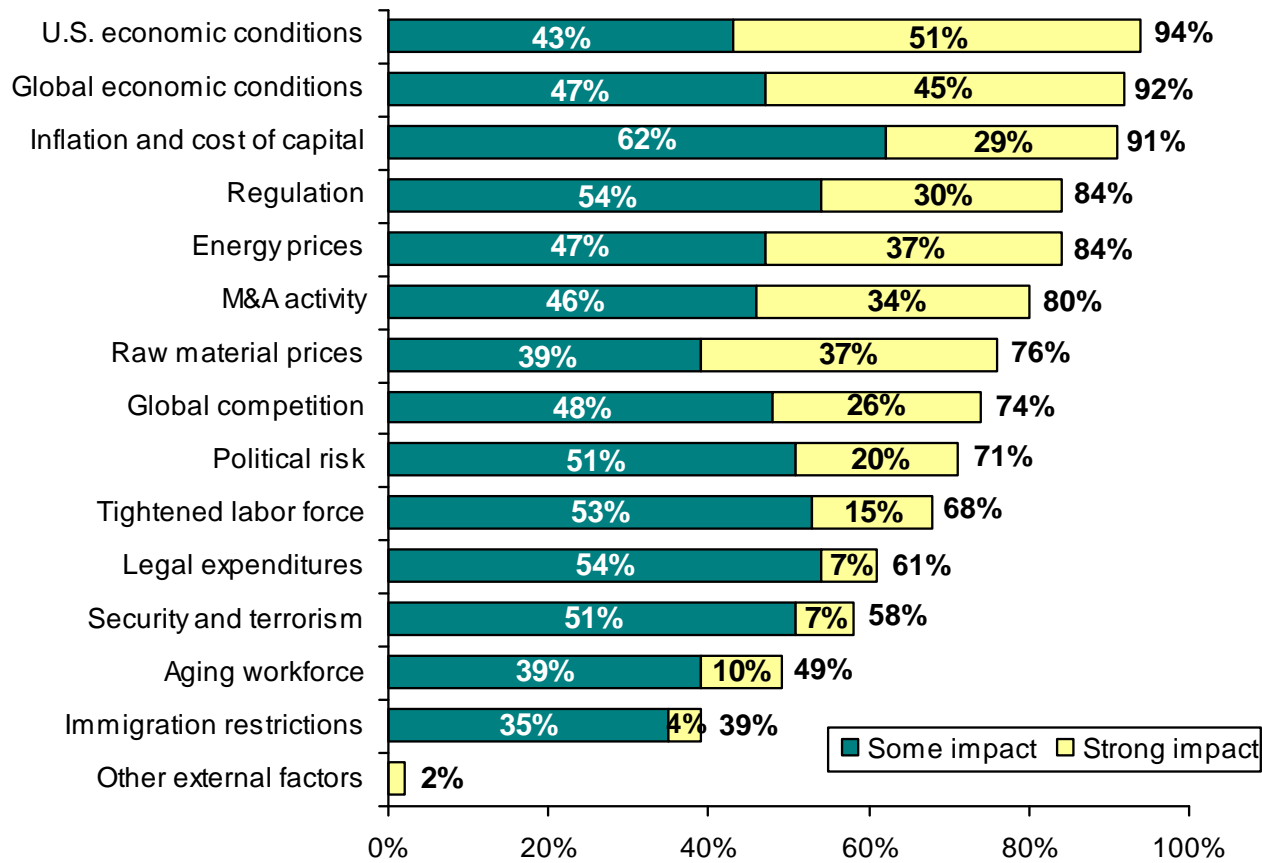
	2006	2007	2008
Compliance costs	17%	14%	8%↓
Operational efficiency	15%	15%	18%
Management team	12%	19%↑	18%
New product development	7%	10%	13%
Price flexibility	6%	7%	6%
Strategic partnerships/Alliances	5%	5%	5%
Strength of your brand	5%	5%	3%
Health-care costs	5%	1%	3%
New technology	4%	5%	4%
Sales/distribution channels	4%	2%	5%
Customer loyalty	2%	3%	3%
Advertising/marketing initiatives	-	-	1%
Employee benefits other than health care	-	-	1%
Other internal factors	9%	5%	2%

Q2b: Which of these factors do you think will most affect your company's profitability through calendar year 2009?

↑↓ Result significantly higher or lower compared with previous year

US and global economic conditions, as well as inflation and the cost of capital are seen as the most important external influences on company growth through 2009.

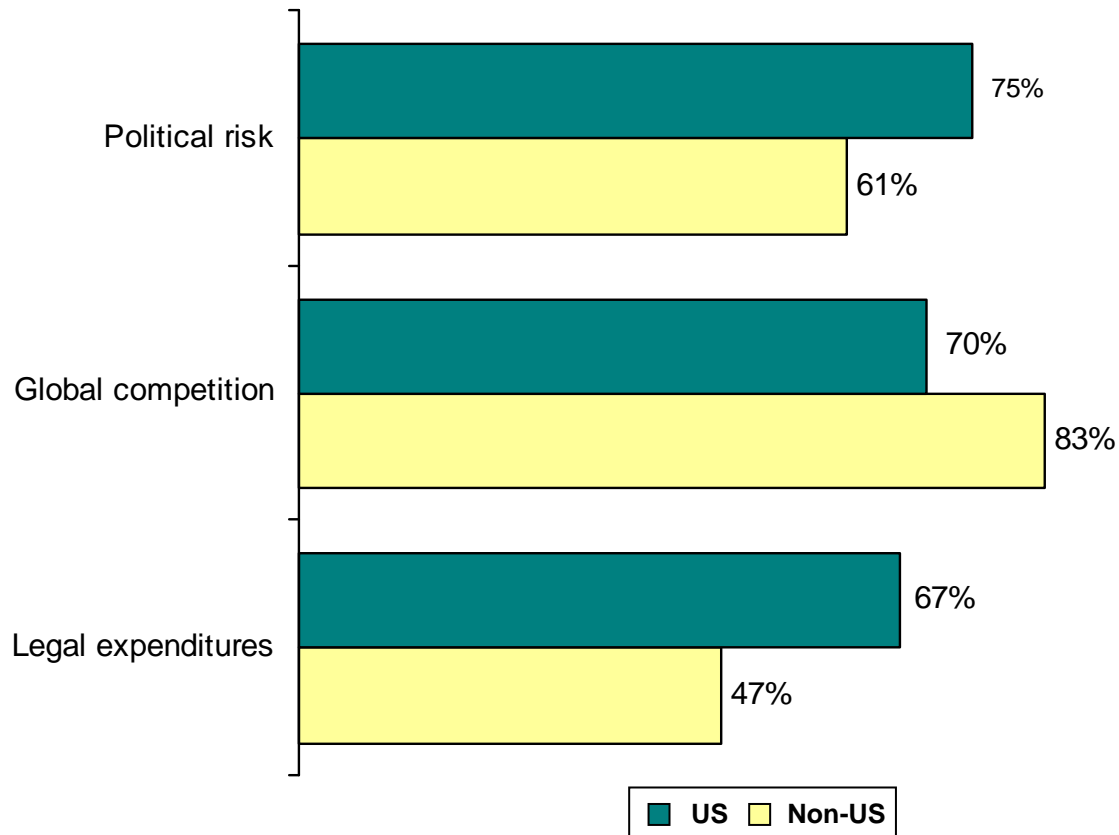
Impact of External Factors on Overall Growth



Q3a: How much impact do you think each of the following external factors will have on your company's overall growth through calendar year 2009? Will each factor have a strong impact, some impact or no impact on your company's overall growth?

CEOs of companies based in the US view political risk and legal expenditures as more important to their company's growth than do CEOs of non-US-based companies. CEOs outside the US think global competition will have more impact on their companies' growth.

Impact of External Factors on Overall Growth
US/Non-US Comparison



NOTE: Only indicators which showed significant differences by geography are shown.

The importance of security and terrorism on growth continues to decline, down 18 points in the past two years. Compared with last year, the importance of M&A activity has dropped slightly, while the perceived importance of immigration restrictions on growth have increased.

Impact of External Factors on Overall Growth
2006-2008 Comparison

	2006			2007			2008		
	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%
Global economic conditions	37%	55%	92%	39%	50%	89%	45%	47%	92%
Regulation	44%	47%	91%	35%	54%	89%	30%	54%	84%
Energy prices	38%	51%	89%	31%	55%	86%	37%	47%	84%
M&A activity	35%	53%	88%	41%	50%	91%	34%	46%	80%↓
Inflation and the cost of capital	22%	60%	82%	24%	63%	87%	29%	62%	91%
Security and terrorism	12%	64%	76%	10%	59%	69%	7%	51%	58%↓
Raw material prices	28%	47%	75%	27%	42%	69%	37%↑	39%	76%
Global competition	26%	45%	71%	32%	43%	75%	26%	48%	74%
Political risk	16%	50%	66%	19%	53%	72%	20%	51%	71%
Legal expenditures	7%	58%	65%	7%	61%	68%	7%	54%	61%
Tightened labor force	NA	NA	NA	16%	59%	75%	15%	53%	68%
Aging workforce	NA	NA	NA	10%	41%	51%	10%	39%	49%
Immigration restrictions	NA	NA	NA	5%	25%	30%	4%	35%↑	39%↑
Other external factors	8%	-	8%	3%	-	3%	2%	-	2%

No single factor emerges as clearly the most important influence on growth this year. The importance of M&A activity has increased notably over the past two years, while the importance of raw material prices has doubled since last year albeit still to a low level. Among CEOs of US-based companies, US economic conditions are the expected to have the most impact, while no CEOs of non-US-based companies think it will most influence their companies' growth. Global economic conditions are view as most important among non-US-based companies.

Factor with Most Impact on Company's Overall Growth

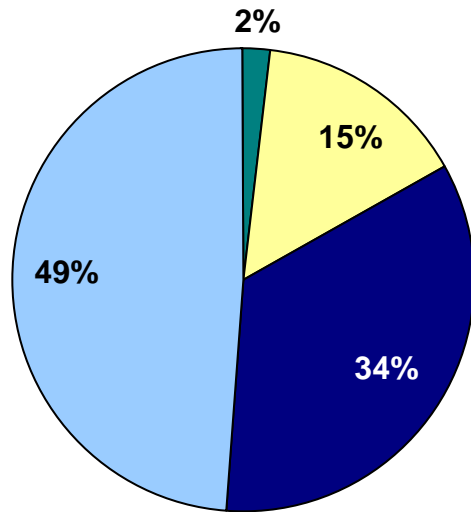
	2006	2007	2008
U.S. economic conditions	22%	26%	20%
Energy prices	12%	9%	8%
Global economic conditions	12%	12%	17%
M&A activity	12%	18%	20%
Regulation	12%	7%	7%
Global competition	7%	11%	17%
Inflation and the cost of capital	6%	4%	5%
Raw material prices	5%	5%	11%↑
Political risk	1%	2%	2%
Security and terrorism	1%	2%	-
Tightening labor force	NA	2%	1%
Immigration restrictions	NA	-	1%
Other external factors	5%	1%	-

Q3b: Which of the following external factors do you think will have the most impact on your company's overall growth through calendar year 2009?

The vast majority of US adults, as well as CEOs and US and non-US-based companies think US economic conditions are fair or poor. CEOs of US-based companies are more likely to describe conditions as 'fair', while the US Public and CEOs of non-US-based companies describe conditions as 'poor'.

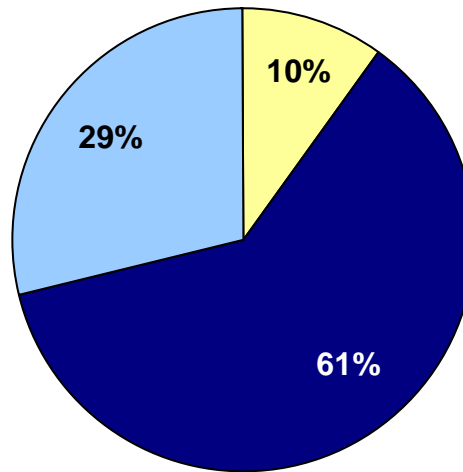
Perceptions of the US Economy

All US Adults*



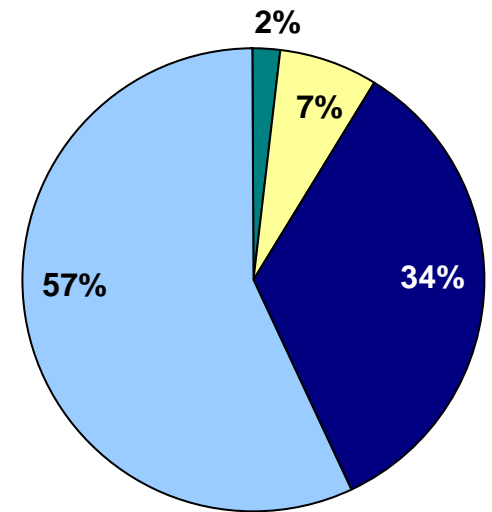
Excellent/Good 17%
Fair/Poor 83%

CEOs of US Companies

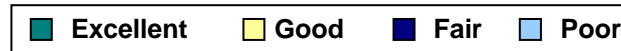


Excellent/Good 10%
Fair/Poor 90%

CEOs of Non-US Companies



Excellent/Good 9%
Fair/Poor 91%



*Opinion Research Corporation/Caravan study conducted March 14-17, 2008 among 1,005 adults 18+
Q5d: How would you rate economic conditions in the United States today – as excellent, good, fair or poor?

Unlike last year, when CEOs of US companies had a much different view of the US economy than the US Public and CEOs of non-US companies, this year the only difference is in views of how bad US economic conditions truly are.

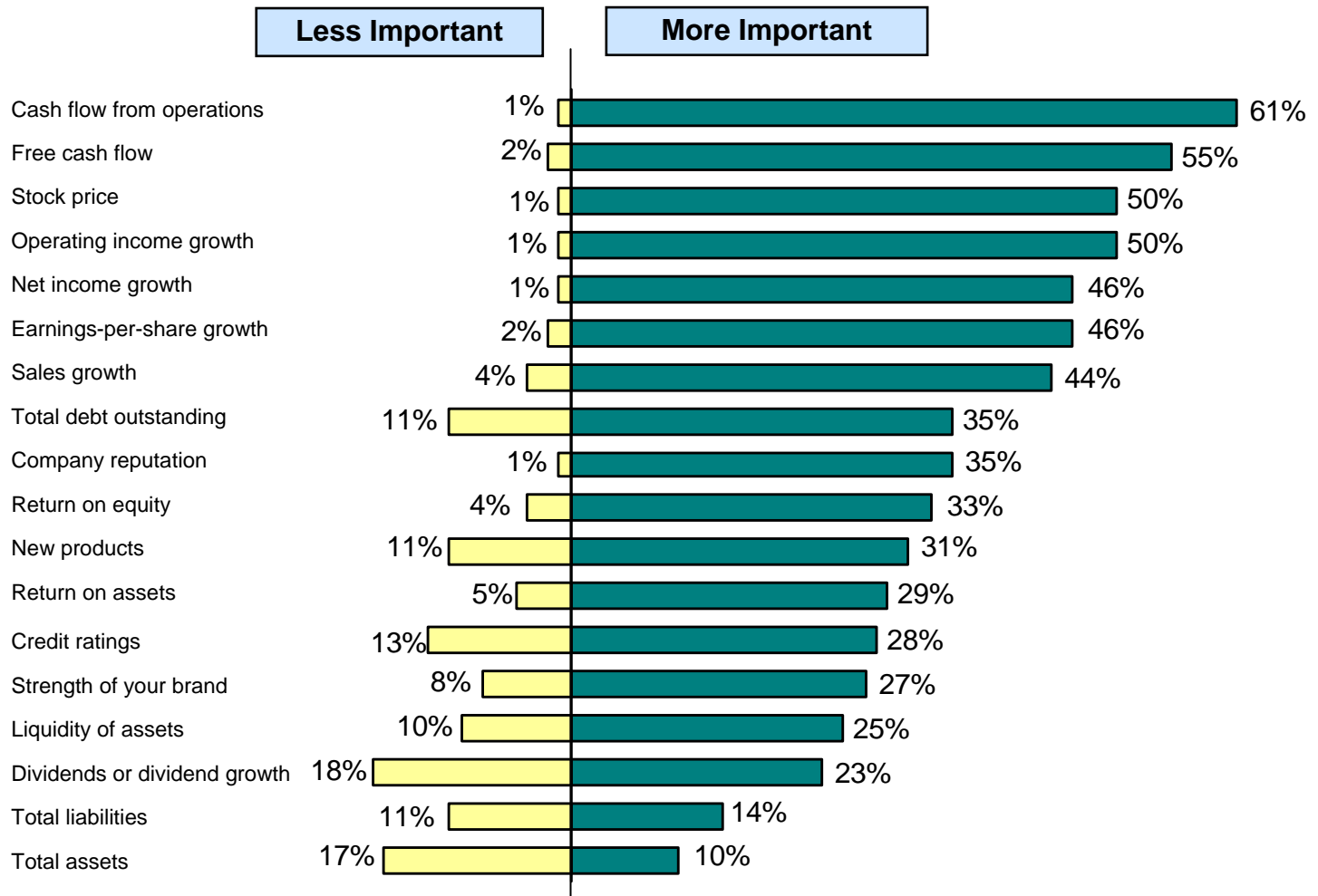
Perceptions of the U.S. Economy
2007-2008 Comparison

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

↑↓ Result significantly higher or lower compared with previous year

Cash flow from operations, as well as free cash flow are viewed as the measures which are more important to shareholders compared with three years ago.

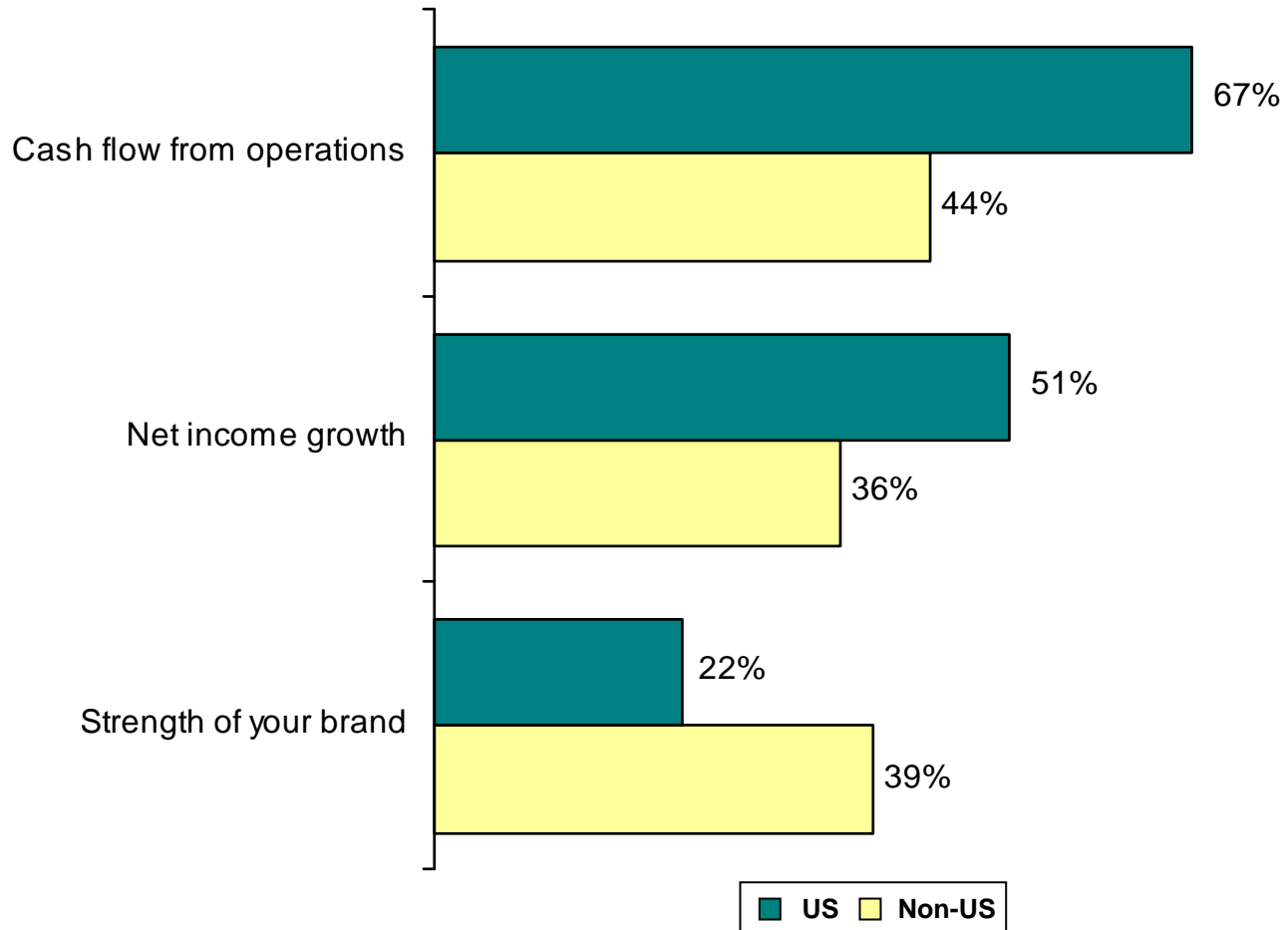
Importance of Performance Measures Compared with Three Years Ago



Q4: Compared with three years ago, are each of the following performance measures more important, about the same in importance, or less important to shareholders?

CEOs of companies based outside the US think brand strength is more important to shareholders than three years ago, while those in the US think cash flow from operations and net income growth are more important.

Performance Measures Are More Important Compared with Three Years Ago
US/Non-US Comparison



NOTE: Only indicators which showed significant differences by geography are shown.

Compared with last year, the importance of some metrics linked with a company's overall financial health have increased likely due to the past year's financial environment.

Importance of Performance Measures Compared with Three Years Ago
2006-2008 Comparison

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

↑↓ Result significantly higher or lower compared with last year

There have been significant changes in measures CEOs at financial services companies and other companies think are more important compared with three years ago. Among financial services companies, cash flow from operations, credit ratings, asset liquidity and total debt outstanding are viewed as much more important than last year.

Performance Measures Are More Important Compared with Three Years Ago
2007-2008 by Industry Comparison

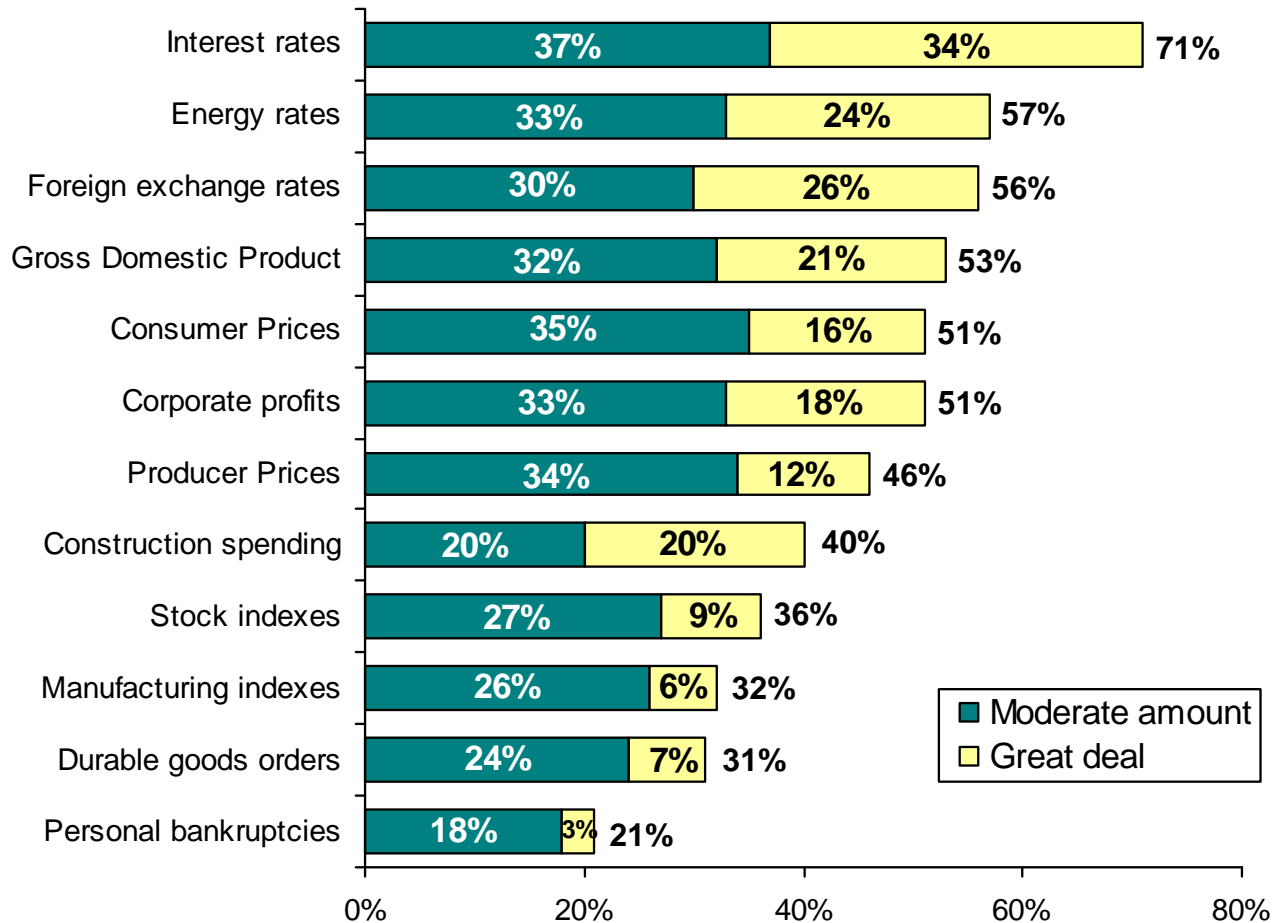
	Financial Services*		Other Industries	
	2007	2008	2007	2008
Earnings-per-share growth	59%	57%	55%	43%↓
Net income growth	55%	45%	59%	47%↓
Operating income growth	52%	45%	58%	49%
Stock price	46%	45%	53%	52%
Dividends or dividend growth	45%	27%	30%	23%
Company reputation	43%	52%	45%	30%↓
Return on equity	39%	43%	42%	31%↓
Sales growth	39%	36%	52%	45%
Free cash flow	34%	39%	58%	60%
Strength of your brand	30%	22%	27%	39%↑
Return on assets	27%	27%	30%	31%
Cash flow from operations	27%	50%↑	56%	64%
New products	27%	18%	33%	35%
Credit ratings	25%	52%↑	15%	24%↑
Total assets	13%	16%	4%	9%
Total liabilities	13%	27%	6%	12%
Liquidity of assets	11%	55%↑	8%	20%↑
Total debt outstanding	4%	50%↑	18%	33%↑

*Financial services, banking, insurance and real estate

↑↓ 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 numerous other indicators together in a second tier of importance.

Influence Trends in Indicators Have on Business Planning



Q5c: How much influence do trends in the following indices, rates or economic indicators have on your business planning? Do they have a great influence, a moderate amount of influence, little influence or no influence? How about trends in...?

Not surprisingly, the importance of many measurements varies by industry. In addition, foreign exchange rates are more important to companies based outside the United States.

How Trends in Indicators Influence Business Planning – Great Deal/Moderate Amount of Influence
US/Non-US and Industry Comparisons

	US	Non-US	Consumer Products/Retail/Health Care	Energy/Utilities	Financial Services/Banking/Real Estate	Manuf/Const/Mining	Business/Info Services/Trans/Distrib
Interest rates	74%	64%	52%	87%	84%	74%	64%
Energy rates	58%	56%	63%	96%	34%	74%	44%
Foreign exchange rates	52%	67%	59%	52%	30%	74%	60%
Producer prices	46%	46%	52%	65%	30%	61%	32%
Construction spending	42%	34%	19%	57%	52%	54%	18%
Manufacturing indexes	32%	30%	41%	30%	14%	52%	20%
Durable goods orders	30%	33%	22%	30%	16%	54%	20%
Personal bankruptcies	22%	20%	22%	13%	41%	15%	14%

NOTE: Only indicators which showed significant differences by geography or industry are shown.
 Highlighted results indicate results which are significantly above average.

The importance of interest rates in business planning has increased substantially in the past year, while the importance of energy rates have declined, despite the increased price of oil.

How Trends in Indicators Influence Business Planning – Great Deal/Moderate Amount of Influence
2007-2008 Comparison

	2007			2008		
	Great Deal	Mod. Amt.	Net	Great Deal	Mod. Amt.	Net
Energy rates	32%	35%	67%	24%	33%	57% ↓
Gross Domestic Product	18%	41%	59%	21%	32%	53%
Interest rates (Fed Funds rate in 2007)	20%	36%	56%	34% ↑	37%	71% ↑
Consumer prices (Consumer Price Index in 2007)	9%	42%	51%	16% ↑	35%	51%
Corporate profits	15%	34%	49%	18%	33%	51%
Construction spending	19%	25%	44%	20%	20%	40%
Producer prices (Producer Price Index in 2007)	8%	35%	43%	12%	34%	46%
Durable goods orders	7%	26%	33%	7%	24%	31%
Stock indexes	7%	24%	31%	9%	27%	36%
Manufacturing indexes (ISM Manufacturing Index in 2007)	6%	21%	27%	6%	26%	32%
Personal bankruptcies	4%	16%	20%	3%	18%	21%
Foreign exchange rates	NA	NA	NA	26%	30%	56%

↑↓ Result significantly higher or lower compared with last year

Most CEOs think revenue growth in their own industry and company will be driven far more from organic growth than M&A activity.

Industry and Company Growth Primarily Derived From:
2006-2008 Comparison

	Industry			Company		
	2006	2007	2008	2006	2007	2008
Organic growth	58%	47%↓	57%↑	57%	56%	58%
M&A activity	18%	23%	18%	15%	20%	19%
Both will contribute equally	24%	30%	24%	27%	24%	23%
Don't know	-	-	1%	1%	-	-

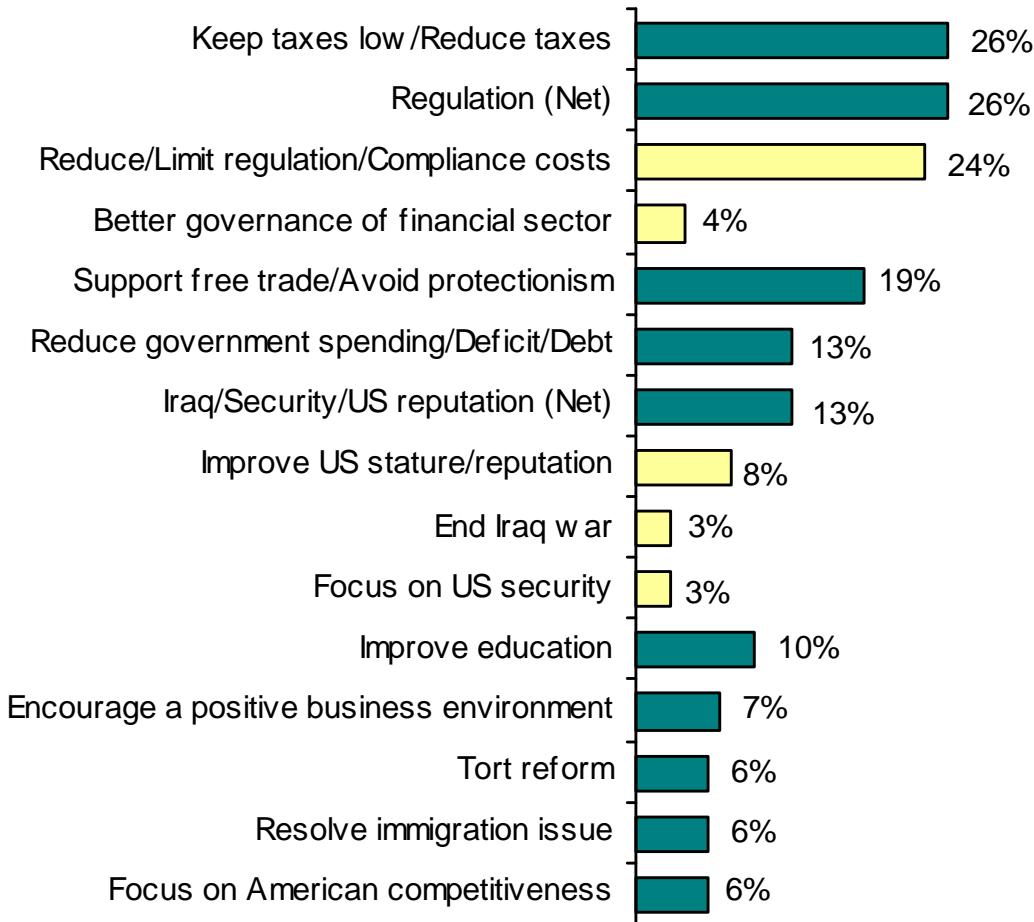
Q5A: Through calendar year 2009, do you expect that revenue growth for your industry will be primarily derived from M&A activities, organic growth or will they contribute equally?

Q5B: Through calendar year 2009, do you expect the rate of revenue growth for your own company will be primarily derived from M&A activities, organic growth or will they contribute equally?

↑↓ Result significantly higher or lower compared with previous year

Asked what guidance they would offer to the next US President, CEOs are most likely to mention keeping taxes low, reducing regulation and supporting trade liberalization.

Guidance for the Next US President



- “Include as many views into your decision process you can before you make the decision. Get the best business leaders in America to staff the White House and Cabinet posts and make them be doers.”
- “I would suggest that he/she better inform or educate the US citizens of how every facet of our lives is now impacted by the global economy. From the commodities to labor and intellectual shortages, each has a direct impact on prices of everyday goods. We should then at least have our eyes wide open as to which shortages or price spikes are self imposed by not developing a “resource” versus truly competing globally for “resources” not readily available to the US.”
- “A true national energy policy that would optimize available domestic reserves and well thought out conservation measures that would make us much less dependent on foreign imports.”
- “US consumers will buy the best product where ever it is made. This will be true even for the US worker that complains the loudest about US jobs being exported. We must continue to have free worldwide markets and thus US businesses must be permitted to compete to the best of their ability, without excessive government interference and must have access to all types of labor.”

Q33: This is the final question. In 2008, a new President will be elected in the United States. What guidance, as a CEO of a public company, would you offer the new President concerning actions he or she should take to keep America competitive in the global business environment?

Taxes and reduced regulation are at the top of the agenda among CEOs at US companies, while free trade tops the list at companies based outside the US.

Guidance for the Next US President
US/Non-US Comparison

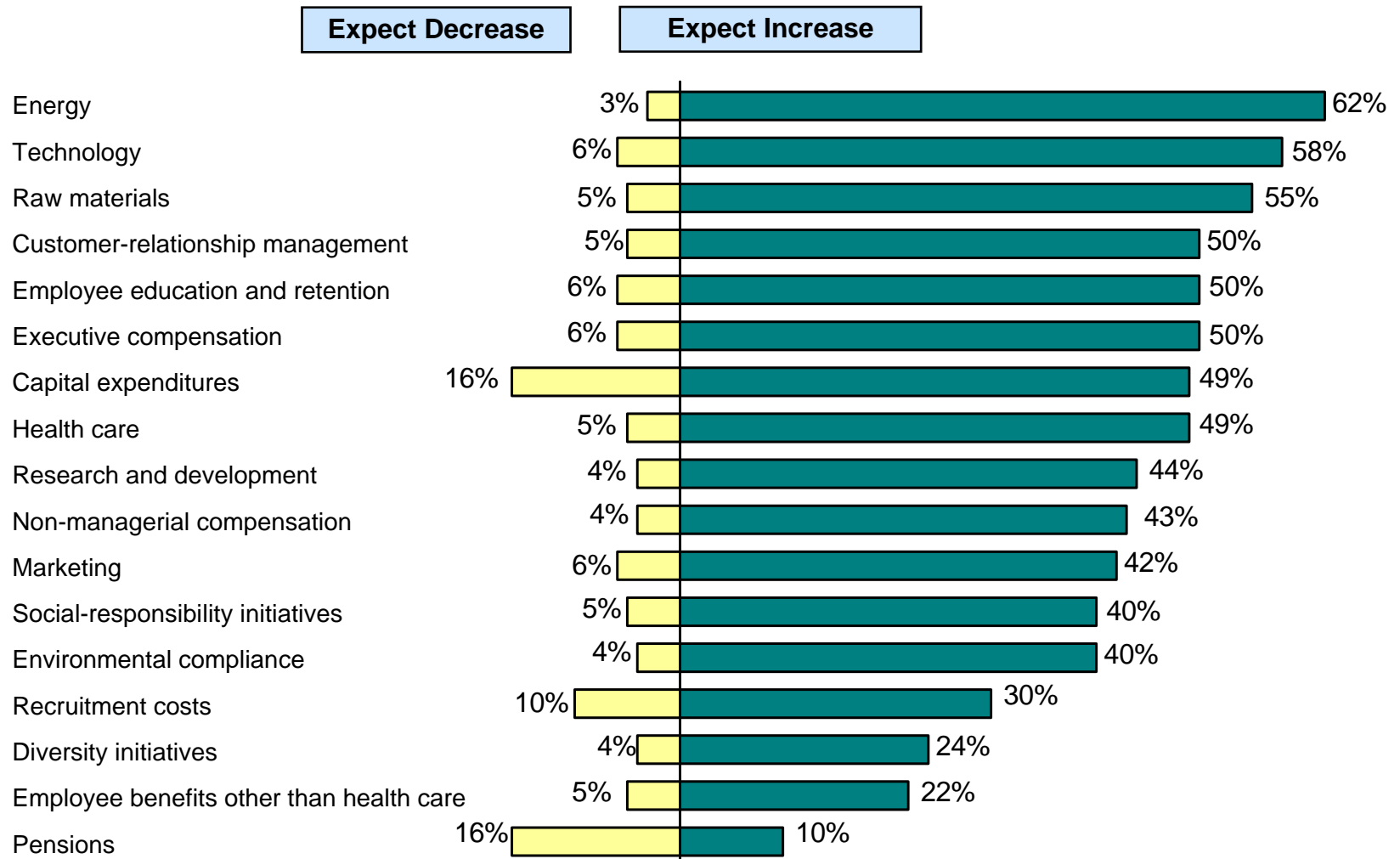
	US-Based	Non-US
Keep taxes low/Reduce taxes	34%	-
Regulation (Net)	29%	24%
Reduce/Limit regulation/Compliance costs	28%	12%
Better governance of financial sector	1%	12%
Support free trade/Avoid protectionism	19%	19%
Reduce government spending/Deficit/Debt	14%	10%
Iraq/Security/US reputation	14%	10%
Improve US stature/Reputation	8%	7%
End Iraq war	4%	2%
Focus on US security	4%	-
Improve education	11%	7%
Encourage positive environment for business	8%	2%
Tort reform	8%	-
Resolve immigration issue	7%	2%
Focus on American competitiveness	7%	2%

NOTE: Only answers mentioned by at least 5% shown
 Highlighted results indicate results which are significantly above average.

Outlays and Expectations

CEOs expect budget increases in every area, especially for energy, technology and raw materials.

Expected Budget Through 2009



Q6A: For each of the following areas that I read, please tell me whether you expect the budget for this for your company will increase, stay about the same or decrease through calendar year 2009.

Aside from energy, raw materials, capital expenditures and technology, CEOs don't expect significant budget changes in any areas.

Expected Budget Through 2009

	Decrease		Stay the Same	Increase	
	Significantly	Somewhat		Somewhat	Significantly
Energy	-	3%	35%	44%	18%
Technology	<1%	5%	36%	45%	13%
Raw materials	<1%	5%	40%	38%	17%
Customer-relationship management	<1%	4%	45%	46%	4%
Employee education and retention	-	6%	44%	43%	7%
Executive compensation	1%	5%	44%	46%	4%
Capital expenditures	2%	14%	35%	35%	14%
Health care	<1%	4%	47%	46%	3%
Research and development	-	4%	52%	36%	8%
Non-managerial compensation	1%	3%	53%	41%	2%
Marketing	-	6%	53%	36%	6%
Social-responsibility initiatives	1%	4%	55%	33%	7%
Environmental compliance	-	4%	56%	34%	6%
Recruitment costs	1%	8%	60%	26%	4%
Diversity initiatives	1%	3%	71%	21%	3%
Employee benefits other than health care	<1%	5%	73%	21%	1%
Pensions	4%	12%	74%	9%	1%

Not surprisingly given difference in health care systems, higher percentages of CEOs in US-based companies expect budgetary increases for health care, while more CEOs of companies based outside the US anticipate increases to fund customer-relationship management. Larger companies are more likely than smaller ones to expect increases in numerous areas.

Expected Budget Through 2009 – Increase
US/Non-US, Market Cap, Industry Comparisons

	US	Non-US	<\$1 Billion	\$1-\$3 Billion	\$3 Billion+	Consumer Products/ Retail/ Health Care	Energy/ Utilities	Financial Services/ Banking/ Real Estate	Manuf/ Const/ Mining	Business/Info Services/ Trans/Distrib
Energy	65%	56%	53%	62%	73%	63%	78%	52%	70%	56%
Technology	58%	59%	60%	49%	70%	70%	57%	43%	62%	58%
Raw materials	54%	56%	44%	54%	70%	59%	78%	27%	75%	42%
Customer-relationship management	45%	64%	54%	42%	63%	52%	39%	52%	49%	56%
Capital expenditures	48%	53%	46%	47%	55%	52%	78%	36%	49%	46%
Health care	60%	19%	47%	48%	50%	48%	57%	57%	41%	48%
Research and development	41%	54%	44%	39%	52%	41%	39%	23%	61%	46%
Social-responsibility initiatives	38%	46%	29%	35%	63%	41%	48%	32%	39%	46%
Environmental compliance	37%	49%	31%	42%	48%	30%	70%	30%	41%	44%
Diversity initiatives	27%	17%	17%	25%	36%	26%	22%	20%	20%	36%
Employee benefits other than health care	24%	17%	22%	19%	25%	15%	30%	32%	13%	26%

NOTE: Only indicators which showed significant differences by geography or industry are shown. Highlighted results indicate results which are significantly above average.

Compared with last year, fewer CEOs expect budget increases for health care, non-managerial compensation, pensions and non-health-care related employee benefits.

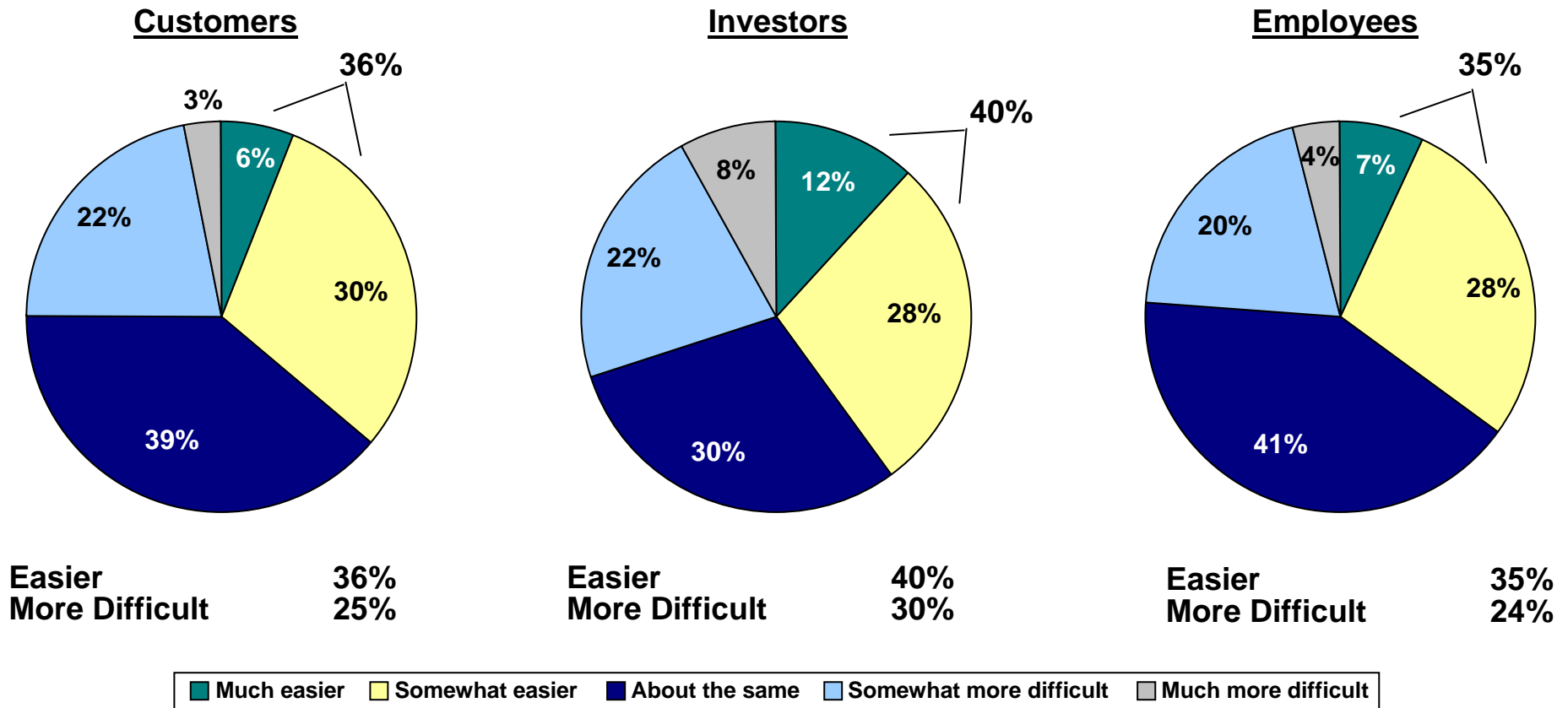
**Expected Budget Changes
2006-2008 Comparison**

	2006			2007			2008		
	Dec.	Same	Inc.	Dec.	Same	Inc.	Dec.	Same	Inc.
Health care	1%	30%	70%	2%	32%	66%	4%	47% [↑]	49% [↓]
Energy	1%	35%	64%	4%	42%	54% [↓]	3%	35%	62%
Technology	1%	38%	61%	1%	35%	63%	6%	36%	58%
Capital expenditures	13%	32%	56%	11%	35%	54%	16%	35%	49%
Raw materials	4%	44%	51%	3%	44%	51%	5%	40%	55%
Employee education and retention	1%	49%	51%	1%	51%	48%	6%	44%	50%
Non-managerial compensation	2%	49%	49%	1%	35% [↓]	64% [↑]	4%	53% [↑]	43% [↓]
Executive compensation	5%	54%	42%	3%	39% [↓]	59% [↑]	6%	44%	50%
Customer-relationship management	1%	58%	41%	1%	46% [↓]	53% [↑]	5%	45%	50%
Marketing	3%	57%	39%	5%	53%	41%	6%	53%	42%
Research and development	3%	60%	37%	1%	55%	43%	4%	52%	44%
Social-responsibility initiatives	1%	67%	32%	2%	63%	35%	5%	55%	40%
Diversity initiatives	1%	68%	31%	2%	67%	31%	4%	71%	24%
Other employee benefits	2%	70%	28%	1%	67%	33%	5%	73%	22% [↓]
Environmental compliance	2%	70%	27%	1%	64%	35%	4%	56%	40%
Pensions	10%	72%	16%	10%	71%	19%	16%	74%	10% [↓]
Recruitment costs	NA	NA	NA	4%	60%	36%	10% [↑]	60%	30%

[↑]_↓ Result significantly higher or lower compared with previous year

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

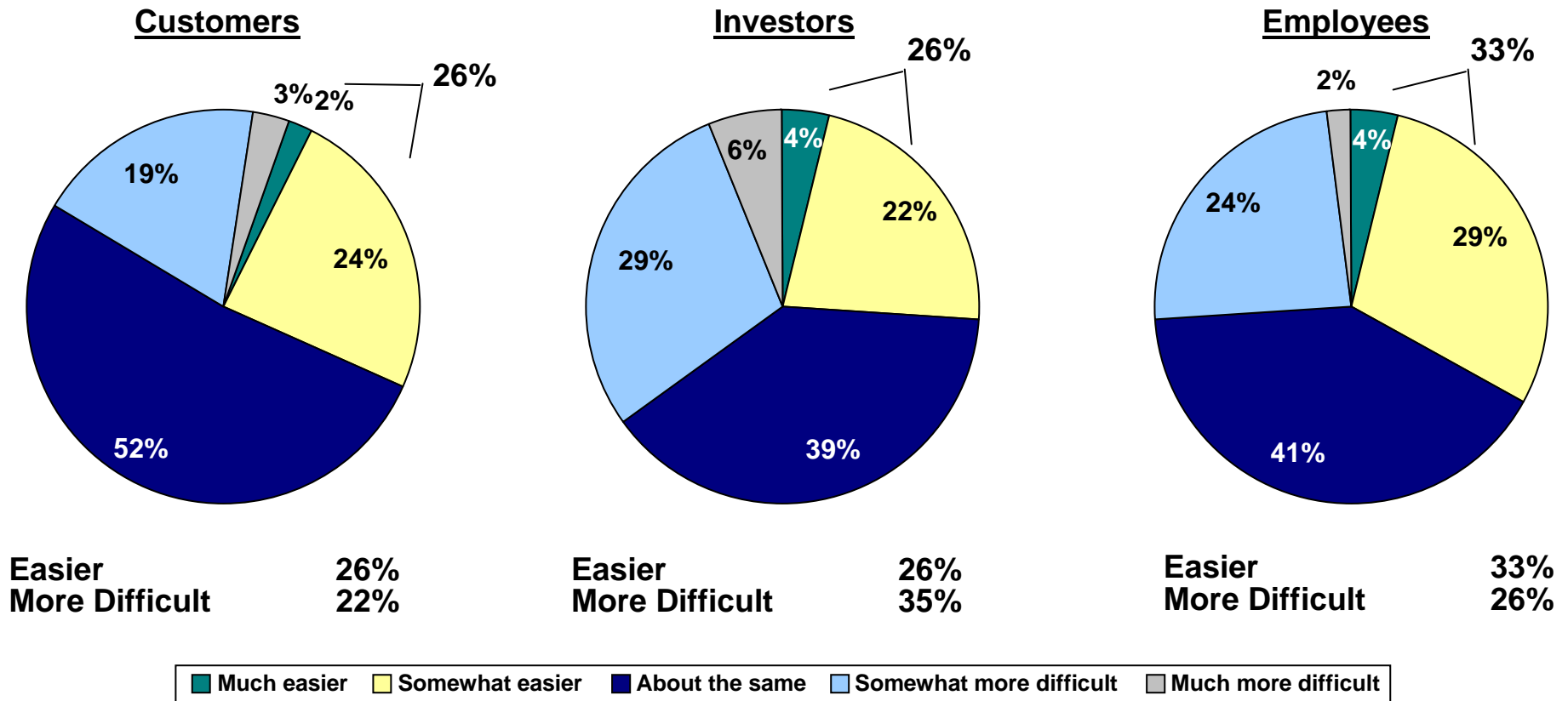
Ease or Difficulty in Attracting Customers, Investors and Employees Compared With Three Years Ago



Q9A: 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?

CEOs think **retaining** customers and investors is more difficult than attracting them. They think employees are as difficult to attract and retain.

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



Q10A: 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, CEOs think it is more difficult to attract investors. Over the longer term, CEOs think it is easier than it was in 2005 to attract and retain customers and to attract employees.

Ease or Difficulty Attracting or Retaining Customers, Investors and Employees
2005-2008 Comparison

	2005			2006			2007			2008		
	Easier	About the Same	More Diff.	Easier	About the Same	More Diff.	Easier	About the Same	More Diff.	Easier	About the Same	More Diff.
Attracting												
Customers	26%	35%	33%	40% ↑	38%	22% ↓	39%	40%	21%	36%	39%	25%
Investors	37%	31%	25%	56% ↑	27%	17%	54%	27%	19%	40% ↓	30%	30% ↑
Employees	49%	24%	24%	44%	32%	24%	42%	31%	27%	35%	41% ↑	24%
Retaining												
Customers	22%	41%	34%	31%	46%	23% ↓	29%	47%	24%	36%	39%	25%
Investors	32%	37%	25%	40%	41%	19%	37%	41%	22%	26% ↓	39%	35%
Employees	36%	41%	22%	32%	37%	31%	31%	35%	34%	33%	41%	26%

↑↓ Result significantly higher or lower compared with previous year

CEOs of companies involved in the financial services sector are far more likely than last year to say it is more difficult to both attract and retain investors. There has been relatively little movement in perceptions among CEOs of companies in other industries.

Ease or Difficulty in Attracting and Retaining Investors Compared With Three Years Ago
2007-2008 Comparison by Industry

	Financial Services*		Other Industries	
	2007	2008	2007	2008
Attracting investors				
Easier	60%	25%↓	53%	44%
About the same	21%	30%	29%	30%
More difficult	19%	45%↑	18%	26%
Retaining investors				
Easier	44%	16%↓	35%	28%
About the same	35%	29%	44%	43%
More difficult	21%	55%↑	21%	29%

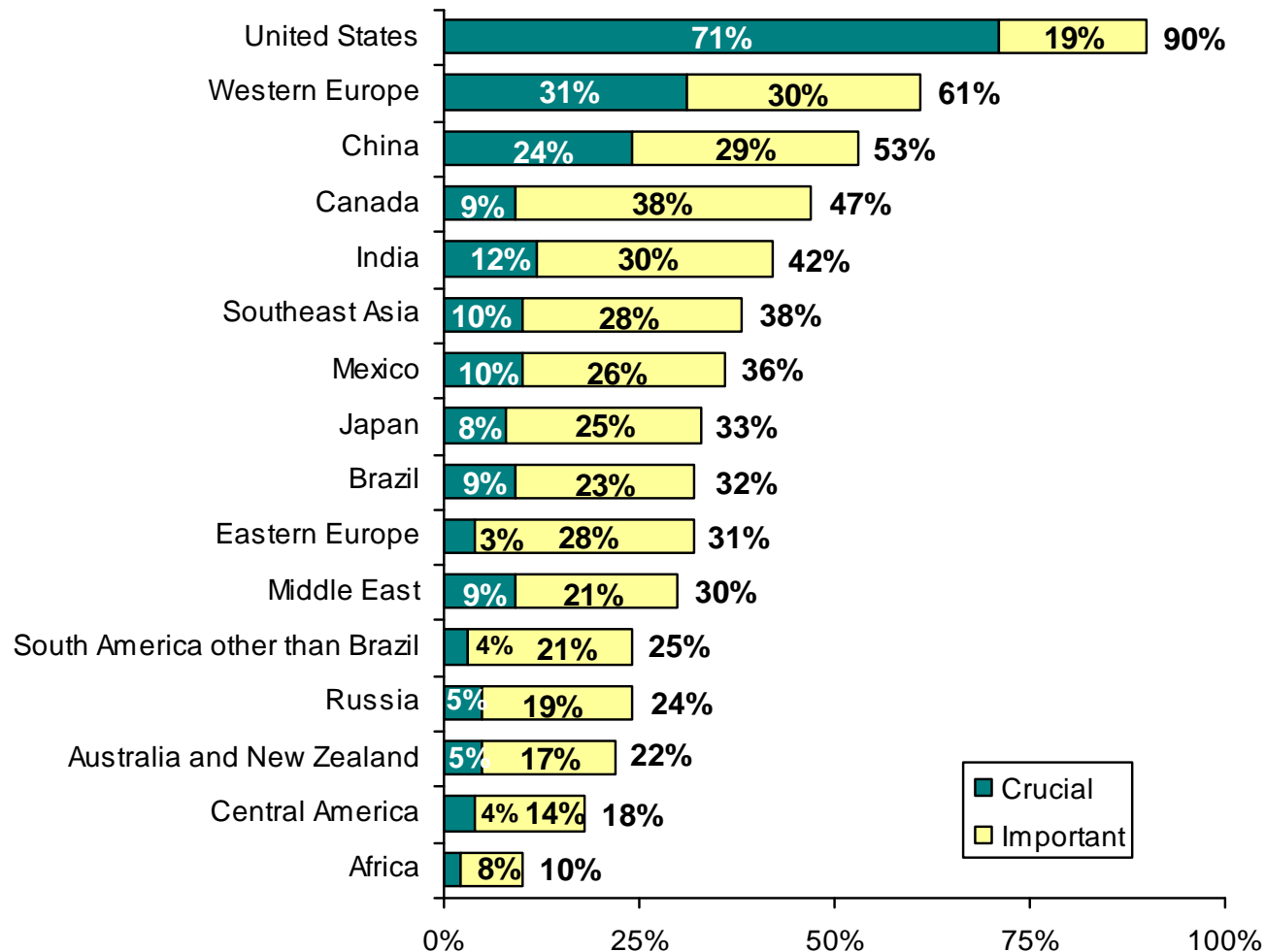
*Financial services, banking, insurance, real estate

↑↓ Result significantly higher or lower compared with previous year

Global Operations

The United States is strategically the most crucial area for business through 2008, with Western Europe placing second and China third. This finding, however, is driven partially by the large proportion of US-based respondents.

Strategic Importance of Regions to Business



Q11A: 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 40% of CEOs of companies based elsewhere. Western Europe, Russia and Latin American are greater focuses for non-US companies.

Strategic Importance of Regions to Business
US-Non-US Comparison

	Crucial		Crucial/Important	
	US	Non-US	US	Non-US
United States	82%	40%	97%	72%
Western Europe	27%	43%	55%	78%
China	22%	29%	27%	34%
Canada	10%	7%	53%	31%
India	12%	14%	42%	43%
Southeast Asia	10%	10%	36%	43%
Mexico	6%	22%	34%	43%
Japan	8%	9%	30%	41%
Brazil	4%	24%	27%	47%
Eastern Europe	3%	5%	29%	38%
Middle East	10%	5%	29%	31%
South America other than Brazil	1%	9%	17%	41%
Russia	5%	5%	19%	34%
Australia and New Zealand	6%	2%	25%	14%
Central America	2%	9%	14%	29%
Africa	1%	3%	8%	14%

NOTE: Highlighted results indicate results which are significantly above average.

The US is strategically the most crucial region for two in three CEOs, with Western Europe and China distant seconds. The greater importance of Western Europe this year is driven in part by the Euronext respondents.

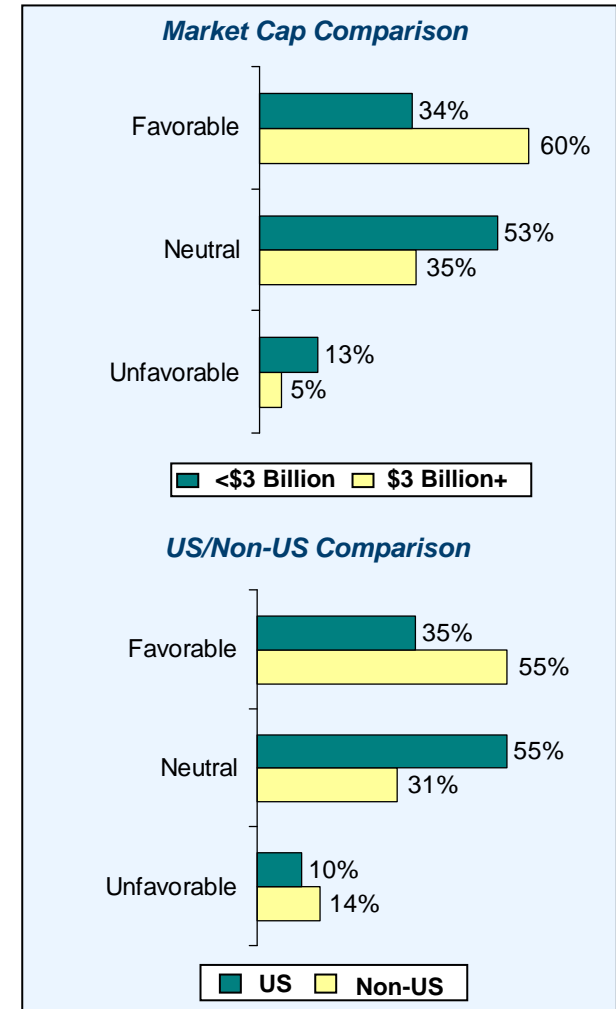
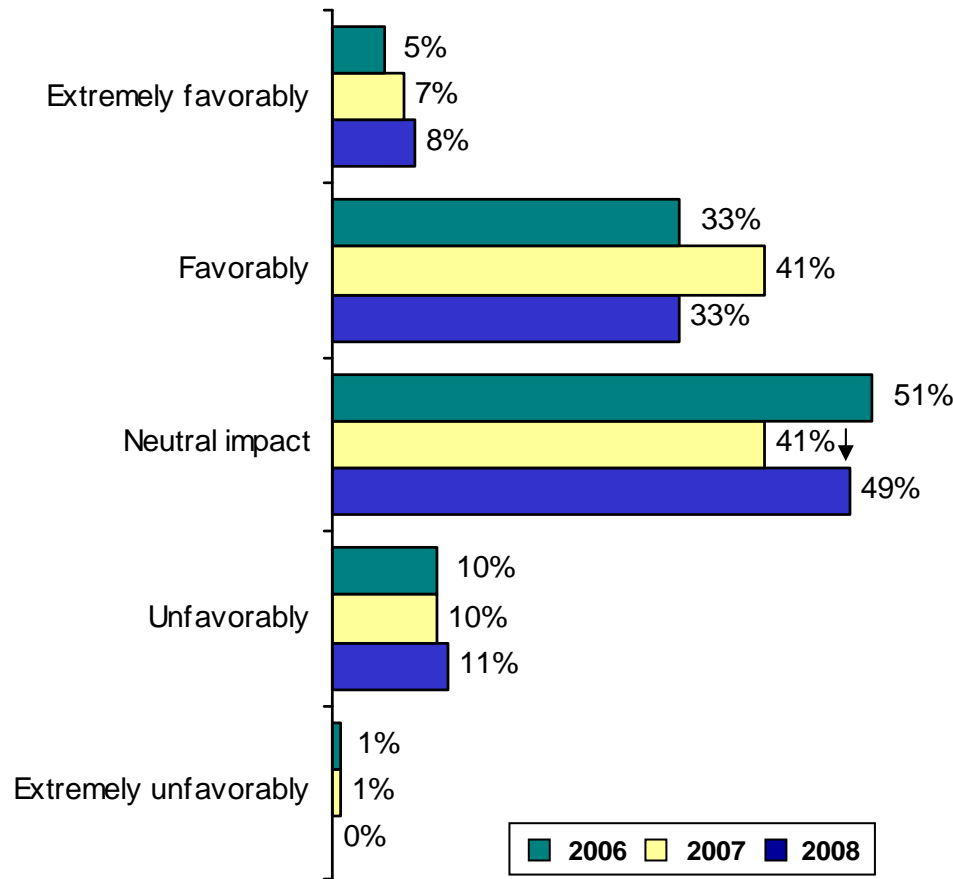
Strategically Most Crucial Region

	Total		U.S. Companies		Non-U.S. Companies	
	2007	2008	2007	2008	2007	2008
United States	66%	66%	79%	82%	18%	21%
China	9%	9%	7%	8%	15%	13%
Southeast Asia	4%	2%	5%	1%	3%	4%
Mexico	4%	4%	1%	1%	18%	13%
Brazil	4%	4%	1%	-	13%	17%
Western Europe	3%	9% [↑]	1%	5%	8%	19%
Japan	2%	1%	-	-	5%	4%
Canada	1%	1%	-	-	5%	2%
India	1%	1%	-	1%	5%	2%
South America other than Brazil	1%	1%	-	-	5%	2%
Central America	1%	-	-	-	3%	-
Africa	1%	-	1%	-	3%	-
Australia/New Zealand	1%	-	-	-	3%	-
The Middle East	1%	2%	1%	1%	-	2%
NAFTA	72%	71%	80%	83%	40%	35%
Asia	16%	14%	13%	10%	28%	23%
BRIC	14%	15%	9%	9%	33%	31%
Central/South America	5%	5%	1%	-	20%	19%

Q11B: And, which of these regions would you say is the strategically MOST crucial to your business through calendar year 2009?

CEOs are four times as likely to say the impact of the global trade environment on their business is favorable rather than unfavorable. CEOs of US-based companies, as well as smaller companies, are more likely to think the impact is neutral rather than favorable.

Impact of Global Trade Environment on Your Business
2006-2008 Comparison

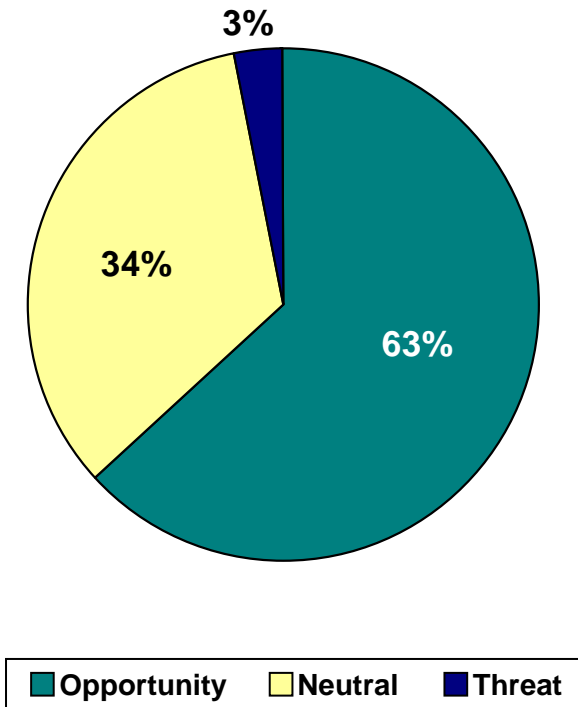


Q12: Which of the following best describes how the current global trade environment affects your business?

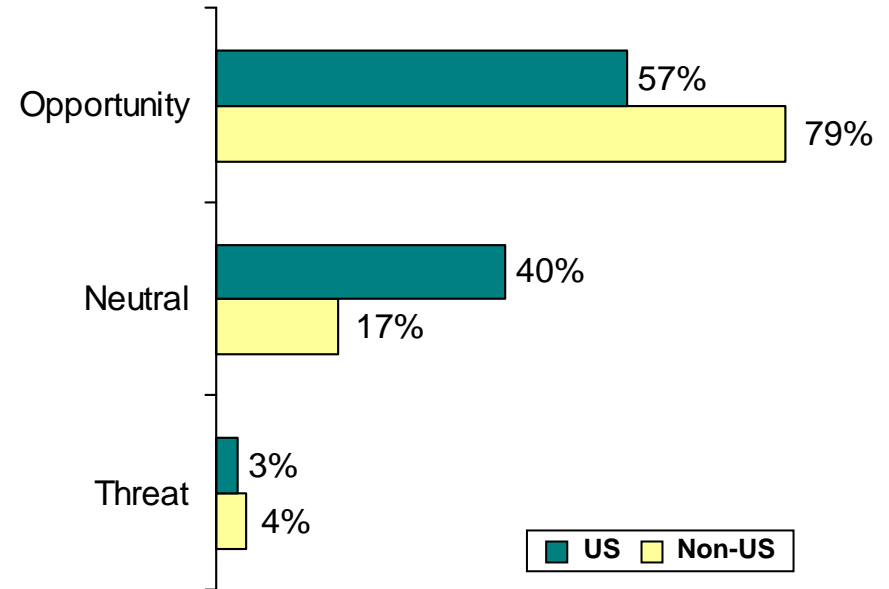
↑↓ Result significantly higher or lower compared with previous year

A solid majority of NYSE Euronext CEOs view the BRIC countries as an opportunity. CEOs of companies based outside the US are even more optimistic than CEOs of US-based organizations.

View of BRIC Countries Through 2009



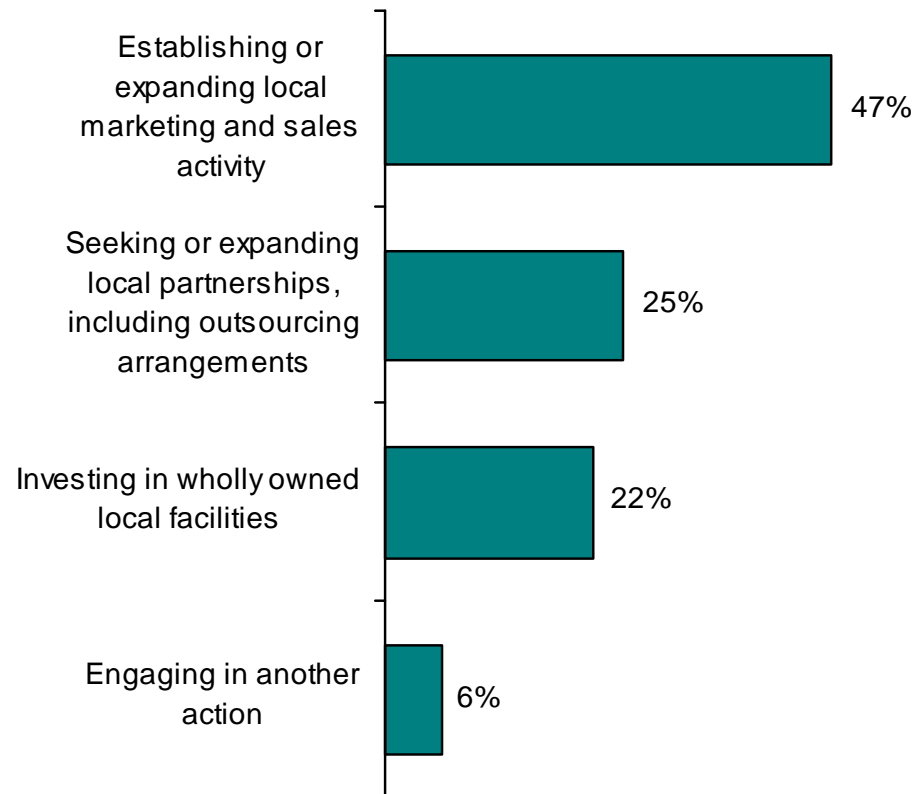
US/Non-US Comparison



Q13A: On balance, which of the following statements best describes your view of the BRIC countries (Brazil, Russia, India and China) through calendar year 2009?

Seeking or expanding local marketing and sales activity is the most common action CEOs who see the BRIC countries as opportunities plan to take to maximize their company's opportunity. There is little difference in plans by company size or where a company is based geographically.

Best Description of How Plan to Maximize Opportunity of BRIC Countries

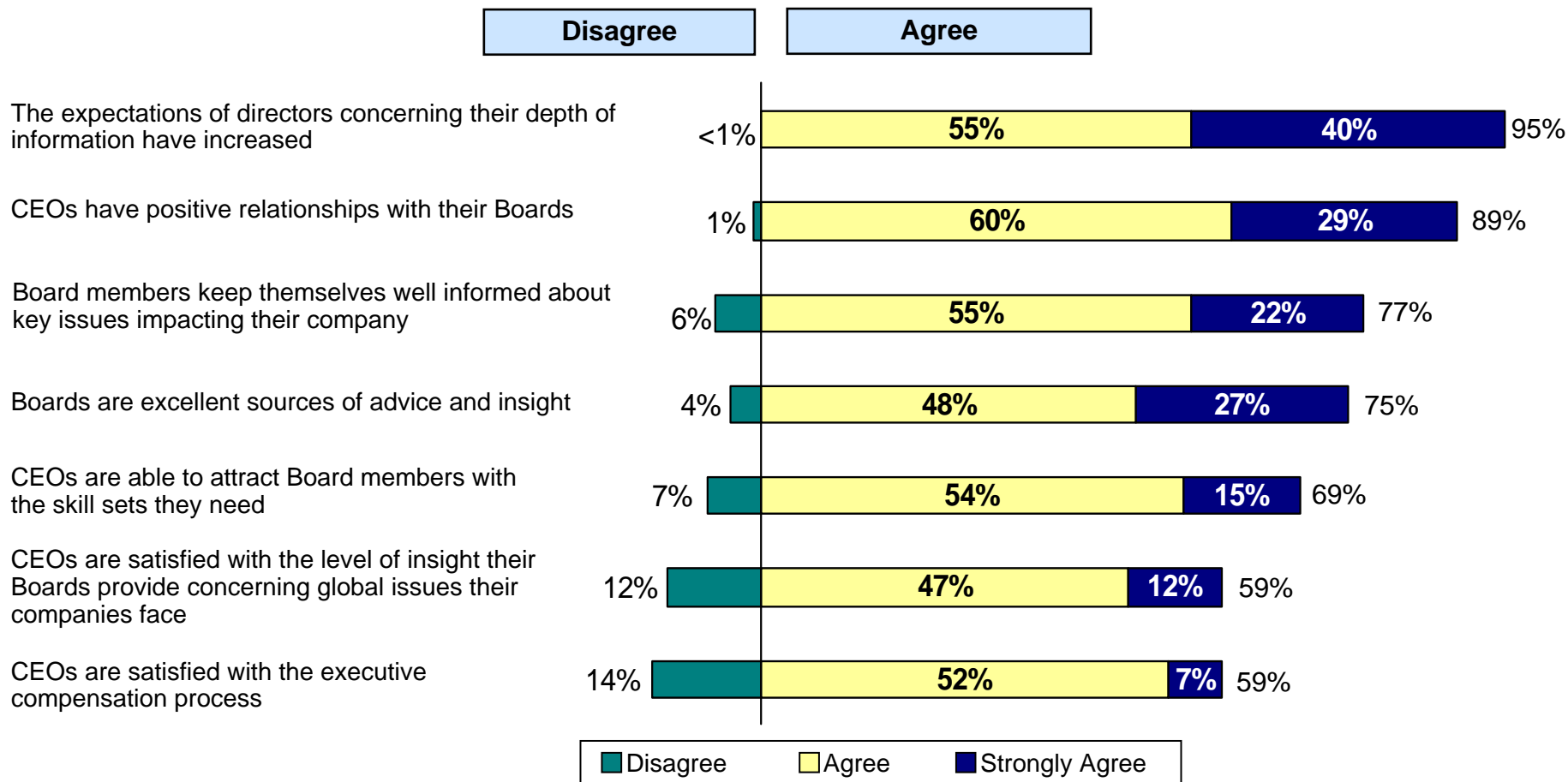


Q13B: Since the BRIC countries represent an opportunity, which SINGLE action best describes how you plan to maximize the opportunity through calendar year 2009?
Base = Those seeing BRIC countries as opportunity

Governance

Most CEOs are positive about the value of Boards of Directors and the guidance they provide. Fifty-nine percent say they are satisfied with the executive compensation process, although few strongly agree with this.

Relationship Between CEOs and Boards



Q16: I'd like to focus for a moment on the relationship between CEOs and their Boards. For each of the following statements, please tell me whether you strong agree, agree, disagree, strongly disagree or are neutral toward the following statements.

CEOs of larger companies tend to be more satisfied with several components of their relationships with their Boards, including the advice and insight they provide and the executive compensation process.

Relationship Between CEOs and Boards
Market Cap Comparison

	Agree			Strongly Agree		
	<\$1 B	\$1-3 B	\$3 B+	<\$1 B	\$1-3 B	\$3 B+
The expectations of directors concerning their depth of information have increased	89%	97%	98%	33%	42%	45%
CEOs have positive relationships with their Boards	82%	89%	96%	24%	27%	36%
Board members keep themselves well informed about key issues impacting their company	72%	77%	82%	28%	16%	22%
Boards are excellent sources of advice and insight	72%	75%	76%	14%	34%	31%
CEOs are able to attract Board members with the skill sets they need	63%	70%	73%	13%	15%	18%
CEOs are satisfied with the level of insight their Boards provide concerning global issues their companies face	51%	65%	62%	10%	13%	16%
CEOs are satisfied with the executive compensation process	49%	56%	76%	6%	4%	15%

NOTE: Highlighted results indicate results which are significantly above average.

CEOs who think this job is more rewarding than three years ago tend to be feel more positively towards their Boards than CEOs who think their job is less rewarding than it used to be. The gap is largest on executive compensation, although even among those who think their job is more rewarding, only 9% strongly agree CEOs are satisfied with the compensation process.

Relationship Between CEOs and Boards of Directors
Job Is More/Less Rewarding Comparison

	Agree		Strongly Agree	
	More Rewarding	Less Rewarding	More Rewarding	Less Rewarding
The expectations of directors concerning their depth of information have increased	96%	93%	42%	38%
CEOs have positive relationships with their Boards	94%	80%	33%	22%
Board members keep themselves well informed about key issues impacting their company	83%	68%	27%	15%
Boards are excellent sources of advice and insight	80%	68%	35%	15%
CEOs are able to attract Board members with the skill sets they need	72%	64%	21%	5%
CEOs are satisfied with the level of insight their Boards provide concerning global issues their companies face	66%	48%	15%	8%
CEOs are satisfied with the executive compensation process	69%	45%	9%	5%

NOTE: Highlighted results indicate results which are significantly above average.

There has been no change compared with last year in how CEOs view the relationship they have with their Boards of Directors.

Relationship Between CEOs and Boards of Directors
2006-2008 Comparison

	2006			2007			2008		
	Dis-agree	Total Agree	Str. Agree	Dis-agree	Total Agree	Str. Agree	Dis-agree	Total Agree	Str. Agree
The expectations of directors concerning their depth of information have increased	1%	95%	45%	2%	93%	36%	<1%	95%	40%
CEOs have positive relationships with their Boards	4%	90%	33%	2%	86%	28%	1%	89%	29%
Boards are excellent sources of advice and insight	2%	83%	30%	5%	77%	28%	4%	75%	27%
Board members keep themselves well informed about key issues impacting their company	4%	83%	20%	5%	82%	20%	6%	77%	22%
CEOs are satisfied with the level of insight their Boards provide concerning global issues their companies face	10%	67%	8%	13%	63%	12%	12%	59%	12%
CEOs are able to attract Board members with the skill sets they need	14%	64%	13%	15%	65%	12%	7%	69%	15%
CEOs are satisfied with the executive compensation process	NA	NA	NA	15%	60%	8%	14%	59%	7%

Nearly all CEOs say overall company profitability or profitability growth is a measure used to compute executive bonus plans. Company revenue and revenue growth, as well as return on investment and capital are more likely to also be used by US-based companies, while diversity goals and initiatives are more likely than average to be used by companies based outside the United States.

Use to Compute Executive Bonus Plans

	Total	US-Based	Non-US
Overall company profitability or profitability growth	92%	95%	84%
Overall company revenues and revenue growth	42%	47%	29%
Division profitability or profitability growth	37%	34%	45%
Stock price or appreciation	34%	38%	24%
Division revenues and revenue growth	19%	18%	21%
Diversity goals/initiatives	12%	9%	19%
Return on investment/capital*	8%	10%	2%
Other measures**	16%	15%	18%

*Volunteered

**Includes Six Sigma measures, strategic business initiatives/objectives, safety ratings and volunteered responses

Q16A: Which of the following measures does your company use to compute executive bonus plans?

NOTE: Highlighted results indicate results which are significantly above average.

There have been no significant changes since last year in measurements used to compute executive bonus plans.

Use to Compute Executive Bonus Plans
2007-2008 Comparison

	2007	2008
Overall company profitability or profitability growth	89%	92%
Division profitability or profitability growth	46%	37%
Overall company revenues and revenue growth	44%	42%
Stock price or appreciation	42%	34%
Division revenues and revenue growth	26%	19%
Diversity goals/initiatives	15%	12%
Return on investment/capital*	9%	8%
Other measures*	31%	16%↓

*Volunteered

**Includes Six Sigma measures, strategic business initiatives/objectives, safety ratings and volunteered mentions

↑↓ Result significantly higher or lower compared with previous year

The vast majority of CEOs think changes to the US legal and regulatory systems, as well as easing of some governance rules would have a positive impact on the competitiveness of US capital markets. They are only slightly less convinced that a convergence of international accounting standards would have a similarly positive result. Compared with last year, fewer think easing of some governance rules would have a positive impact.

Impact on Competitiveness of US Capital Markets

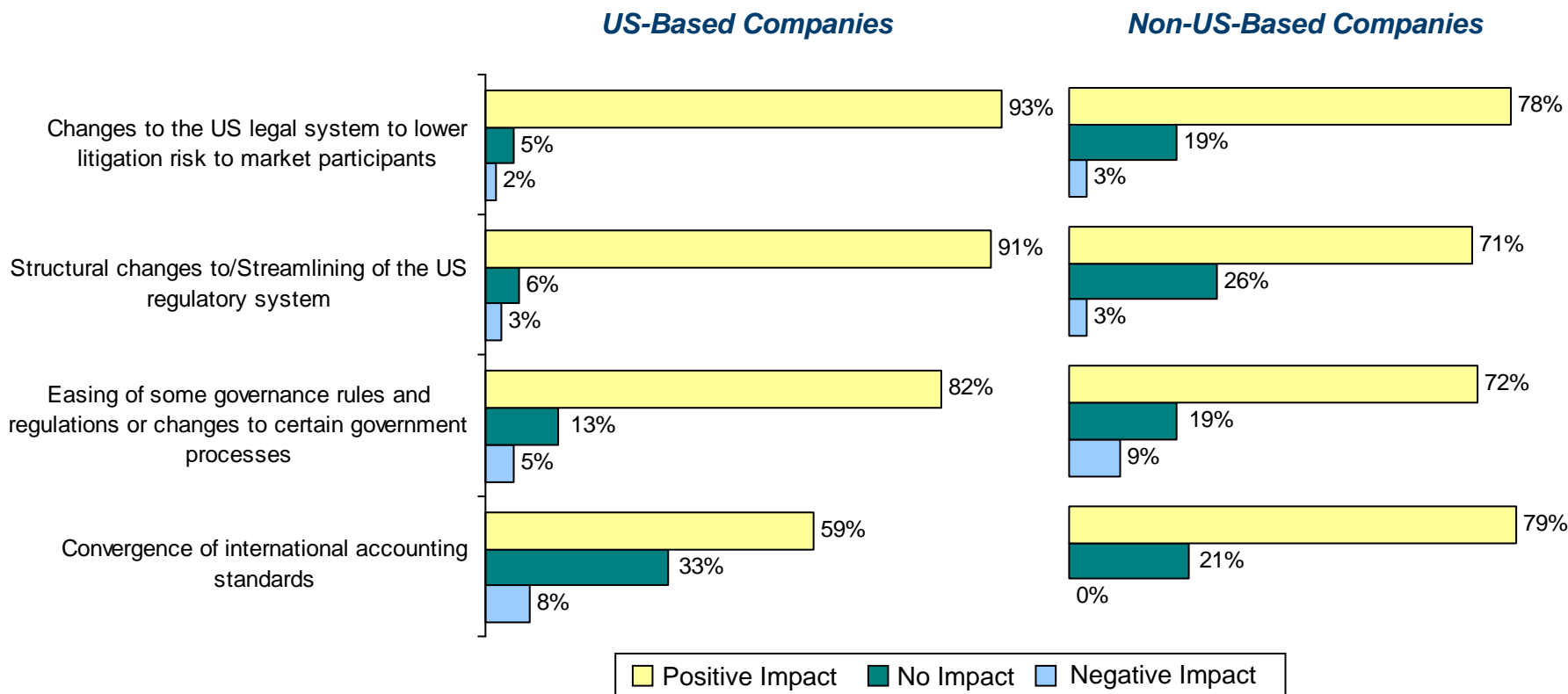
	2007			2008		
	Positive	No Impact	Negative	Positive	No Impact	Negative
Changes to the US legal system to lower litigation risk to market participants	91%	7%	2%	89%	8%	2%
Structural changes to/Streamlining of the US regulatory system	90%	6%	4%	86%	11%	3%
Easing of some governance rules and regulations or changes to certain government processes	88%	8%	4%	79%↓	15%↑	6%
Convergence of international accounting standards	65%	26%	8%	65%	29%	6%

Q17B: Please indicate whether each of the following would have a positive impact, negative impact or no impact on the competitiveness of the U.S. capital markets.

↑↓ Result significantly higher or lower compared with previous year

CEOs of US-based companies are more optimistic about the positive effects of changes to the US legal and regulatory systems than CEOs of companies based outside the US. On the other side, CEOs of American-based companies are less likely to believe a convergence of international accounting standards would have a positive impact of the competitiveness of US capital markets.

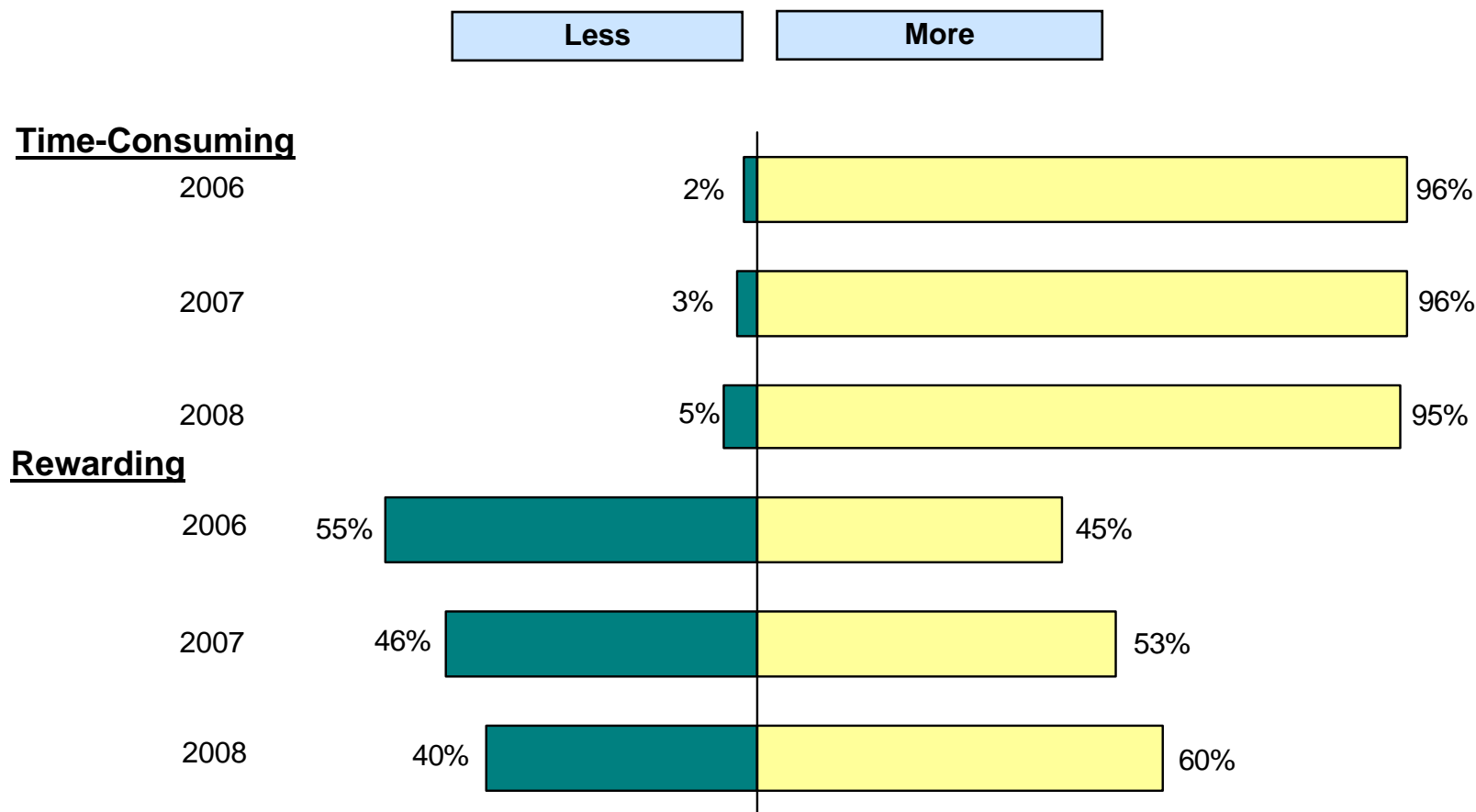
Impact on Competitiveness of US Capital Markets



The CEO Role

As in previous years, virtually all CEOs think their role today is more time-consuming than it was three years ago. However, the percentage who think their job is more rewarding continues to increase.

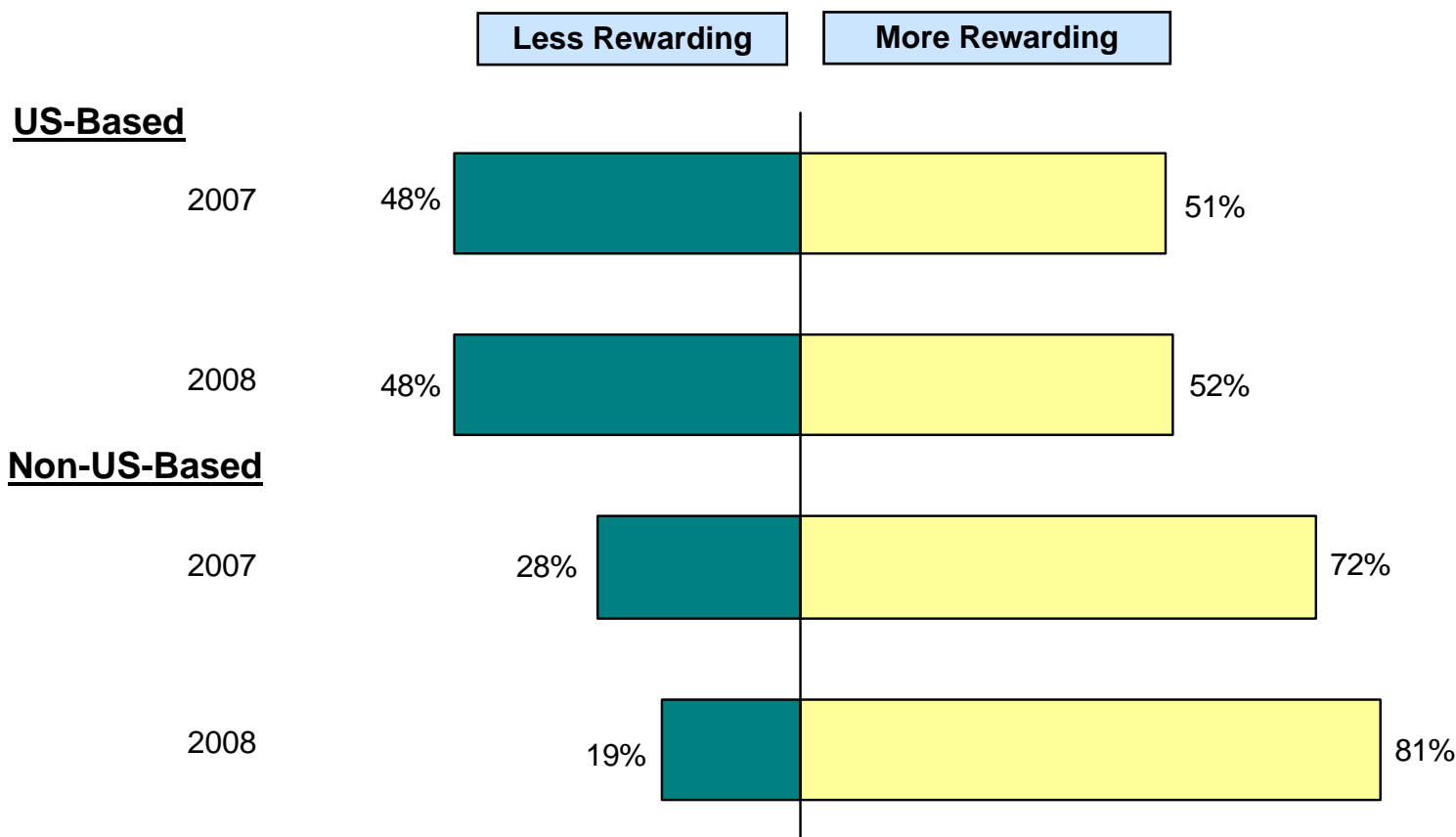
Compared With Three Years Ago, CEO Role Today Is...
2006-2008 Comparison



Q19: How does the CEO role today compare with the role three years ago? Is it...?

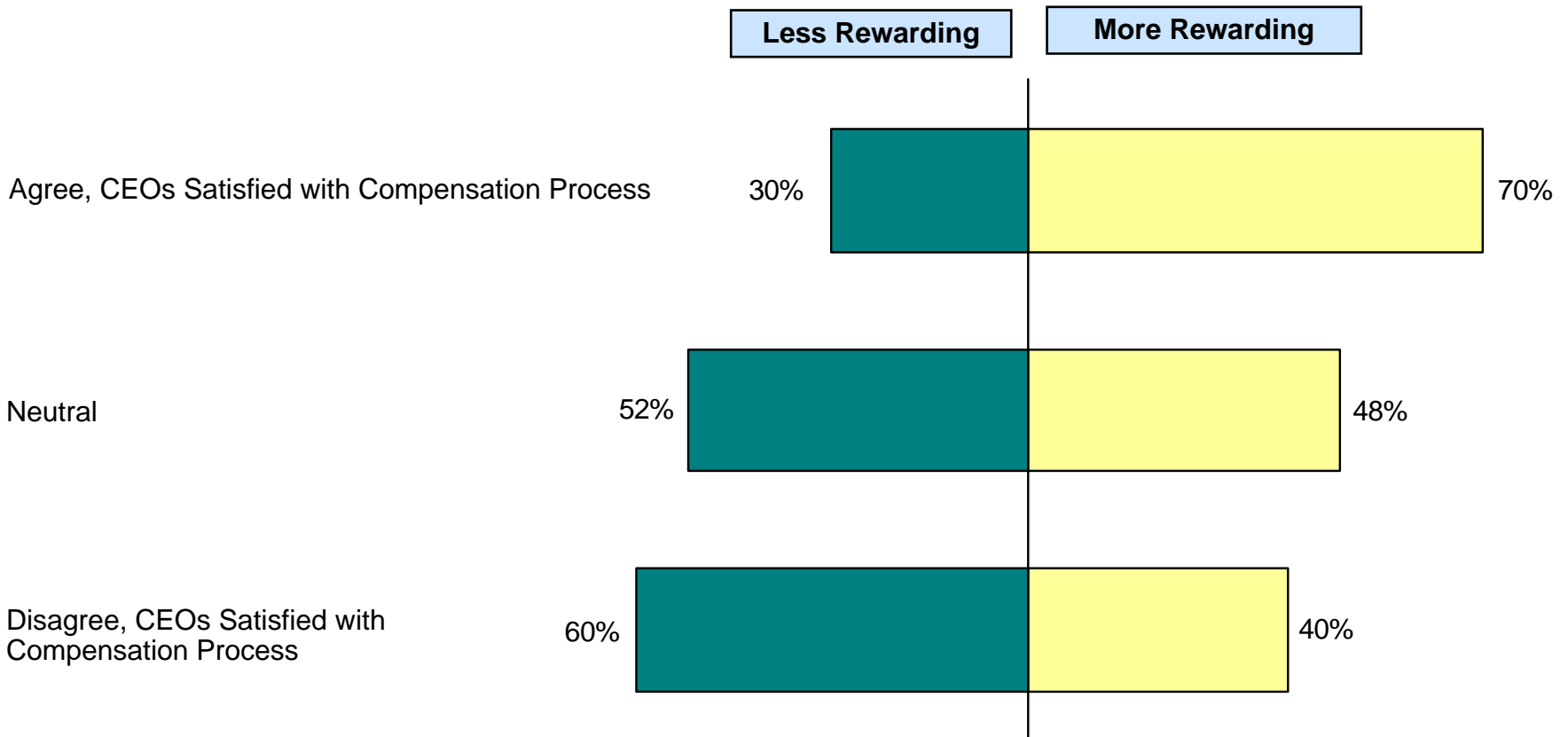
The increase in the percentage of CEOs who think their job is more rewarding has come among CEOs based outside the United States. Compared with last year, there is no change in how CEOs of US-based companies feel about their job.

Compared With Three Years Ago, CEO Role Today Is...
2007/2008 Comparison by US/Non-US



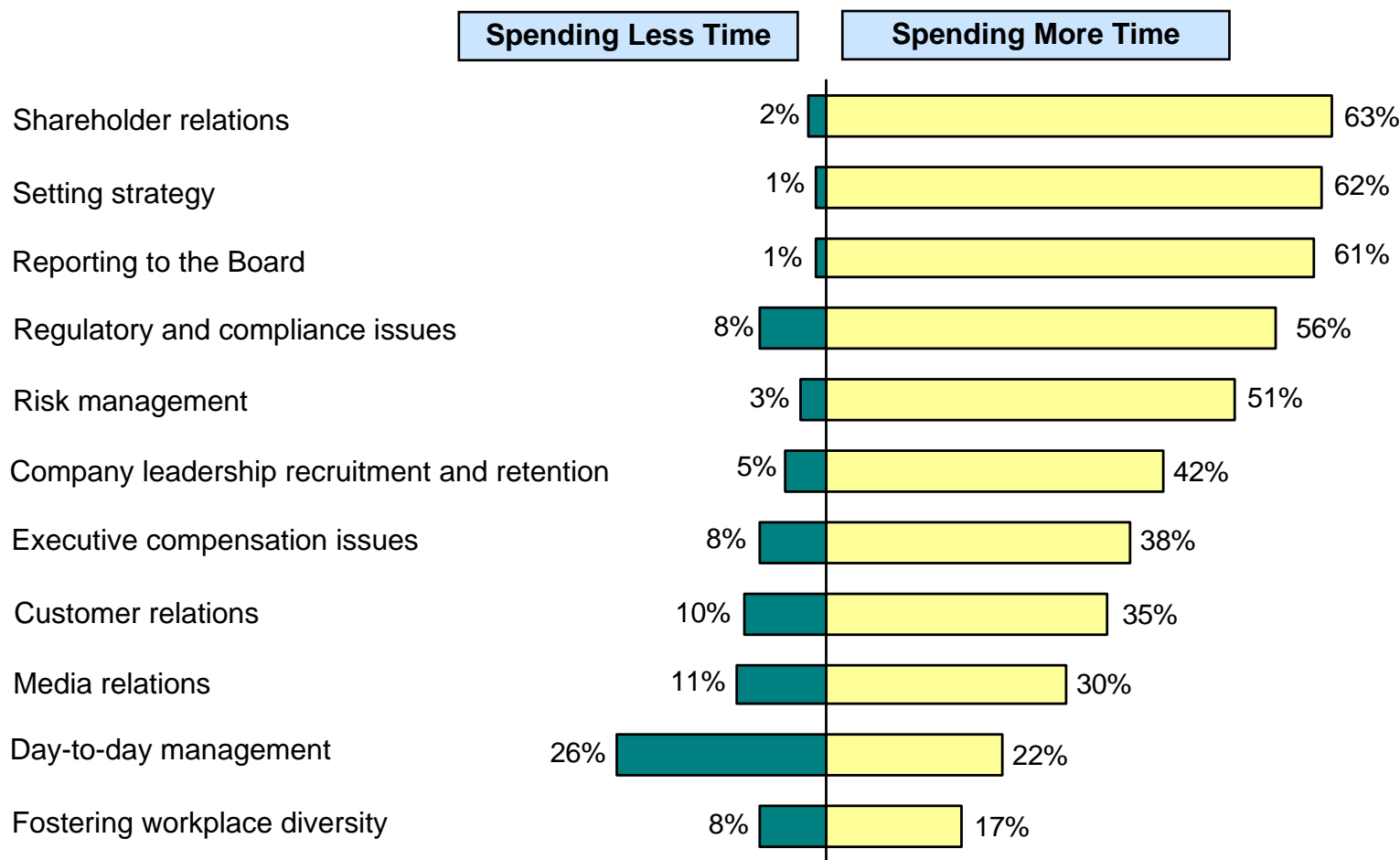
Views about the executive compensation process appear closely linked to whether CEOs think their job is more rewarding than it used to be. Seventy percent of CEOs who agree they are satisfied with the process think their job is more rewarding than three years ago, compared with 40% of those who disagree that CEOs are satisfied with the compensation process.

Compared With Three Years Ago, CEO Role Today Is...
CEOs Satisfied with Executive Compensation Process Comparison



Compared with three years ago, most CEOs say they are spending more time on shareholder relations, setting strategy and reporting to their Boards.

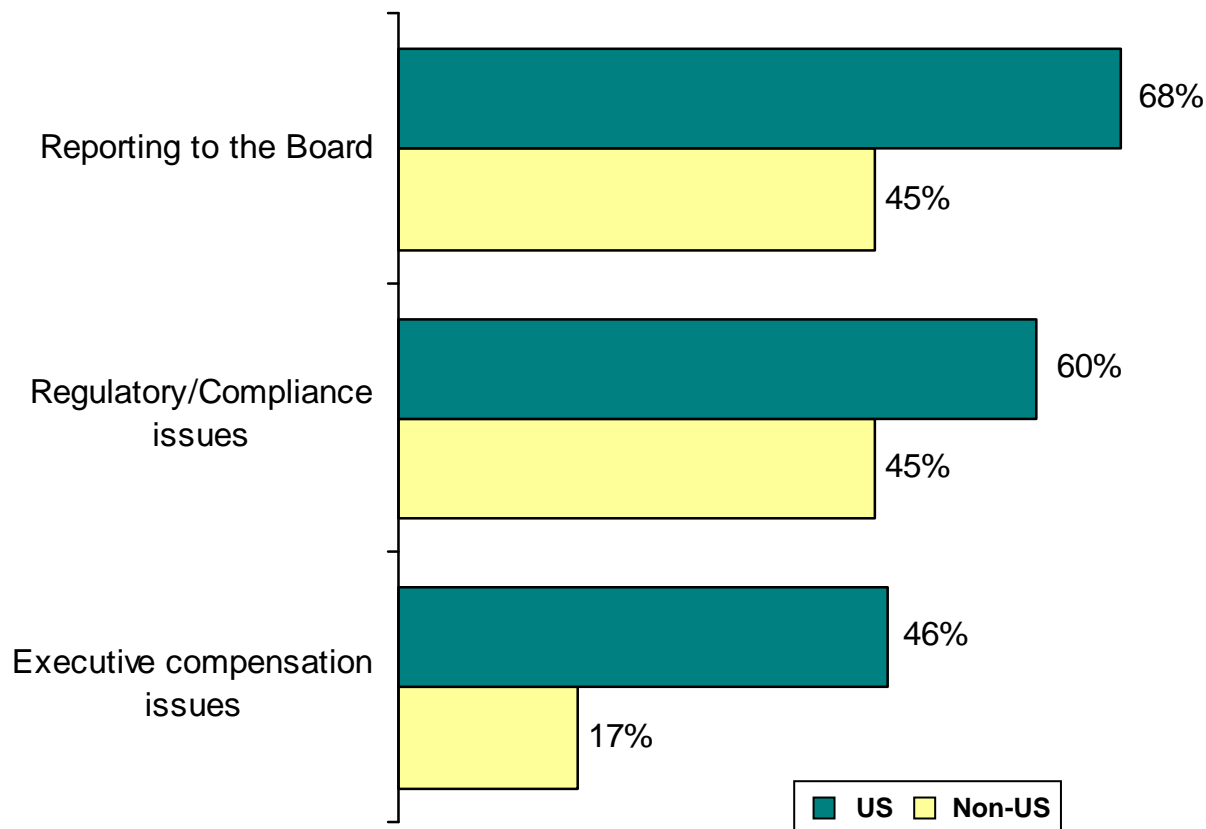
CEO Time Allocation Compared With Three Years Ago



Q20: 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 US-based companies report spending more time reporting to their Boards and on regulatory/compliance and executive compensation issues than CEOs at companies based outside the United States.

CEO Time Allocation Compared With Three Years Ago – Spending More Time
US/Non-US Comparison



NOTE: Only areas which showed significant differences by geography are shown.

CEOs who report their job is less rewarding report spending more time than three years ago on numerous tasks – regulatory and compliance issues, risk management, executive compensation issues and day-to-day management.

CEO Time Allocation Compared With Three Years Ago
Job Is More/Less Rewarding Comparison

	Job Is More Rewarding			Job Is Less Rewarding		
	Less Time	About the Same	More Time	Less Time	About the Same	More Time
Shareholder relations	2%	34%	64%	4%	36%	60%
Setting strategy	-	36%	64%	3%	38%	59%
Reporting to the Board	1%	42%	57%	2%	31%	67%
Regulatory/Compliance issues	11%	43%	46%	3%	25%	72%
Risk management	2%	52%	46%	5%	35%	60%
Company leadership recruitment/retention	5%	51%	44%	5%	56%	39%
Executive compensation issues	10%	58%	32%	4%	49%	47%
Customer relations	6%	60%	34%	15%	48%	37%
Media relations	9%	55%	35%	13%	65%	22%
Day-to-day management	30%	57%	13%	21%	45%	34%
Fostering workplace diversity	7%	74%	19%	10%	75%	15%

NOTE: Highlighted results indicate results which are significantly above average.

There have been some significant changes in the past few years in how CEOs spend their time. The percentage who think they are spending more time on regulatory and compliance issues has plummeted from 89% to 56% since 2006. The percentage spending more time on shareholder relations has jumped by 19 points since 2005, and the percentages spending more time on media and customer relations have also increased since then.

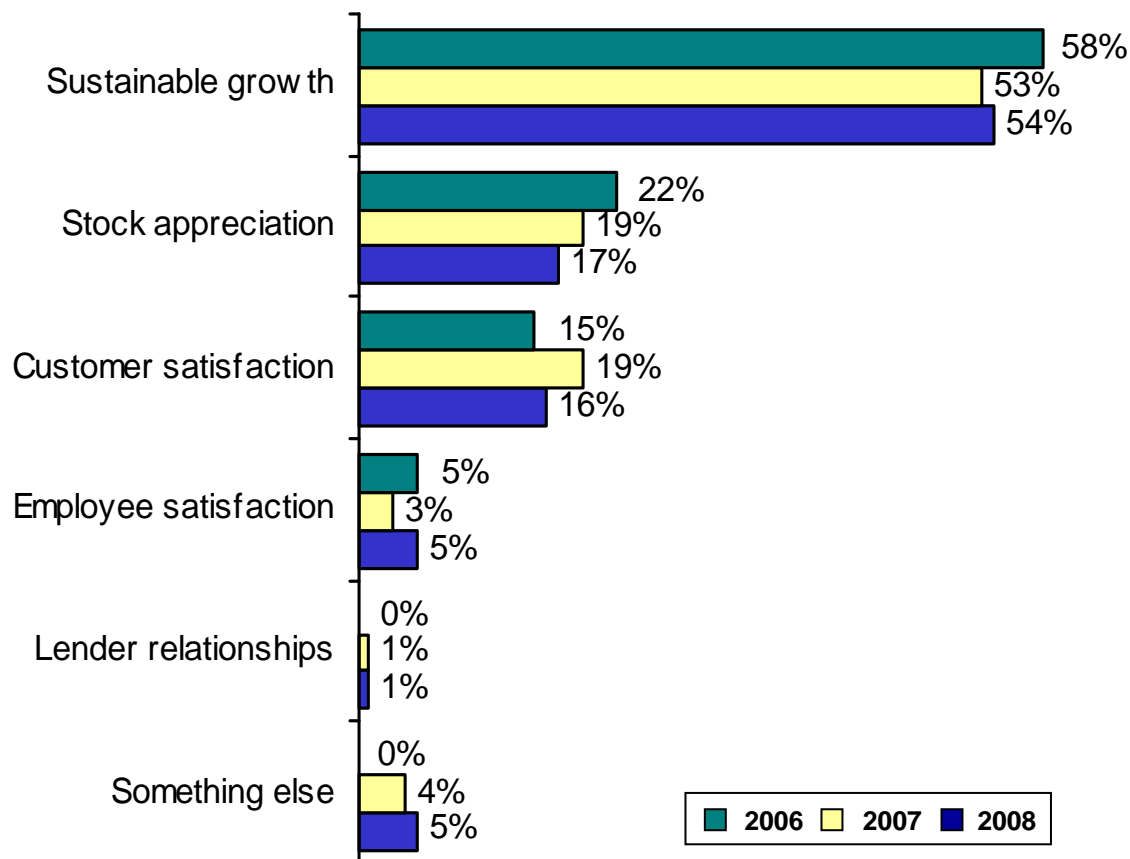
CEO Time Allocation Compared With Three Years Ago *2005-2008 Comparison*

	2005			2006			2007			2008		
	Less Time	About the Same	More Time	Less Time	About the Same	More Time	Less Time	About the Same	More Time	Less Time	About the Same	More Time
Regulatory/Compliance issues	1%	14%	80%	2%	9%	89%↑	2%	20%↑	78%↓	8%	36%↑	56%↓
Reporting to the Board	1%	24%	68%	1%	27%	72%	1%	29%	69%	1%	38%	61%
Shareholder relations	4%	50%	44%	4%	38%	58%↑	4%	37%	58%	2%	35%	63%
Setting strategy	3%	33%	62%	9%	44%	47%↓	4%	34%↓	63%↑	1%	37%	62%
Media relations	22%	50%	20%	11%↓	57%	31%↑	17%	58%	25%	11%	59%	30%
Day-to-day management	29%	40%	24%	27%	45%	28%	29%	49%	22%	26%	52%	22%
Fostering workplace diversity	12%	55%	27%	13%	61%	26%	8%	71%↑	20%	8%	75%	17%
Customer relations	21%	48%	25%	27%	50%	22%	15%↓	53%	32%↑	10%	55%	35%
The executive compensation process	NA	NA	NA	NA	NA	NA	NA	NA	NA	8%	54%	38%

NOTE: 2005 question asked in terms of change in the past five years
 ↑↓ Result significantly higher or lower compared with previous year

A majority of CEOs agree that sustainable growth is the most crucial element in their long-term success as a CEO; this has changed little over the past two years.

Most Crucial Element in Long Term Success as CEO
2006-2008 Comparison



Q21: If you could identify one element of performance that is the most crucial to your long term success as a CEO, which one of the following would it be?

CEOs at companies based in the US are more likely to have sought and declined Board posts at other companies. Among CEOs who have served for 10 years or more, 40% have sought the removal of an underperforming director and 38% have selected half or more of their Boards.

Ever Experienced as a CEO
US/Non-US Comparison

	Total	US-Based	Non-US-Based
You have encouraged adding independent directors to your Board	59%	63%	50%
You have declined Board posts at other companies	42%	50%	21%
You have sought removal of an underperforming director	25%	23%	30%
You have selected more than half of your directors	21%	22%	20%
You have sought Board posts at other companies	20%	23%	10%
As a Board member at another company you have sought a CEO's removal	8%	9%	4%

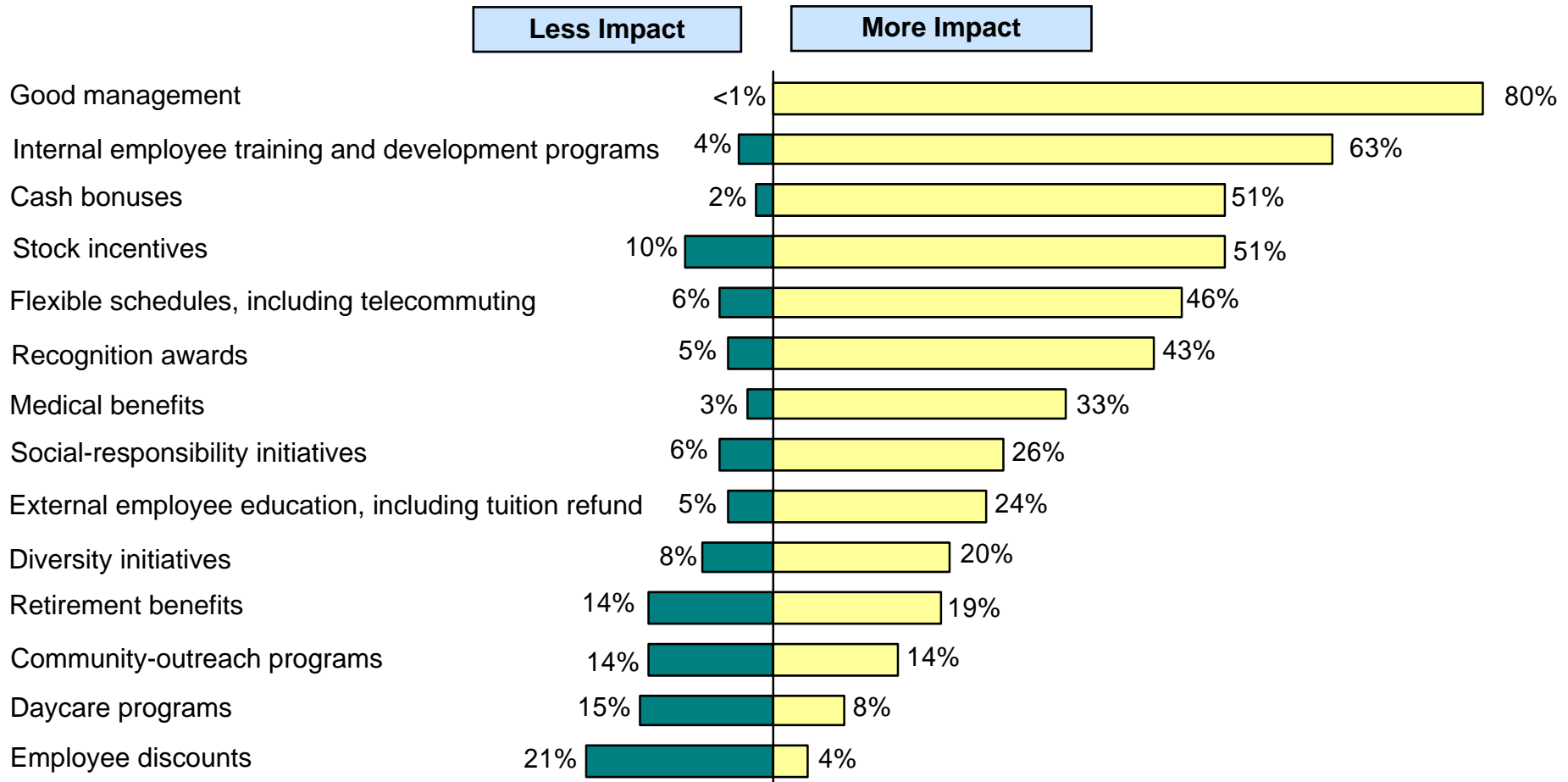
NOTE: Highlighted results indicate results which are significantly above average.

Q21A: Which of the following, if any, have you experienced as a CEO?

Managing Human Capital

CEOs think a variety of benefits and incentives will have more impact on employee retention through 2008, while many expect employee discounts, daycare programs, community-outreach programs and retirement benefits to have less impact.

Likely Impact on Employee Retention



Q22: Compared with three years ago, please indicate the impact of each of the following factors on employee retention. Does each factor have much more impact, more impact, the same amount of impact, less impact or much less impact on employee retention compared with three years ago? How about...?

CEOs of non-US-based companies are more likely to think external employee education and daycare programs will have more impact on employee retention. Good management and stock incentives are more important than average at companies with market caps of \$1-\$3 billion. Social-responsibility and diversity initiatives are seen as having a greater impact on employee retention in companies with greater than \$3 billion in market cap.

**Likely Impact on Employee Retention – More Impact
US/Non-US and Market Cap Comparisons**

	US	Non-US	<\$1 Billion	\$1-\$3 Billion	\$3 Billion+
Good management	81%	75%	69%	86%	83%
Stock incentives	55%	42%	47%	66%	37%
Social-responsibility initiatives	27%	25%	22%	22%	39%
Diversity initiatives	21%	19%	11%	19%	33%
External employee education, including tuition refund	20%	33%	24%	23%	26%
Daycare programs	3%	21%	6%	6%	15%

NOTE: Only indicators which showed significant differences by geography or industry are shown.
Highlighted results indicate results which are significantly above average.

Compared with last year, the perceived importance of cash bonuses, external employee education and diversity initiatives has declined. The importance of external employee education has been cut in half over the past two years.

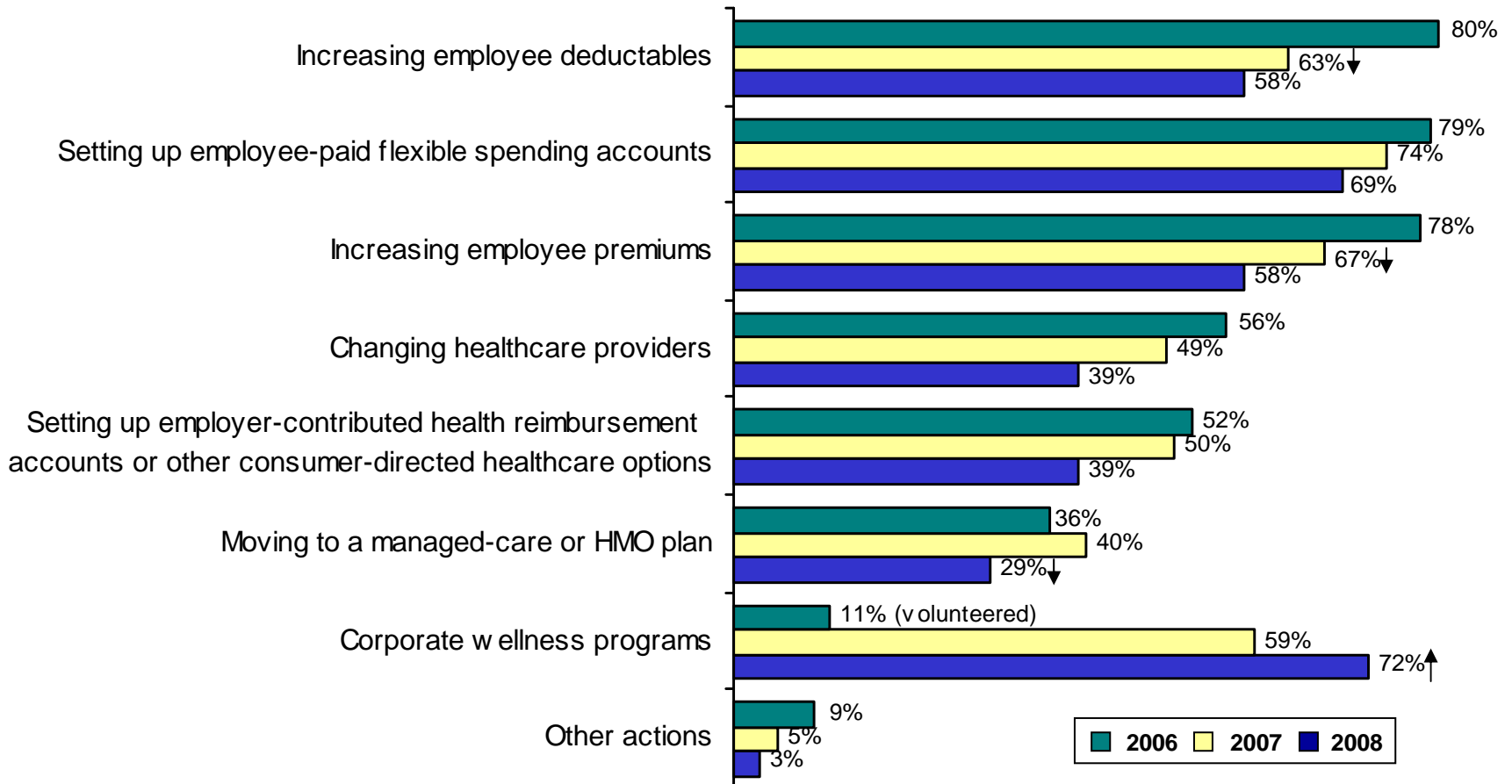
Likely Impact on Employee Retention
2006-2008 Comparison

	2006			2007			2008		
	Less	Same	More	Less	Same	More	Less	Same	More
Cash bonuses	1%	46%	53%	2%	35%↓	63%↑	2%	47%↑	51%↓
Stock incentives	17%	30%	53%	6%↓	36%	58%	10%	39%	51%
External employee education, including tuition refund	2%	47%	51%	4%	57%↑	38%↓	5%	71%↑	24%↓
Recognition awards	4%	51%	46%	3%	49%	48%	5%	52%	43%
Flexible schedules, including telecommuting	7%	49%	44%	7%	46%	47%	6%	48%	46%
Diversity initiatives	10%	61%	30%	6%	64%	30%	8%	72%	20%↓
Social-responsibility initiatives	7%	71%	22%	7%	62%	30%	6%	68%	26%
Community-outreach programs	14%	64%	22%	12%	68%	20%	14%	72%	14%
Retirement benefits	22%	60%	17%	13%↓	66%	21%	14%	67%	19%
Daycare programs	14%	71%	15%	15%	71%	13%	15%	77%	8%
Employee discounts	27%	69%	3%	26%	70%	3%	21%	75%	4%
Good management	NA	NA	NA	-	17%	83%	<1%	20%	80%
Internal employee training and development programs	NA	NA	NA	1%	34%	65%	4%	33%	63%
Medical benefits	NA	NA	NA	3%	57%	40%	3%	64%	33%

NOTE: 2007 question asked in terms of impact compared with three years ago
 ↑↓ Result significantly higher or lower compared with previous year

Mirroring a lessening of concerns about health care costs affecting profitability, fewer CEOs say companies are considering various options to help control health-care costs. Results are presented only for the US, since companies in most countries outside the US have government-provided health care systems. Even so, a majority of companies in both areas say their companies have been using wellness programs to help control costs.

Actions to Help Control Health Care Costs – US Only
2006-2008 Comparison



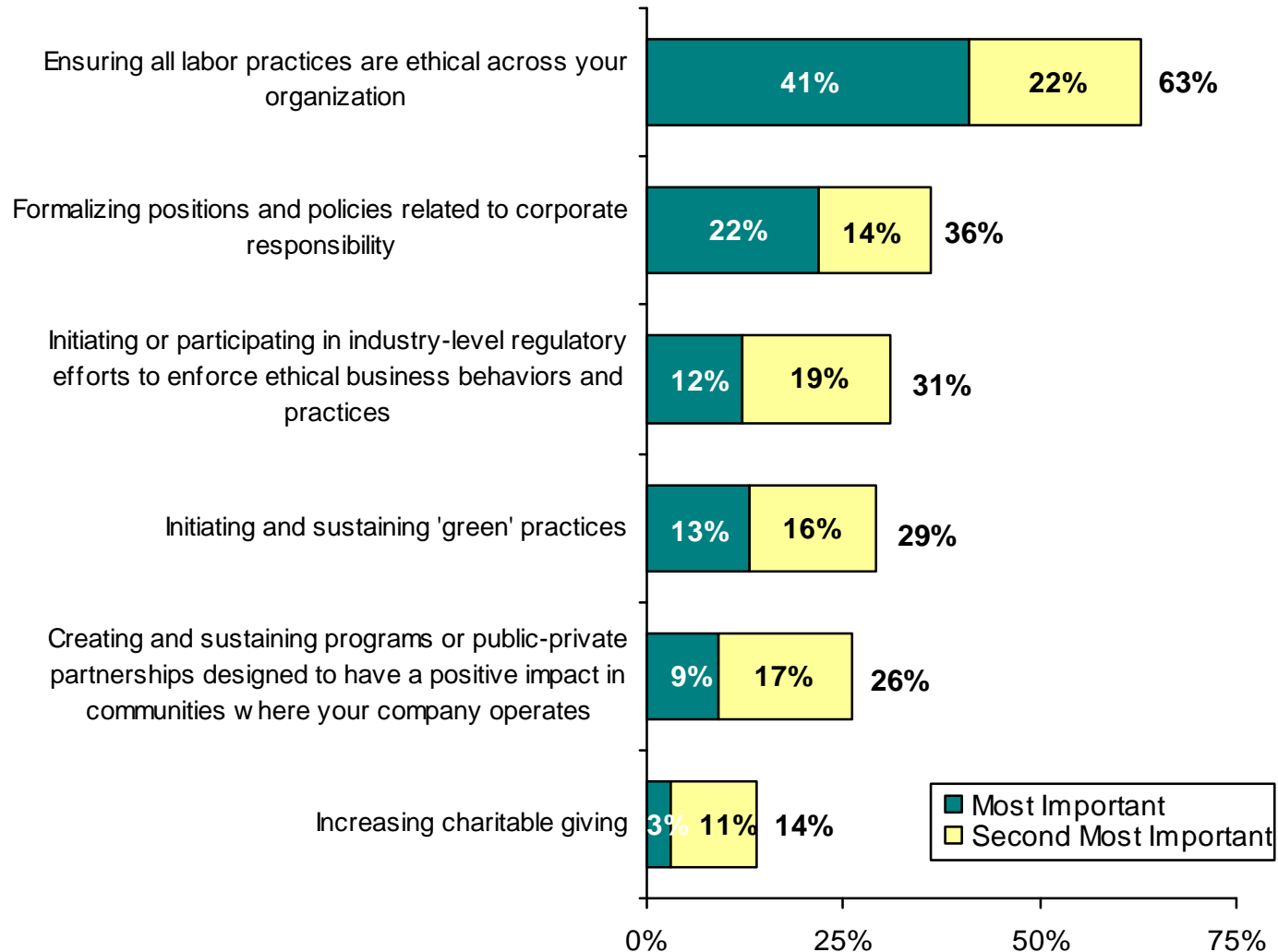
Q23: On a related issue, which of the following actions is your company taking to help control health-care costs?

↑↓ Result significantly higher or lower compared with last year

Corporate Responsibility

CEOs feel the most important corporate responsibility task is ensuring all labor practices are ethical across their organization.

Corporate Responsibility Actions Important to Actively Pursue



Q23A: Issues around corporate responsibility have received much focus over the past few years. Please indicate which of the following areas you feel is most important, second most important and third most important for corporations to actively pursue.

While CEOs at both US and non-US-based organizations think ensuring labor practices are ethical is the most or second-most importance action, those based outside the US think formalizing positions and policies related to corporate responsibility are more important than CEOs based in the US, while the reverse is true for increased charitable giving.

Corporate Responsibility Actions Important to Actively Pursue – Most and Second Most Important US/Non-US and Market Cap Comparisons

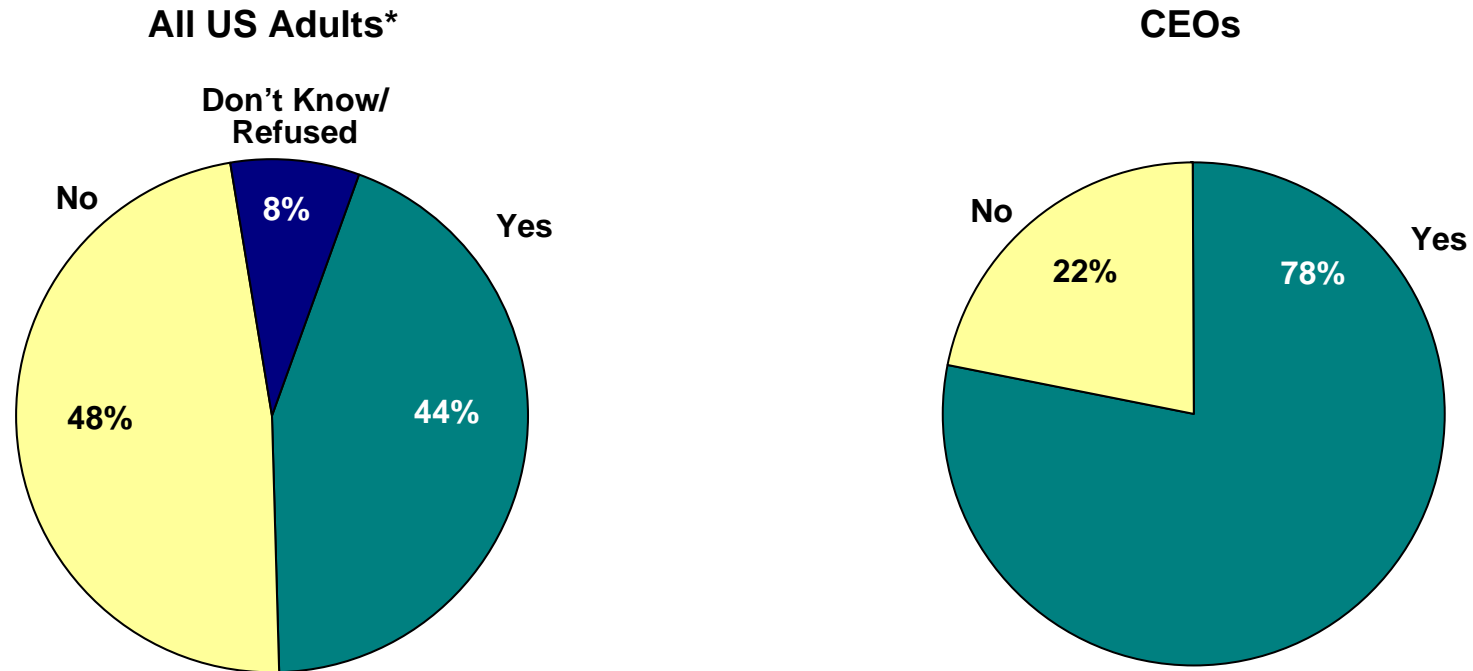
	US	Non-US	<\$1 Billion	\$1-\$3 Billion	\$3 Billion+
Ensuring all labor practices are ethical across your organization	63%	63%	70%	66%	50%
Formalizing positions and policies related to corporate responsibility	32%	47%	31%	35%	44%
Initiating or participating in industry-level regulatory efforts to enforce ethical business behaviors and practices	34%	25%	37%	29%	30%
Initiating and sustaining 'green' practices	28%	32%	24%	32%	30%
Creating and sustaining programs or public-private partnerships designed to have a positive impact in communities where your company operates	25%	30%	21%	27%	31%
Increased charitable giving	18%	4%	17%	11%	15%

Highlighted results indicate results which are significantly above average.

Reputation Management

While nearly four in five CEOs think they take as much action as they should to protect the reputation of their companies, fewer than half of American adults think CEOs are concerned as they should be about their companies' reputations.

CEOs Take Enough Action to Protect Company Reputation



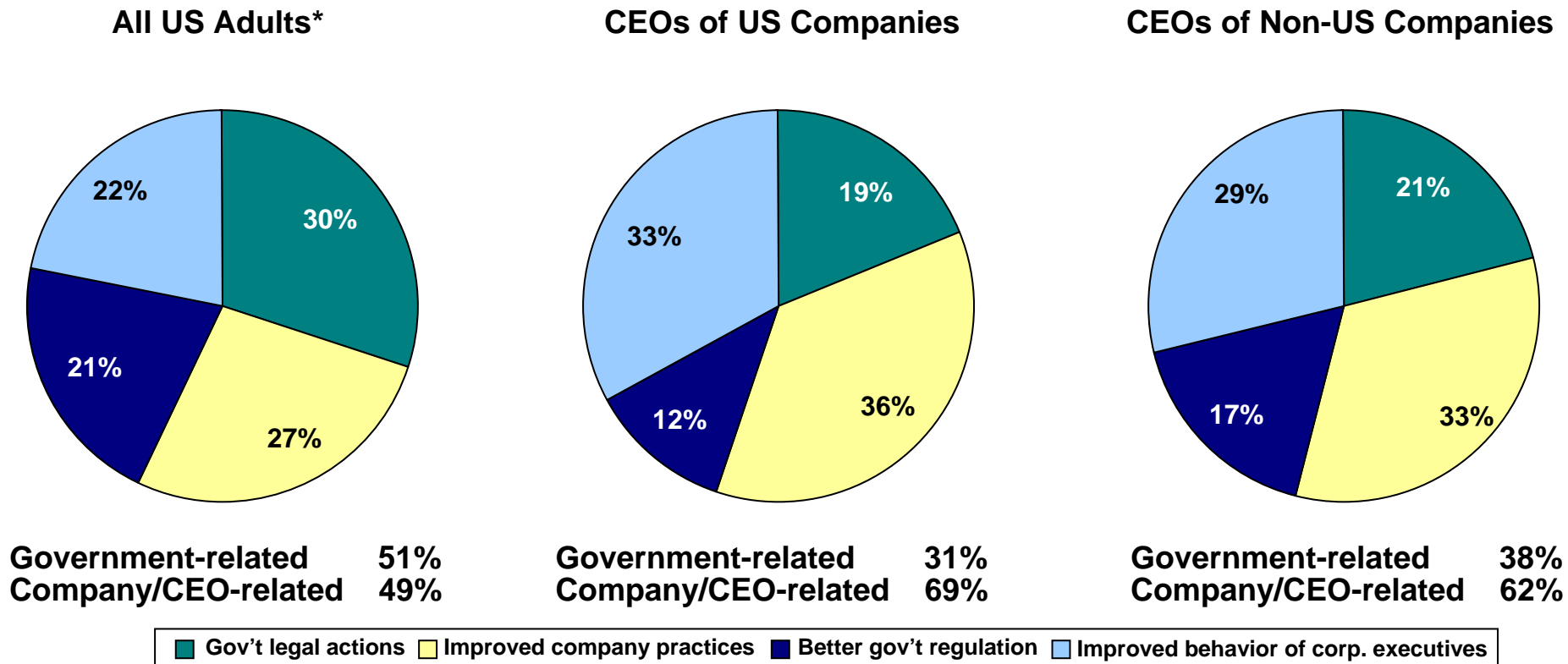
In 2006, 84% thought CEOs took enough action to protect the reputation of their company, as did 81% in 2007.

*Opinion Research Corporation/Caravan study conducted May 16-19, 2008 among 1,009 adults 18+. Do you believe CEOs are as concerned as they should be about the reputation of their companies?

Q24: In general, do you think CEOs take as much action as they should to protect the reputation of their companies?

Asked why corporate behavior and ethical practices have improved in the past two years, a solid majority of CEOs in both US and non-US-based companies think improved company practices and executive behavior are the reasons. Half of American adults, however, think government action is the reason.

Reasons Corporate Behavior and Ethical Business Practices Have Improved in Past Two Years



NOTE: Results among all CEOs – 20% government legal actions, 36% improved company practices, 13% better government regulation, 31% improved behavior of corporate executives
 *Opinion Research Corporation/Caravan study conducted May 16-19, 2008 among 177 adults 18+ who think corporate behavior has improved in past two years
 Q25A: Please spread 100 points across the following reasons why you think the corporate behavior and ethical business practices of senior company executives has gotten better in the past two years.

Appendix

Demographic Profile of the Sample

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

↑↓ Result significantly higher or lower compared with last year

Demographic Profile of the Sample

	2008
Home Country	
United States	184
France	18
Mexico	7
Belgium	7
Netherlands	7
Canada	4
China	4
Japan	4
Brazil	4
United Kingdom	3
Chile	3
Germany	2
India	2
Greece	1
Bermuda	1
Argentina	1
Sweden	1
Panama	1