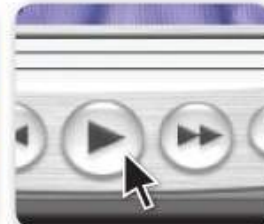


## **NYSE Corporate Forum: New Media Road Map – Best Practices for Public Companies**

**Thursday, October 16, 2008  
8:00 a.m. - 9:00 a.m. (EST)  
New York Stock Exchange**



Westport • New York City • Los Angeles • Boston • Beijing • Shanghai

# Changes in the IR & Corporate Communications Landscape

what Corporate America is saying...



“ We have a structured approach to listen, analyze and respond to a range of information sources. The Internet has made it easier for that information to come to us. We respect dialog. It’s a good way to get feedback and understand how consumers feel about our brand and to get suggestions for our business.”

– **Cathy Halligan, Chief Marketing Officer, Walmart.com**



“We monitor social media because it provides unsolicited and unbiased consumer opinions about our products and brands in real time. If a brand, messaging or product problem is identified by bloggers, we can fix the problem quickly before it gets too widespread. Also, positive comments help us understand early on if something is working particularly well.”

– **Christine Stasiw Lazarchuk, Director Global Market Research, Ford Motor Company**



“A lot of social media tools do a great job of telling you what’s being said and who is saying it. What we really want to know is who’s listening to the conversation and how does it permeate outwards.”

– **Adam Brown, Director Digital Communications, The Coca-Cola Company**



“Both the customer you serve well and the customer you under-serve have the loudest voices in social media.”

– **Sean O’Driscoll, General Manager of Community Support Services, Microsoft**



“We believe that a video annual report is an innovative and cost effective way for American Eagle Outfitters to communicate our annual results, our strategic initiatives, and to showcase our portfolio of lifestyle brands.

- **Joan Hilson, Executive Vice President and Chief Financial Officer, AE Brands**

# SEC Rules and Guidance provide cost-effective changes to Corporate Communications



*“Technological advances and the reduced costs associated with the implementation of technologies over time, now allow the inclusion of more interactive and current information on company websites than was the case previously.”*

**- Christopher Cox, SEC Chairman**

## Consumers Want to Interact With Companies on Social Media

- Almost 60% of Americans interact with companies on a social media website, and one in four interact more than once per week.
- 93% of Americans believe a company should have a presence in social media.
- 85% believe a company should not only be present, but should also interact with its consumers via social media.
- 56% of American consumers feel both a stronger connection with, and better served by, companies when they can interact with them in a social media environment.

(2008 Cone Business in Social Media Study)

# Can Social and Digital Media Influence Investment Decisions?

## Social Media

There are an estimated\*:

- 12,000,000 US blogs
- 50,000 message boards
- 19,000 news sources
- 100,000 twitter posts daily



**More pages than the Library of Congress!!!**

\*(Collective Intellect, 2008)

## Digital Media

Recent Statistics show:

- Americans watch 12 billion videos a month on-line
- 13 hours of video are uploaded to YouTube every second
- 83M videos and growing
- Overall, 62% of online video viewers say that their favorite videos are those that are “professionally produced.”\*\*



\*\* (Pew Internet & American Life Project, 2007)

# Can Social Media Influence Investment Decisions?

## According to New Study:

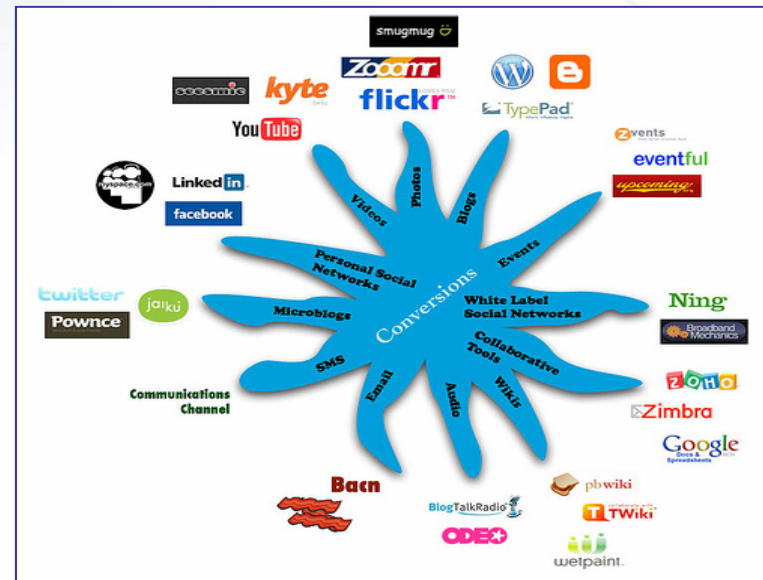
- The growing use of social media reveals influence of peer groups over “official sources” such as advisors and investment firms.\*
- One out of every four U.S. online adults is engaged in social media that deals specifically with personal finance and investing. \*
- High net-worth online adults’ usage of social media for investing outpaces that of the general population. \*

*“There’s a danger to dismissing social media as too new, too emerging or too small to think about yet. Our study clearly shows that high net-worth investors have taken to social media in big numbers – and they are listening closely to what their peers have to say.” - **Cogent Research 2008***

\* Cogent Research 2008

# How Does Social Media Influence Brand Equity?

When stakeholders increasingly create and share their own media, they effectively share control of your brand – with or without you!



**What's your Share of Voice?**

# Stakeholders read less today and consume more video content

- 60% of all proxy packages are discarded before they are read
- When they are read, they are discarded after 3 minutes
- 93% of analysts prefer video on a company's web site\*
- Video is a much better medium to tell the corporate story
- Video is usually much cheaper and distribution is free
- Video is the only environmentally-friendly solution

\*2006 Thomson Reuters survey

## Newsweek

### Paper Pushers

Why annual reports are a waste of time.

Daniel Gross

NEWSWEEK WEB EXCLUSIVE

Updated: 11:05 AM ET Apr 22, 2008

It's spring, which in corporate America means it's time for the annual reports. If you own a few shares of stock, or someone in your house does, you've seen them. Many are beautiful. Most are banal: full of jargon, vague mission statements and feel-good pictures of smiling customers, spotless manufacturing facilities and diverse employees. Here's Merrill Lynch's annual report, with several pages of beautiful photography. And here's the McDonald's annual—68 pages of good times, good food and good statistics.

It saddens me to say this—especially at a time when people in the word and image trades are suffering—but annual reports are archaic and essentially worthless. Those thuds you hear are hundreds of thousands of meticulously crafted marketing documents being dumped into the garbage can. Given that every American corporation is trying to be greener and save money, it's astonishing that annual reports are still produced.

Once upon a time, annual reports were a necessity. The New York Stock Exchange required companies that listed their stock on the exchange to send every shareholder an annual report—a document offering a state-of-the-company address from the CEO plus crucial operating data. In addition, the Securities and Exchange Commission required companies to send 10-Ks (detailed annual reports shorn of the PR junk) and proxy statements (like 10-Ks but with more information about compensation and the directors up for election). In their day these were highly useful documents: news organizations would keep collections of them, and professional investors could mine them for insight.