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Partners for Financial Stability (PFS) Program
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**Investor Relations Online:
Survey of Websites of the Largest Listed Companies
in 11 Central and Eastern European (CEE) Countries
Third Comparison with Peers in BRIC and Ukraine**

August 2007

Warsaw, Poland

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Executive Summary

This is the PFS Program's 13th semi-annual survey, "Investor Relations Online: Survey of Websites of the 10 Largest Listed Companies (by market capitalization) in Eleven Central and Eastern European (CEE) Countries." PFS Program Assistant Magdalena Grabowska and PFS Program Intern Dagmara Lubczynska conducted the survey from July 2 through September 3, 2007.

In 2001, the PFS Program launched a regional survey to analyze the online disclosure practices of the largest listed companies in the then eight candidate countries for European Union (EU) accession. Since 2004, the survey analyzes the ten largest listed companies (by market capitalization) in 11 CEE countries: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. This edition of the survey also includes for the third time a comparison with peers in BRIC (Brazil, Russia, India and China) as well as Ukraine.

This survey presents data as of the record date of August 15, 2007 aggregated in the following sub-groups in order to enable benchmarking among several peer groups:

- Combined data on the ten largest-listed companies in each of the 11 CEE countries;
- Separate data on 80 companies in the eight CEE countries that joined the EU on May 1, 2004;
- Separate data on 30 companies in Bulgaria, Croatia and Romania;
- Comparisons of the data from the current survey with data from the previous 12 surveys conducted (since 2001); and
- Separate data on companies in BRIC and Ukraine.

PFS Program surveys analyze the English-language websites and annual reports of the ten largest listed companies in the above-mentioned CEE countries in order to document the current disclosure practices of this 'blue-chip' peer group. Although the market capitalization of companies changes over time, the semi-annual surveys represent a snapshot of disclosure practices of the blue-chip peer group on a given day twice a year. Since the definition of the survey universe has remained the same since the first survey, the surveys provide time-series data for CEE blue-chip companies and thus enable the identification of online disclosure trends as well as best practice within the peer group.

In this edition of the survey, disclosure in almost all categories remains at or reaches its highest level since the first survey was conducted in August 2001. This trend has been observed since February 2006 and may be viewed as sustainable. In particular, this edition of the survey documents a dramatic increase in disclosure of detailed governance information. 59% of the companies surveyed provide additional information about management online, compared with 53% in February 2007 and 45% in August 2006. This is the largest percentage recorded since the surveys began in 2001. Furthermore, 51% of the companies surveyed provide additional information about board members online. This is also the largest percentage recorded since the first survey and represents a significant increase over previous surveys: 40% in February 2007 and 37% in August 2006.

Since 2004, the survey includes recommendations on the ideal corporate website and compares CEE companies with the parameters of this ideal. This component of the survey identifies best practice and enables CEE companies to benchmark their disclosure against

peers in the region, other emerging markets and industry best practice. Here also, the time-series data identifies online disclosure trends.

1. Introduction

In August 2001 the PFS Program launched its first regional survey, “Investor Relations Online: Survey of Websites of the 10 Largest Listed Companies (by market capitalization) in Eleven CEE Countries” in response to requests from stock exchanges in several CEE countries to organize training programs on extra-financial disclosure, financial disclosure and investor relations. In August 2003, the PFS Program launched its second regional survey, “Survey of Reporting on Corporate Social Responsibility (CSR) by the Largest Listed Companies in 11 CEE Countries.”

PFS Program surveys analyze the English-language annual reports and websites of the ten largest listed companies in each of the above-mentioned 11 CEE countries in order to document the current disclosure practices of this “blue-chip” peer group and identify best practices. As market capitalization changes over time due to a variety of reasons, the semi-annual surveys of reporting on CSR represent a snapshot of this peer group’s CSR disclosure practices on a given day twice a year. Furthermore, by analyzing disclosures in both annual reports and websites, the surveys track the timing of the publication of the annual report and the related yet separate issue of periodic disclosure, namely, how blue-chip companies keep their websites data-rich and up-to-date. **The surveys enable CEE companies to benchmark their disclosure practices against peers on a national, industry and regional basis. With the addition of BRIC and Ukraine to the surveys since 2006, the surveys now also enable companies to benchmark against peers in other emerging markets worldwide.**

The PFS Program surveys – Investor Relations Online (published annually in March and September) and Reporting on CSR (published annually in May and October) – analyze disclosure of Environmental, Social and Governance (ESG) data by listed companies in CEE in order to: (1) enable these companies to benchmark their disclosure/reporting against peers on a national and CEE regional basis; (2) enable these companies to benchmark their disclosure/reporting against peers in other emerging markets; (3) collect time series on CEE corporate disclosure that practitioners can use to chart progress and identify trends; (4) collect time series on CEE corporate disclosure that researchers can use as control data or analyze in greater detail; (5) identify best practice in the CEE region; (6) report on the corporate disclosure practices of this CEE peer group to a wide range of constituencies; (7) collect practical micro-economic data that can be presented at conferences, seminars and workshops; and (8) stimulate the writing of case studies about the disclosure practices of this peer group.

Both surveys are available free-of-charge on the Capital Markets Research page of the PFS Program website. The URL is http://www.pfsprogram.org/capitalmarkets_research.php

Readers may subscribe to the PFS Program’s press service in order to automatically receive press releases about the surveys. This service is also free-of-charge. In order to subscribe, please send a request, including all relevant contact information, to info@pfsprogram.org.

2. Methodology

This is the PFS Program's 13th semi-annual Survey of Websites of the Ten Largest Listed Companies (by market capitalization) in 11 Central and Eastern European (CEE) Countries. In most cases, the market capitalization statistics are dated June 30, 2007.

The survey analyzes information available on the company website and/or in an annual report available in electronic format on the company website.

The record date for disclosures is August 15, 2007.

The survey distinguishes whether the company provides information on management/management board members and board of directors/supervisory board members **directly** on the corporate website or **indirectly**, meaning that information is not found on a separate page of the company website but instead is noted in an annual report available in electronic format on the company website.

The criteria for the survey were determined after analyzing best practice among blue-chip companies in the EU and internationally.

The survey is conducted in two phases.

The first phase of the survey analyzes whether each of the companies surveyed provides the following:

- A local-language website;
- An English-language website;
- A list of management/management board members available online (from here termed "management");
- Additional information on management/management board members available online. (Brief biographical information about each member of management.);
- A list of board of directors/supervisory board members online (from here termed "supervisory board"); and
- Additional information on board of directors/supervisory board members available online (Brief biographical information about each member of the board.)

Those companies that provide information in each of the above six basic categories are analyzed further.

The second phase of the survey analyzes whether each company provides detailed information about management and board members: the educational and professional background of each individual, the scope of responsibilities of each individual, a description of functions held by each individual in other organizations, a description of shares held by each individual and a photograph of each individual or the group as a whole.

The third phase of the survey compares the disclosures of the 110 CEE companies with peers in BRIC and Ukraine.

The survey consists of three components:

- This report of survey results (including aggregate data on all 110 CEE companies; separate data on 80 companies in the eight CEE countries that joined the EU on May 1, 2004; separate data on 30 companies in Bulgaria, Croatia and Romania; separate data on 40 companies in BRIC and 10 companies in Ukraine; and comparisons of the data from the current edition of the survey with data from the 12 previous surveys);
- A database containing the date for each company, statistics aggregated for each country and a ranking of countries; and
- A slide presentation of the survey results.

The several sets of aggregated data enable the comparison of current online disclosure practices of different peer groups with practices over an extended time period. The data permits the identification of benchmarks among the entire CEE peer group and two sub-groups, the definition of best practice benchmarks and the analysis of trends. The data can also be used for more complex extrapolations. For example, the survey makes possible the comparison of the current disclosure practices of companies in Bulgaria, Croatia and Romania with the disclosure practices of their CEE peers prior to and/or immediately following their accession to the EU.

3. Legend

BG	Bulgaria
BRIC	Brazil, Russia, India and China
CZ	Czech Republic
EE	Estonia
HR	Croatia
HU	Hungary
LT	Lithuania
LV	Latvia
PL	Poland
RO	Romania
SI	Slovenia
SK	Slovakia
BR	Brazil
CN	China
IN	India
RU	Russia
UA	Ukraine

4. Survey Findings for the Ten Largest Listed Companies in 11 CEE Countries

4.1. Websites

Summary

On August 15, 2007 in ten of the 11 CEE countries surveyed, each of the ten largest listed companies has a local-language website. In Bulgaria, nine of the ten companies surveyed have a local-language website.

Each of the 10 companies surveyed in Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia has an English-language website. 90% of the companies surveyed in Slovenia have an English-language website. 80% of the companies surveyed in Bulgaria and Romania and 70% in Croatia have an English-language website.

Comparison of Results

In ten of the 11 CEE countries surveyed, each of the ten largest listed companies has a local-language website. In Bulgaria, nine of the ten companies surveyed have a local-language website. In the previous three surveys, 100% of the companies in the eleven CEE countries had a local-language website.

The percentage of companies with an English-language website has remained relatively consistent for the past three surveys at approximately 94%. It has increased steadily since the first survey was conducted in August 2001, when only 71% of companies surveyed had an English-language website.

Chart 4.A presents the data over the time period August 2001 through August 2007.

CHART 4.A: Existence of Local-Language and English-Language Websites: 2001-2007

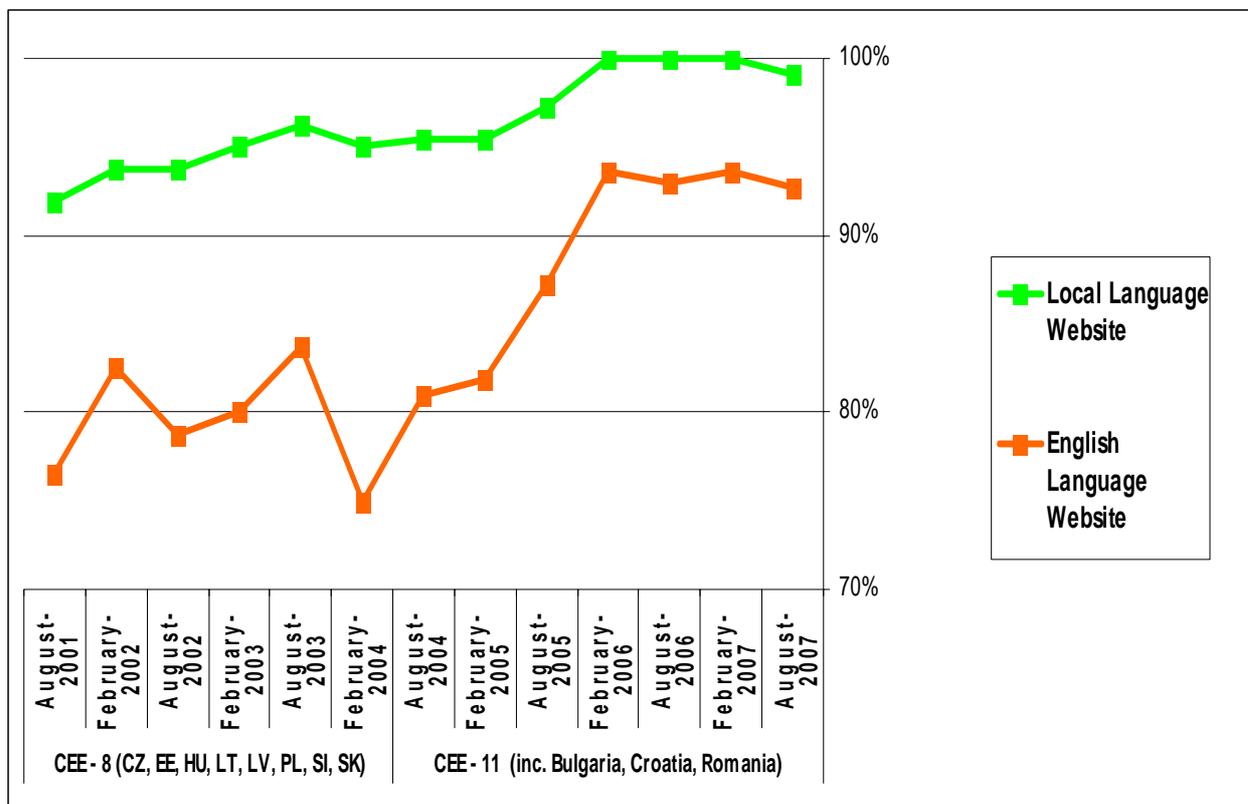
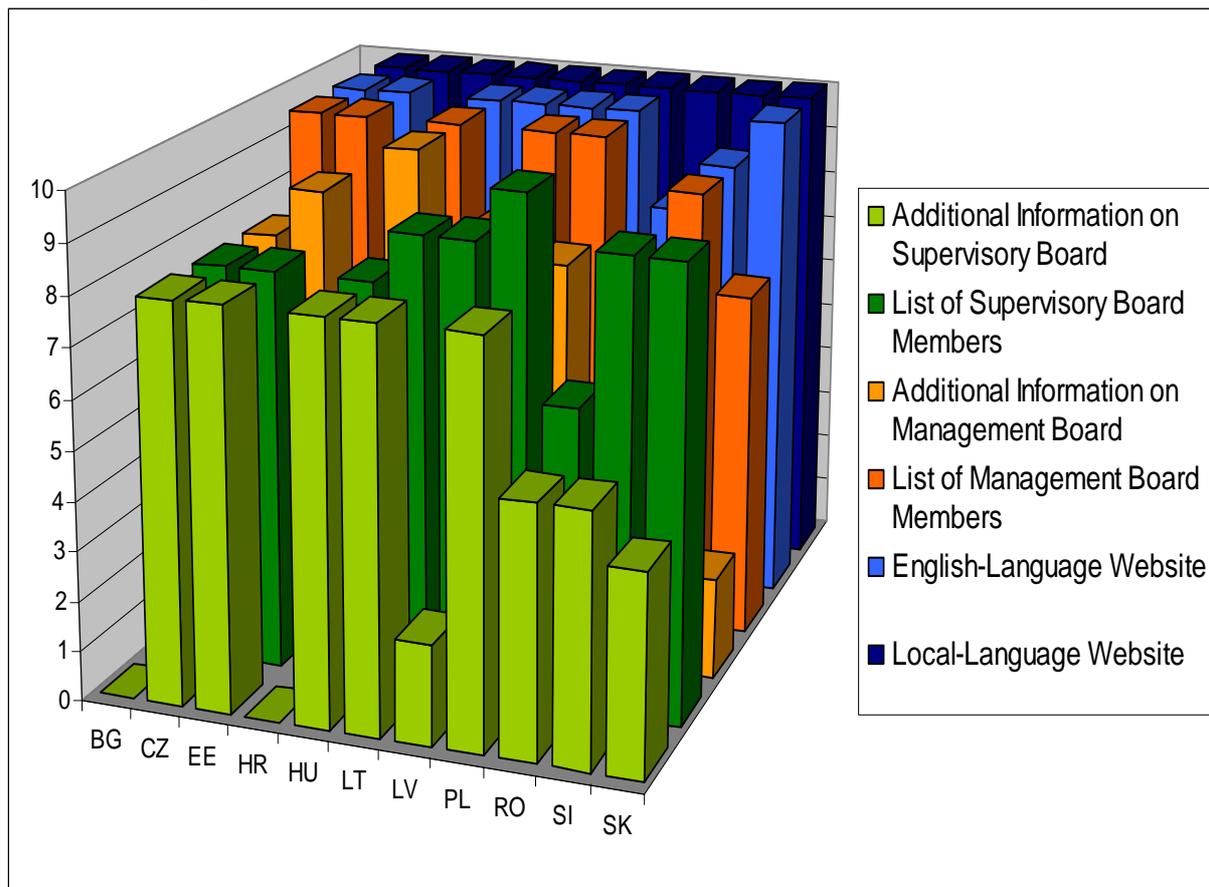


Chart 4.B presents a snapshot of the disclosure practices aggregated by country in each of the six basic categories analyzed in the first phase of the survey. As noted above, the survey database includes a spreadsheet of disclosures made by each company.

NOTE: The Lithuanian data on supervisory board information should be reviewed on a company-by-company basis, since some of the Lithuanian companies surveyed have a one-tiered board.

CHART 4.B: Survey of Websites of the 10 Largest Listed Companies in Eleven CEE Countries: August 2007



4.2. Disclosure of Information about Management and Board Members

Summary

Information available online about management increased significantly in comparison with the previous survey and all previous surveys.

On August 15, 2007 86% of the 110 companies surveyed provide a list of management online and 59% provide additional information on management online. Disclosure of additional information varies widely, ranging from a short biography, previous work experience and/or description of duties.

82% of companies surveyed provide a list of board members online and 51% provide additional information on board members online.

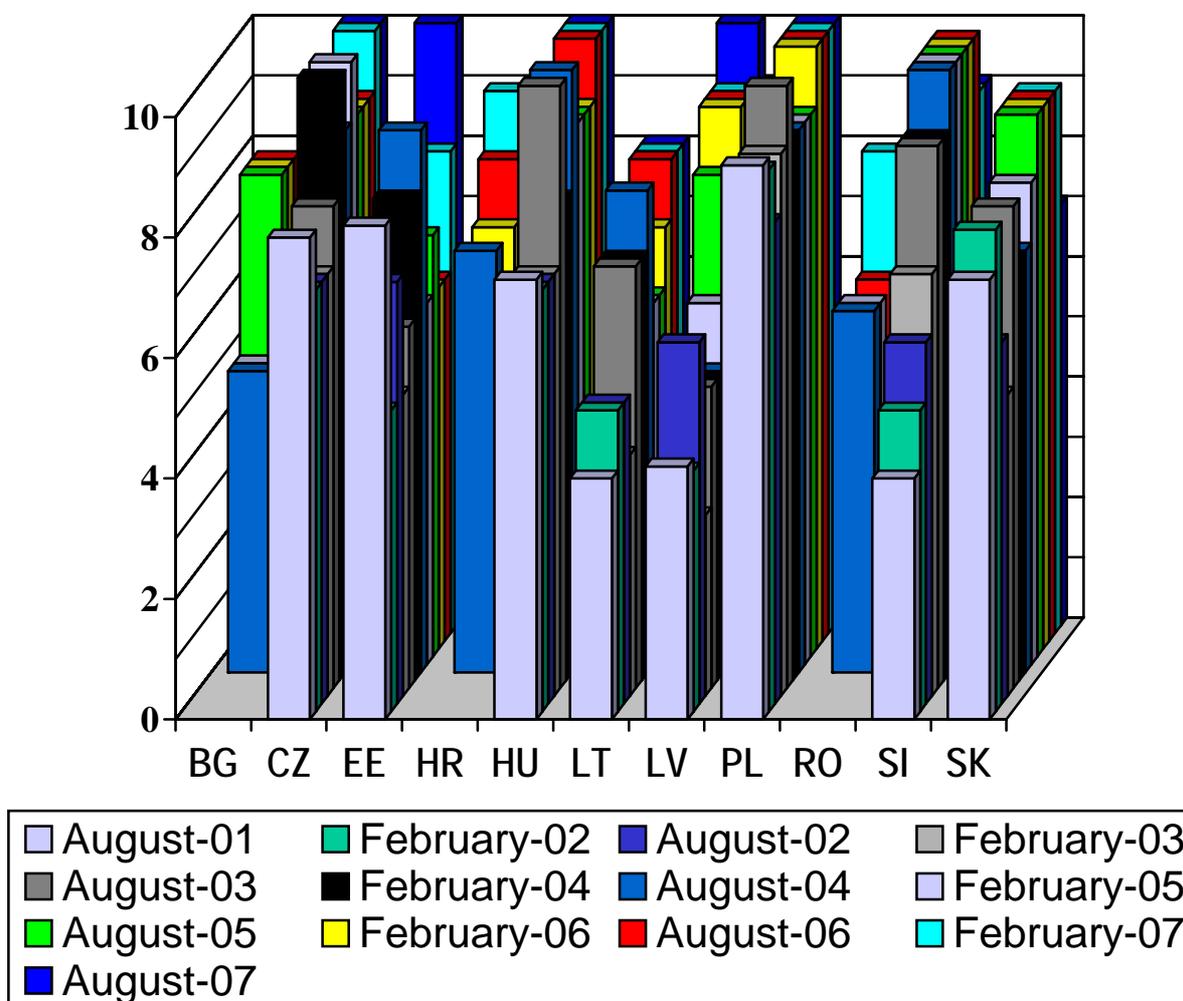
Comparison of Results – Information about Management

Information available online about management increased significantly in comparison with the previous survey and all previous surveys.

The percentage of companies surveyed that provide a list of management online increased by 4%, to 86% in August 2007 from 82% in February 2007. 87% of the companies surveyed provided this information in August 2006 compared with 81% in February 2006. The best performers are Czech Republic, Estonia, Hungary, Latvia and Poland, where 100% of all companies surveyed provide a list of management online.

Chart 4.C presents a comparison of the disclosure of a list of management from August 2001 through August 2007.

CHART 4.C: List of Management Available Online - Ten Largest Listed Companies in 11 CEE Countries: 2001 – 2007

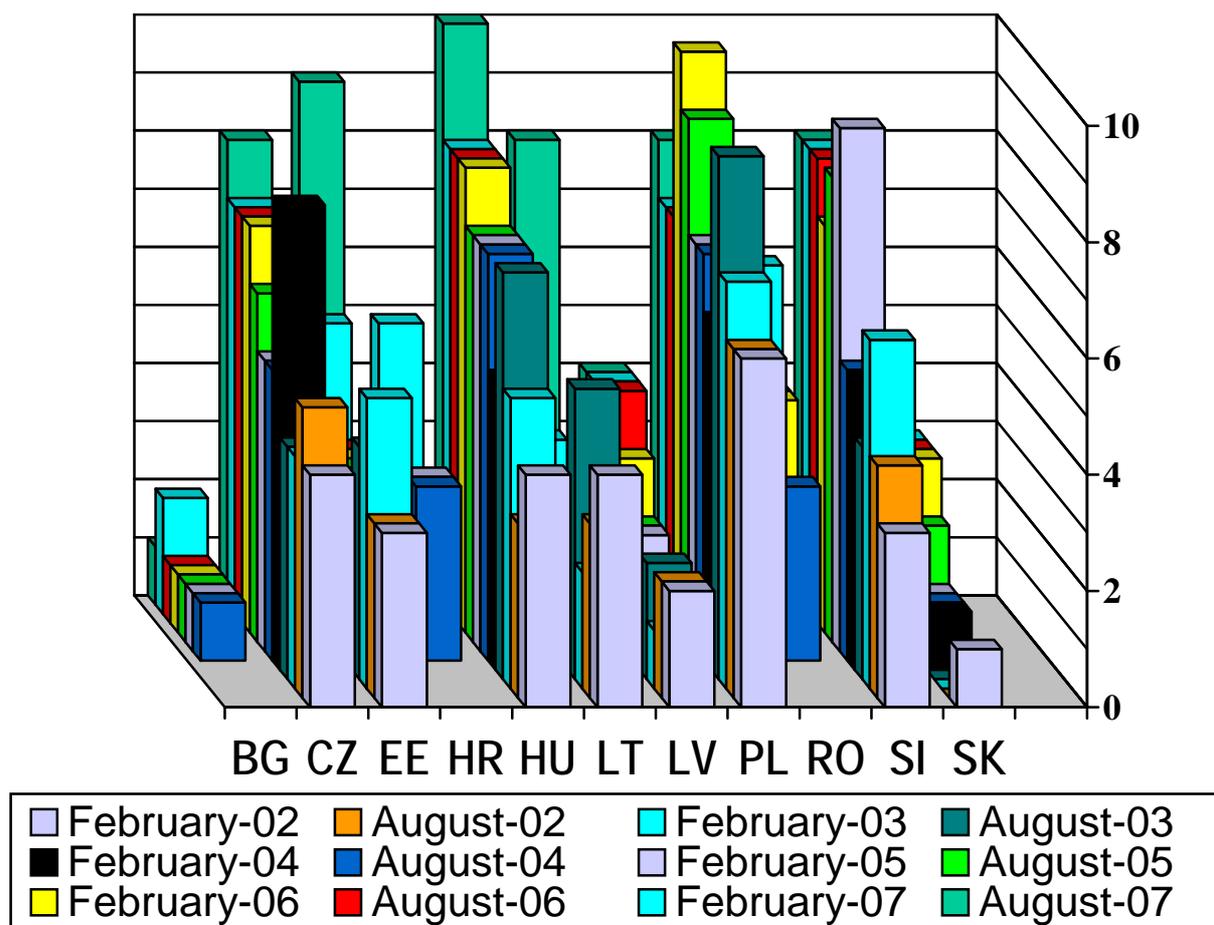


59% of the companies surveyed provide additional information about management online, a significant increase from previous surveys: 53% in February 2007 and 45% in August 2006.

The best performers are: Hungary - 100%; Estonia – 90%; and Czech Republic, Lithuania, Poland and Slovakia – 80%.

Chart 4.D presents a comparison of the disclosure of additional information on management from February 2002 (the first time this category was surveyed in the then eight CEE candidate countries for admission to the EU) through August 2007.

CHART 4.D: Additional Information on Management Available Online - Ten Largest Listed Companies in 11 CEE Countries: 2002 – 2007



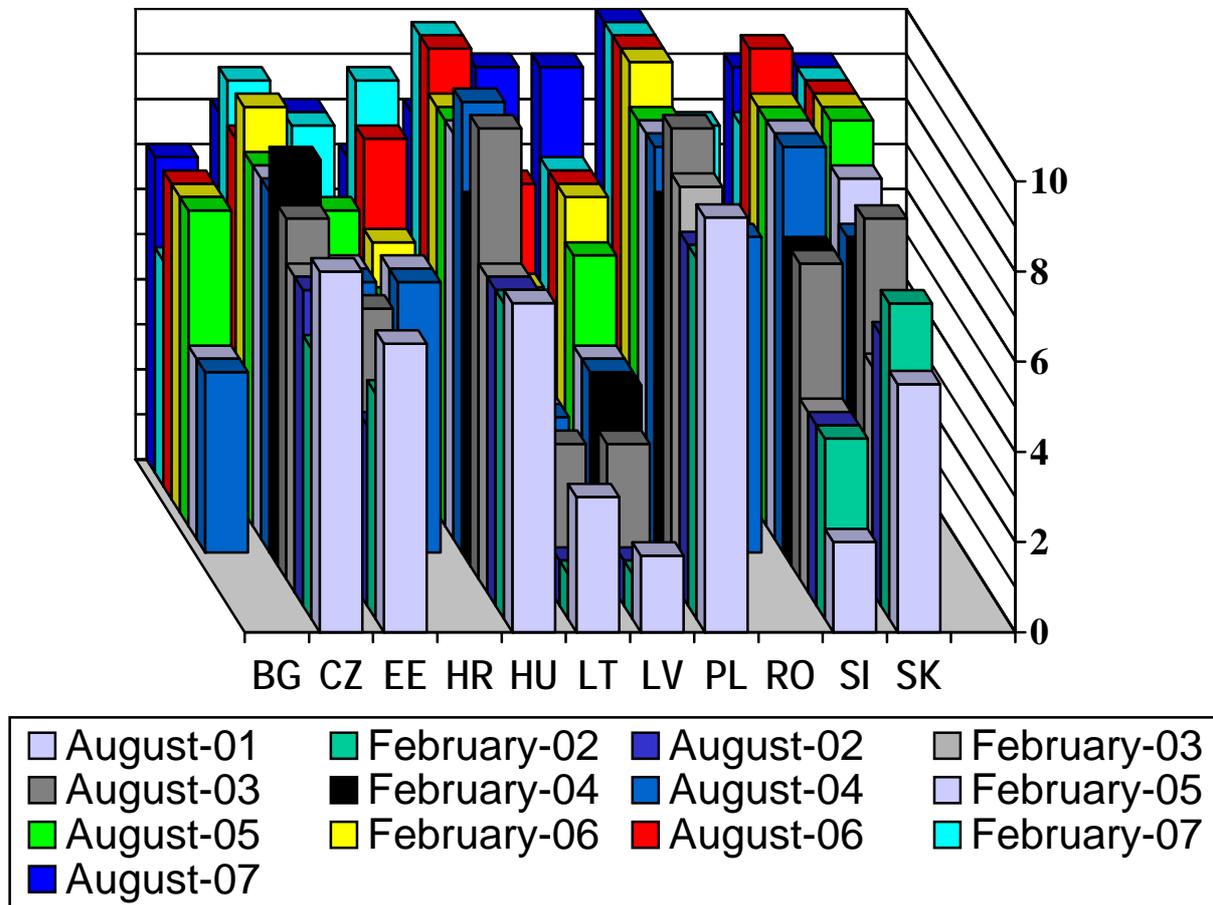
Comparison of Results – Information about Board Members

Slightly more companies provide a list of supervisory board members online; however, significantly more companies provide additional information about board members online in comparison with the previous survey and all previous surveys.

The percentage of companies surveyed that provide a list of board members online increased by 1%, to 82% in August 2007 from 81% in February 2007 . 81% of companies provided this information in August 2006 and 75% in February 2006. The best performers are: Poland - 100%; and Latvia, Lithuania, Slovenia and Slovakia – 90%.

Chart 4.E presents a comparison of the disclosure of a list of board members from August 2001 through August 2007.

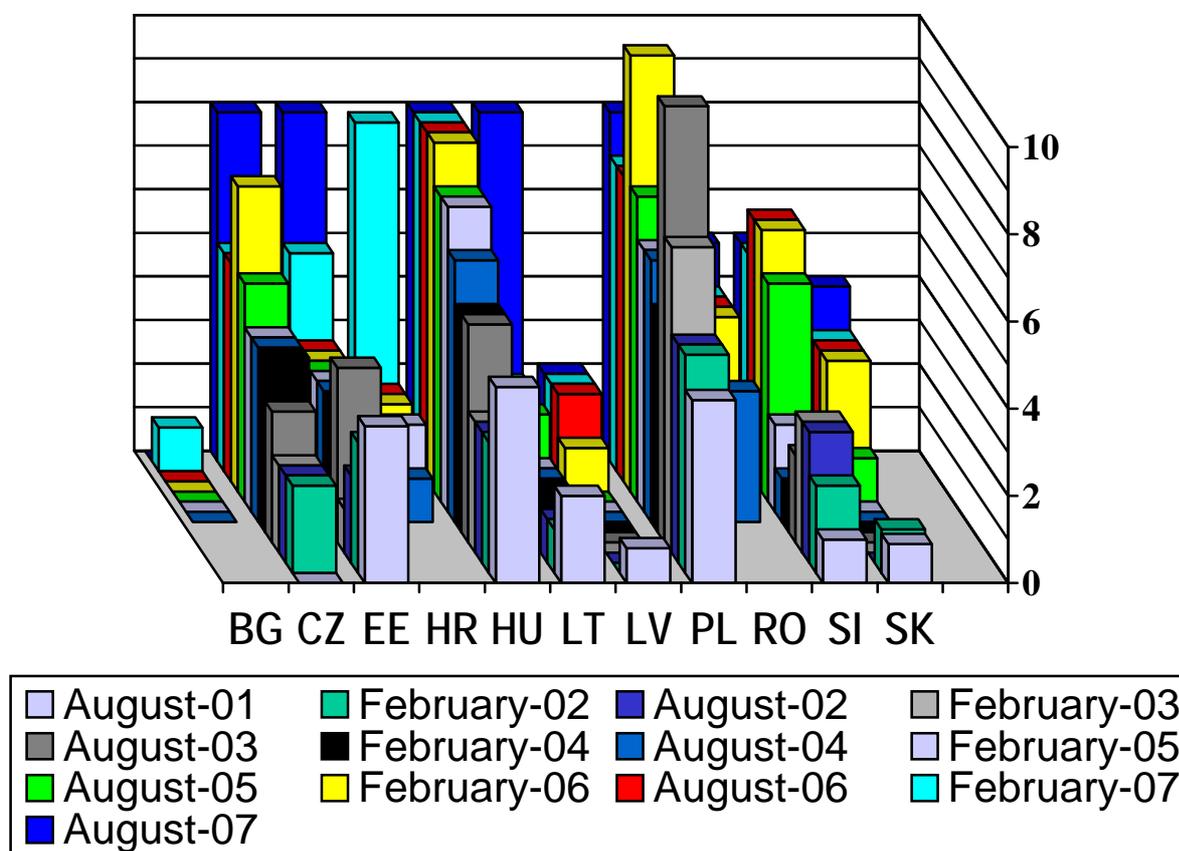
CHART 4.E: List of Board Members Available Online - Ten Largest Listed Companies in 11 CEE Countries: 2001 – 2007



51% of the companies surveyed provide additional information about board members online. This is the largest percentage recorded since the surveys began in 2001. In February 2007 the percentage was 40% whereas in August 2006 it was 37%. The best performers are Czech Republic, Estonia, Hungary, Lithuania and Poland - 80%.

Chart 4.F presents a comparison of the disclosure of additional information on board members from August 2001 through August 2007.

CHART 4.F: Additional Information on Board Members Available Online – Ten Largest Listed Companies in 11 CEE Countries: 2001 – 2007



5. Survey Findings for the Ten Largest Listed Companies in the Eight CEE Countries that Joined the EU on May 1, 2004

5.1. Websites

Summary

Each of the ten largest listed companies in all eight CEE countries has a local-language website. Each of the ten largest listed companies in the following CEE countries has an English-language website: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia. In Slovenia, nine of the ten companies surveyed have an English-language website.

Comparison of Results

This is the fourth consecutive survey in which all of the companies surveyed have a local-language website. This indicates that this is now industry standard. Likewise, the percentage of companies with an English-language website remains high, at 99%. This is a slight decrease from the previous survey, but in general the level has remained consistently high near 100% for the past two years.

5.2 Disclosure of Information about Management and Board Members

Summary

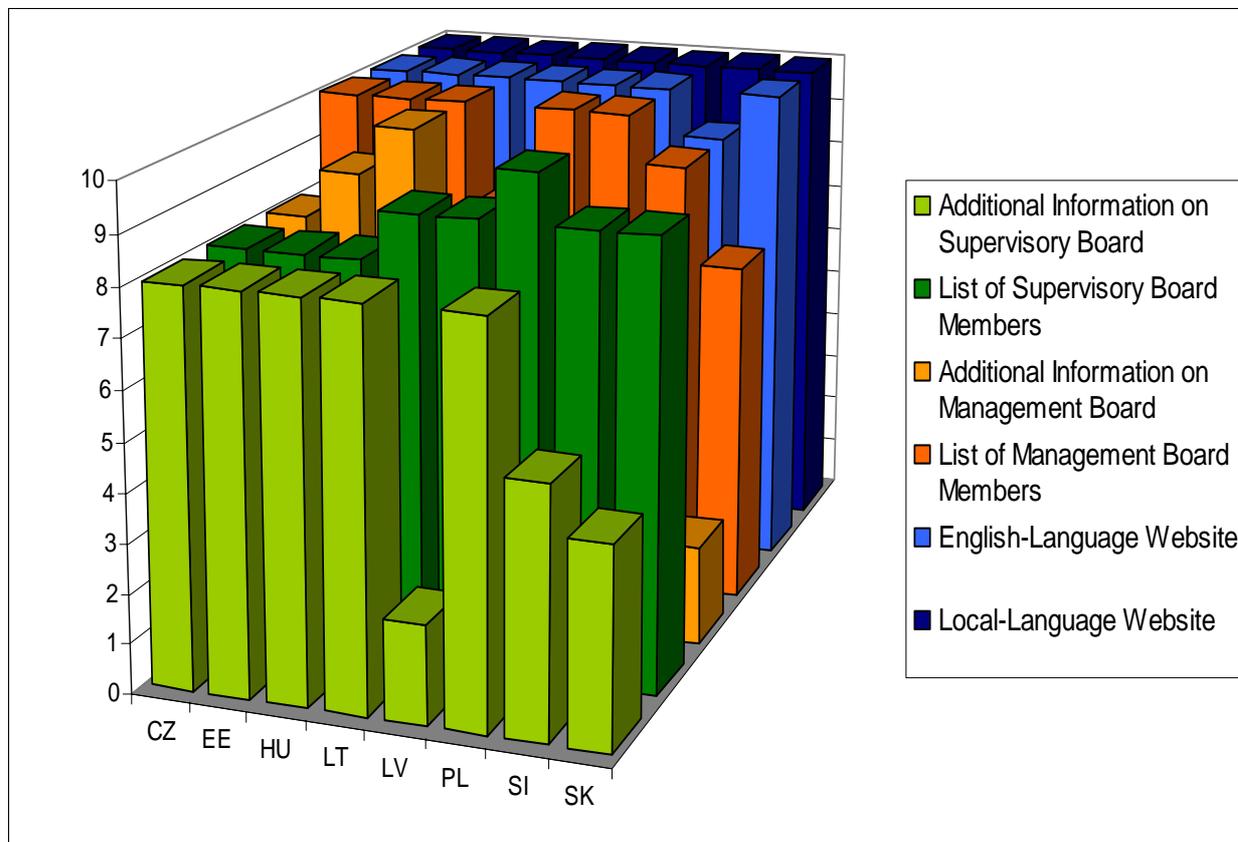
In Poland all ten companies surveyed provide a list of management and a list of board members online. In Latvia, ten companies surveyed provide a list of management and nine companies provide a list of board members online. In Czech Republic, Estonia and Hungary ten companies surveyed provide a list of management and eight a list of board members online. In Slovenia nine companies surveyed provide both a list of a list of management and a list of board members.

The data for this peer group is as follows:

- 93% of the companies surveyed provide a list of management online;
- 71% of the companies surveyed provide additional information about management online;
- 88% of the companies surveyed provide a list of board members online; and
- 64% of the companies surveyed provide additional information about board members online.

Chart 5 provides a snapshot of the disclosure of management and board information in the eight CEE countries on August 15, 2007.

CHART 5. Survey of Websites of the Ten Largest Listed Companies in the Eight CEE Countries that Joined the EU on May 1, 2004: August 15, 2007



Comparison of Results

The percentage of companies providing additional information on management online increased to 71% from 56% in February 2007.

The percentage of companies providing additional information on board members online increased to 64% from 46% in February 2007.

6. Survey Findings for the Ten Largest Listed Companies in Bulgaria, Croatia and Romania

6.1. Websites

Summary

For the fourth consecutive survey, all ten companies surveyed in Croatia and in Romania have a local-language website. Nine of the ten companies surveyed in Bulgaria have a local-language website. This is a slight decrease from the previous two surveys, when all ten companies in Bulgaria had a local-language website.

English-language websites are common in all three countries; 80% of companies surveyed in Bulgaria and in Romania have an English-language website. 70% of companies surveyed in Croatia have an English-language website.

Comparison of Results

Results among this peer group have improved considerably since August 2004. In general the disclosure practices of the largest listed companies in the eight new CEE countries that joined the EU on May 1, 2004 are better than those of peers in Bulgaria, Croatia and Romania. However, the gap between the two continues to decrease, albeit slowly.

6.2 Disclosure of Information about Management and Board Members

Summary

70% of companies surveyed in Croatia, Romania and Bulgaria provide a list of management online.

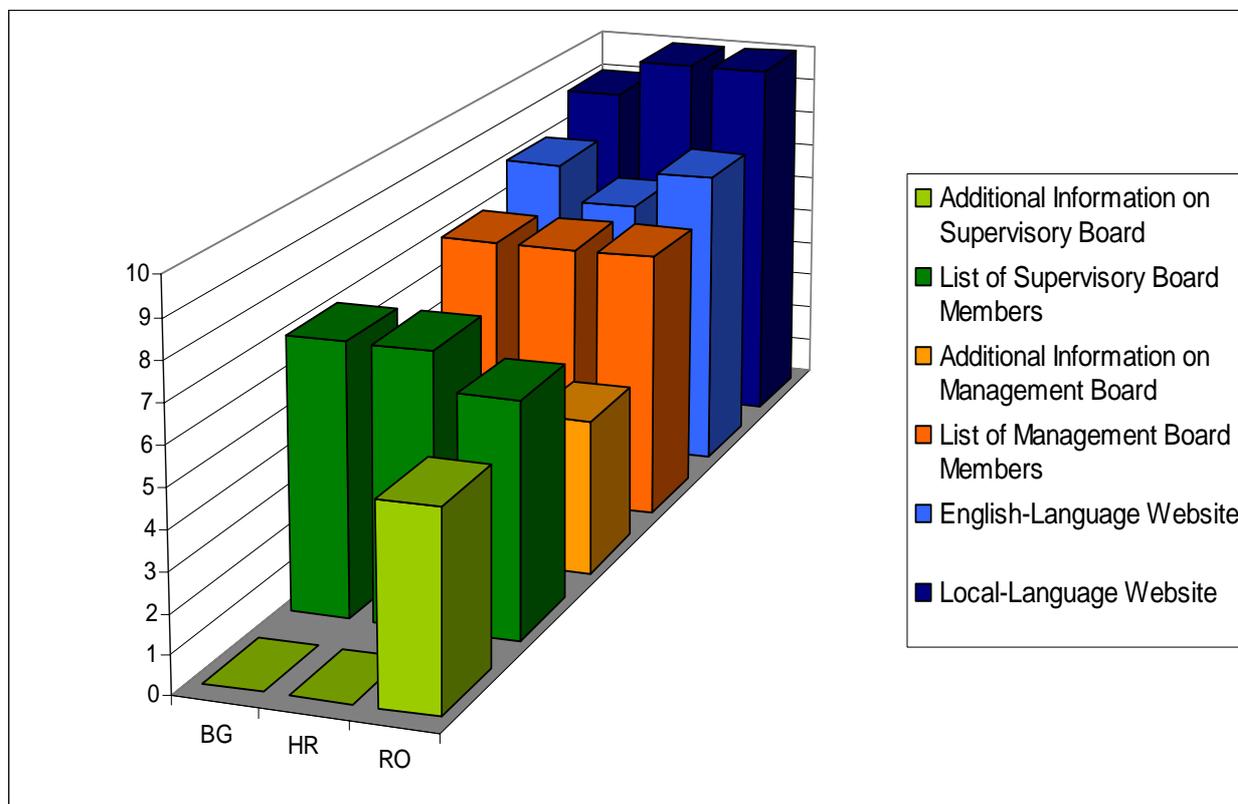
Additional information disclosed about management varies widely among the companies in the three countries.

In both Croatia and Bulgaria 70% of the companies surveyed provide a list of board members online; in Romania 60% of the companies surveyed provide this information.

A minimum of companies surveyed provide additional information on board members online; on August 15, 2007 the percentage was 17%. This is a considerable contrast to the 64% of companies surveyed in the CEE countries that joined the EU on May 1, 2004.

Chart 6 presents a snapshot of the disclosure practices aggregated by country in each of the six categories survey. As noted above, the survey database includes a spreadsheet of disclosures made by each company.

CHART 6. Survey of Websites of the Ten Largest Listed Companies in Bulgaria, Croatia, and Romania: August 15, 2007



Comparison of Results

Whereas comparatively lower levels of disclosure may be found among companies surveyed in Bulgaria, Croatia and Romania the survey demonstrates considerable improvement in disclosure of both a list of management and additional information on management.

7. Survey Findings for the Ten Largest Listed Companies in the BRIC Countries (Brazil, Russia, India and China) as well as Ukraine

For the third time, this survey analyzes peer companies in BRIC and Ukraine, in order to compare the disclosure practices of listed companies in the 11 CEE countries with those of their peers in other emerging markets.

7.1. Websites

Summary and Comparison with CEE

In BRIC, each of the companies surveyed has a local language website. In ten of the 11 CEE countries surveyed, each of the companies surveyed has a local language website. In Bulgaria, nine of the ten companies surveyed have a local language website. In Ukraine, seven of the ten companies surveyed have a local language website.

In BRIC, 98% of the companies surveyed have an English website, compared with 93% in CEE-11, 99% in the eight CEE countries that joined the EU in 2004 and 60% in Ukraine.

7.2 Disclosure of Management and Supervisory Board Members

Summary and Comparison with CEE

95% of the companies surveyed in BRIC provide a list of management online, compared with 86% in the CEE-11 and 92% in the eight CEE countries that joined the EU in 2004. In Ukraine 40% of the companies surveyed provide a list of management online.

90% of companies surveyed in BRIC provide additional information on management online, compared with 59% in the CEE-11, 71% in the eight CEE countries that joined the EU in 2004 and 30% in Ukraine.

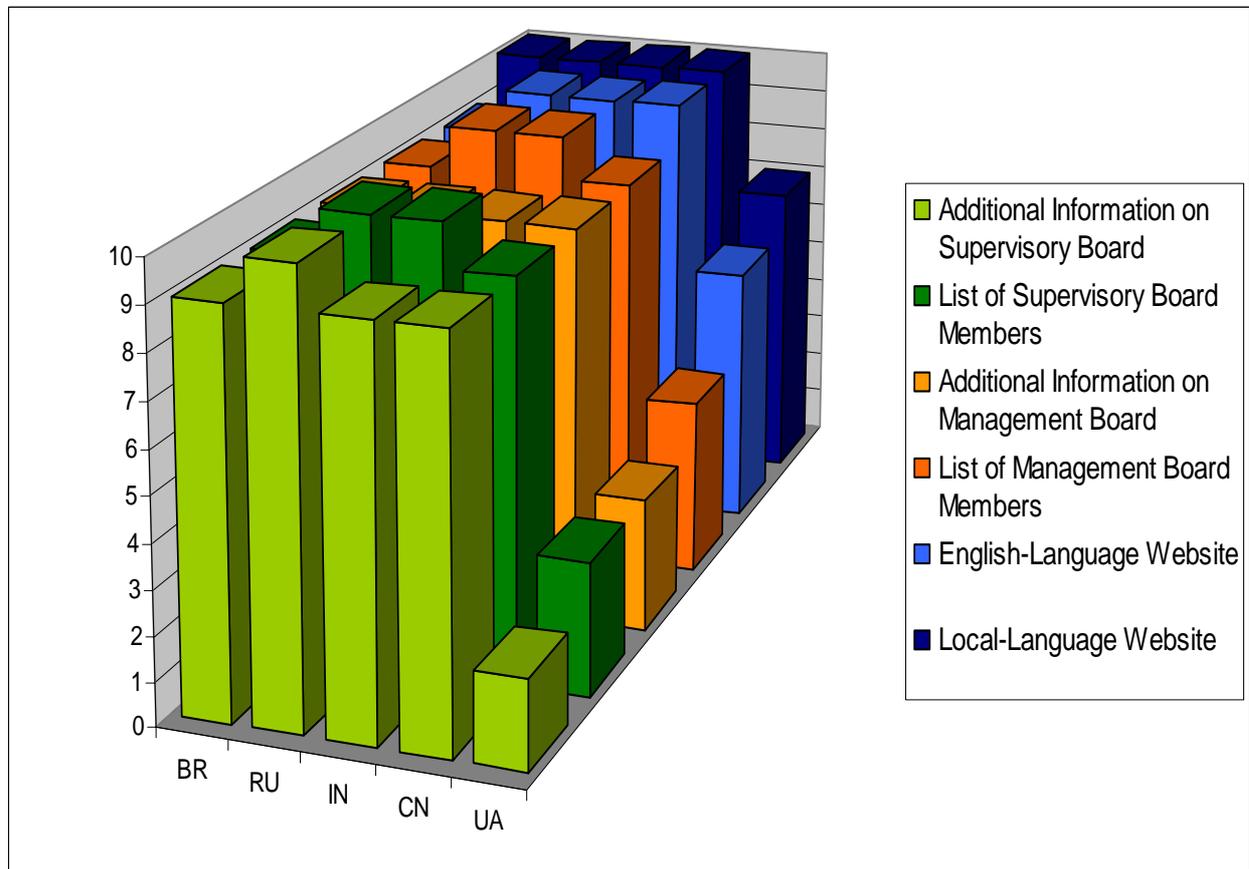
95% of the companies surveyed in BRIC provide a list of board members online, compared with 82% in the CEE-11, 87% in the eight CEE countries that joined the EU in 2004 and 30% in Ukraine.

93% of the companies surveyed in BRIC provide additional information on board members online, compared with 51% in CEE-11, 64% in the eight CEE countries that joined the EU in 2004 and 20% in Ukraine.

The largest listed companies in BRIC equal or outperform their CEE peers in every category. However, the gap continues to narrow. Furthermore, when companies in BRIC are compared with peers in the eight CEE countries that joined the EU in 2004, the difference between the peer groups is much smaller. The Ukrainian companies surveyed disclose less information than their peers in both BRIC and CEE.

Chart 7 presents a snapshot of the disclosure practices aggregated by country in BRIC and Ukraine in each of the six categories surveyed. As noted above, the survey database includes a spreadsheet of disclosures made by each company.

CHART 7B. Survey of Websites of the Ten Largest Listed Companies in BRIC and Ukraine - August 15, 2007



8. Recommendations regarding the Ideal Website

Best practice in the European Union (EU) and internationally suggests that the ideal website contains the following information:

- A list of members of management;
- A list of board members;
- A brief description of the educational and professional background of each person;
- The scope of responsibilities of each person;
- A brief description of functions held by each person in other companies/institutions;
- A description of shares in the company held by each person; and
- A photograph of each person.

As noted above, the survey is conducted in phases. The first phase of the survey analyzes whether each of the companies provides six basic data points: local-language website; English-language website; list of management available online; additional information on

management; list of board members online; and additional information on board members available online.

Those companies that provide information in each of the above six categories are analyzed further.

The second phase of the survey analyzes in detail each company's disclosures of additional information: educational and professional background of each individual, scope of responsibilities, description of functions, description of shares held, and photograph of the individual.

As of August 15, 2007 47 of the 110 companies surveyed in CEE (43%) provide information on all of the categories surveyed in the basic PFS Program survey: local-language website; local-language website; list of management; list of board members; additional information on management; and additional information on board members. (On February 15, 2007 46 of the 110 CEE companies surveyed [42%] disclosed information in all of the basic categories analyzed in the survey.)

These 47 companies were analyzed further regarding the above-mentioned ideal website recommendations.

On August 15, 2007 20 of the 110 companies surveyed in CEE (6%) provide all of the "ideal" recommended information:

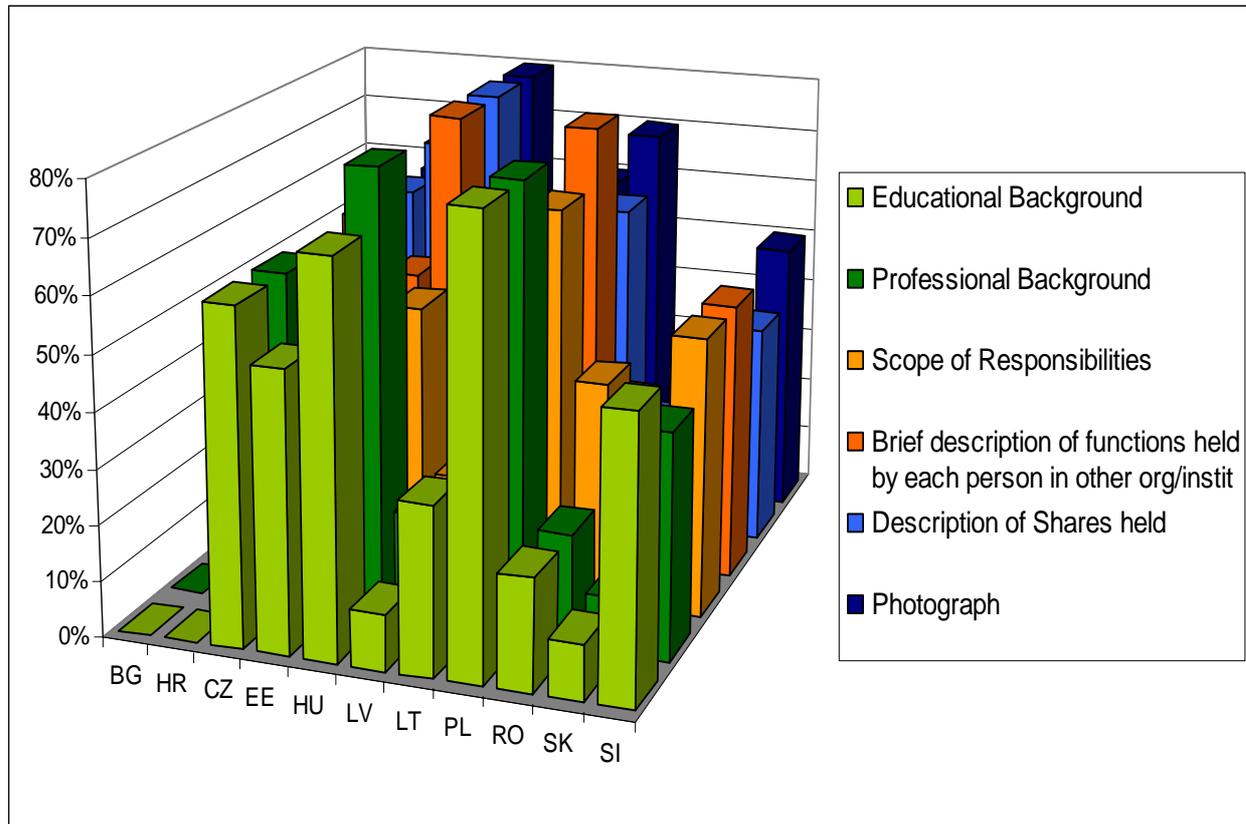
- five of the 110 companies provide information directly on their company website; and
- 15 of the 110 companies provide information indirectly through an annual report available online.

Furthermore:

- two of the 110 companies surveyed provide all information except for the photographs online; and
- five of the 110 companies surveyed provide all information except for a description of shares held by board members.

Chart 8.A presents the disclosure practices of the 47 CEE companies surveyed according to the “ideal” recommendations.

CHART 8.A. Survey of Websites of the 10 Largest Listed Companies in 11 CEE Countries – “Ideal” Information in 47 CEE Companies: August 15, 2007



The third phase of the survey compares disclosure according to the “ideal” criteria in all 11 CEE countries with peers in BRIC and Ukraine.

On August 15, 2007 36 of the 40 companies surveyed in BRIC (90%) provide information on all of the categories surveyed in the PFS Program survey: local-language website; local-language website; list of management; list of board members; additional information on management; and additional information on board members. Two companies in Ukraine (20%) provide information on all of the categories surveyed in the PFS Program survey.

These 38 companies in BRIC and Ukraine (76%) were analyzed further regarding the above-mentioned ideal website recommendations.

On August 15, 2007 15 of the 40 companies surveyed in BRIC and Ukraine (30%) provide all of the “ideal” recommended information:

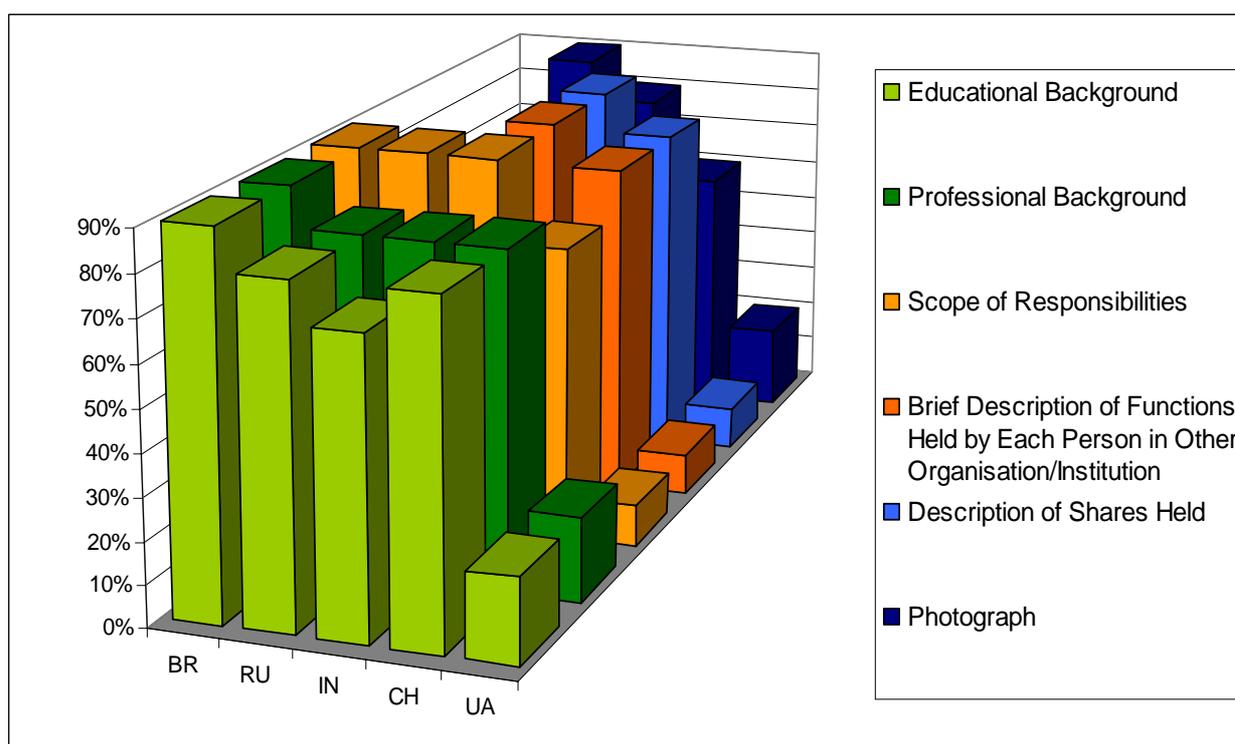
- Four of the 50 companies surveyed provide information directly on their company website; and
- 11 of the 50 companies provide information indirectly through an annual report available online.

It should also be noted that:

- five companies provide all information except for the photographs; and
- seven companies provide all information except for description of shares held by board members.

Chart 8.B presents the disclosure practices of the 36 BRIC companies and 2 Ukrainian companies surveyed according to the “ideal” recommendations.

CHART 8.B. Survey of Websites of the 10 Largest Listed Companies – ‘Ideal’ Information in 38 Companies in BRIC and Ukraine: August 2007



9. Conclusions and Next Steps

This is the PFS Program’s 13th semi-annual Survey of Websites of the 10 Largest Listed Companies (by market capitalization) in 11 Central and Eastern European (CEE) Countries. It includes for the third time a comparison with peer companies in BRIC and Ukraine.

The PFS Program has also provided PFS Program Grants to research institutions in CEE and in South East European (SEE) countries to co-finance country surveys that analyze a greater universe of companies and use a more detailed questionnaire. In early March 2007 the Zagreb School of Economics and Management (ZSEM) published third annual editions of two Croatian surveys: IR Online and Reporting on CSR. In mid-September 2007 Economics Policy Institute (EPI), Sofia, Bulgaria will publish inaugural Bulgarian surveys.

The PFS Program’s 14th regional survey will be conducted in February 2008.

About the Authors

PFS Program Assistant Magdalena Grabowska and PFS Program Intern Dagmara Lubczynska conducted the survey from July 2 through September 3, 2007. Geoffrey Mazullo, Director, PFS Program, edited the survey.

About the Partners for Financial Stability (PFS) Program

The United States Agency for International Development (USAID) established the Partners for Financial Stability (PFS) Program in 1999 as a public-private partnership to help complete reforms necessary to create sound, private and well-functioning financial sectors in the eight Central and Eastern European (CEE) countries that have since joined the European Union. In 2005, the geographical focus of the program shifted to South East Europe (SEE).

East-West Management Institute (EWMI), a New York-based not-for-profit organization, is currently the primary implementing partner.

The PFS Program is mandated to fill remaining gaps in the institutional development of the financial sector in CEE and SEE countries through regional integration and cooperation, selective technical assistance programs and the practical application of lessons learned in neighboring countries. The substantive areas covered under the PFS Program are: accounting, auditing, banking, capital markets, insurance and pension reform. For more information, please visit the PFS Program website at <http://www.pfsprogram.org>.