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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  
Seventh Comparison with Peers in BRIC and Ukraine**

**August 2009**

**Warsaw, Poland**

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## Executive Summary

This is the PFS Program's 17<sup>th</sup> semi-annual regional survey, "Investor Relations Online: Survey of Websites of the Ten Largest Listed Companies (by market capitalization) in 11 Central and Eastern European (CEE) Countries." PFS Program Interns Piotr Liberski (Poland) and Irena Petkovska (Macedonia) as well as PFS Program Research Assistant Igor Solodovnik conducted the survey from July 1 through August 17, 2009.

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 seventh 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 17, 2009 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 16 surveys conducted (since 2001); and
- Separate data on 40 companies in BRIC and 10 companies in 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 of detailed governance information increased in all categories surveyed, except in the local-language website category, where a slight decrease was recorded.

**91% of the companies surveyed provide a list of management online. This is the largest percentage recorded since the surveys began in 2001 and represents a slight increase vis-a-vis 84% in February 2009, 88% in August 2008 and 90% in February 2008. 68% of the companies surveyed provide additional information about management online; this is also the largest percentage recorded since the first survey, representing an increase vis-a-vis 61% in February 2009, 64% in August 2008 and 63% in February 2008. 89% of the companies surveyed provide a list of board members online, compared with 85% in February 2009, 91% in August 2008 and 87% in February 2008. 64% of the companies surveyed provide additional information about board members online; this also represents a record high percentage and a significant increase, compared with 56% in February 2009, 61% in August 2008 and 52% in February 2008.**

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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.

On August 17, 2009 64 of the 110 companies surveyed in CEE (58%) disclose information in all of the categories analyzed in the basic PFS Program survey: local-language website; local-language website; list of management; list of board members; additional information on management; list of board members; and additional information on board members.

This is the largest percentage recorded and a significant increase in comparison with February 15, 2009 when 52 of the 110 companies surveyed in CEE (47%) disclosed this basic information. In August 2008, 56 of the 110 companies surveyed in CEE (51%) disclosed this basic information, compared with 51 of the 110 companies surveyed in CEE (46%) on February 15, 2008.

The largest listed companies in BRIC disclose more information in this survey than in the previous survey. In all categories surveyed, companies in BRIC outperform peers in the eight CEE countries that joined the EU in 2004. The largest gaps exist in providing additional information on management and on board members. **However, in contrast, the most transparent of the largest listed companies in CEE slightly outperform their peers in BRIC in terms of providing detailed governance information online, either on the company website or in an annual report available online. Also, in several CEE markets the results are impressive. In August 2009 all ten companies surveyed in Poland provide information in each category surveyed; in February 2009 all ten companies surveyed in Hungary provided information in each category surveyed. These are the first such cases since the first survey was conducted in 2001.**

## 1. Introduction

In August 2001 the PFS Program launched its first regional survey, “Investor Relations Online: Survey of Websites of the Ten Largest Listed Companies (by market capitalization) in Eight 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 CEE.”

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.**

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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](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](mailto:info@pfsprogram.org).

## 2. Methodology

This is the PFS Program’s 17<sup>th</sup> 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 or July 1, 2009.

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 17, 2009.

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 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;

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- Additional information on management/management board members available online (Brief biographical information about each member of management.);
  - A list of members of the board of directors/supervisory board members online; and
  - Additional information on each member of the board of directors/supervisory board available online (Brief biographical information about each member of the board.)

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

The second phase of the survey analyzes whether each company provides detailed information about management and board members, namely:

- 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 institutions;
- 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 16 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 Croatia with the disclosure practices of their CEE peers prior to and/or immediately following their accession to the EU.

### 3. Legend

<b>BG</b>	Bulgaria
<b>CZ</b>	Czech Republic
<b>EE</b>	Estonia
<b>HR</b>	Croatia
<b>HU</b>	Hungary
<b>LT</b>	Lithuania
<b>LV</b>	Latvia
<b>PL</b>	Poland

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<b>RO</b>	Romania
<b>SI</b>	Slovenia
<b>SK</b>	Slovakia
<b>BRIC</b>	Brazil, Russia, India and China
<b>BR</b>	Brazil
<b>CN</b>	China
<b>IN</b>	India
<b>RU</b>	Russia
<b>UA</b>	Ukraine

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

### **4.1. Websites**

#### **Summary**

On August 17, 2009 in eight of the 11 CEE countries surveyed, each of the ten largest listed companies has a local-language website. In Estonia and Slovakia, nine of the ten companies surveyed and in Czech Republic seven of the ten companies surveyed have a local-language website. The three listed companies in the Czech Republic that do not have a local-language website are “foreign” companies listed on the Prague Stock Exchange.

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

#### **Comparison of Results**

On August 17, 2009 in eight of the 11 CEE countries surveyed, each of the ten largest listed companies has a local-language website. In Estonia and Slovakia, nine of the ten companies; and in Czech Republic seven of the ten companies surveyed have a local-language website.

On August 17, 2009 95% of the companies surveyed in the 11 CEE countries have a local-language website, compared with 97% in February 2009, and with 98% in August 2008 as well as in February 2008. In the surveys conducted in August 2007, February 2007, August 2006 and February 2006, 100% of the companies surveyed in the 11 CEE countries had a local-language website.

The percentage of companies with an English-language website has remained relatively consistent for the past two years. In August 2009 it is 95%, whereas in February 2009 it was 94% and in August 2009 95%.

Chart 4.A presents the data over the time period August 2001 through August 2009.

**CHART 4.A: Existence of Local-Language and English-Language Websites: 2001-2009**

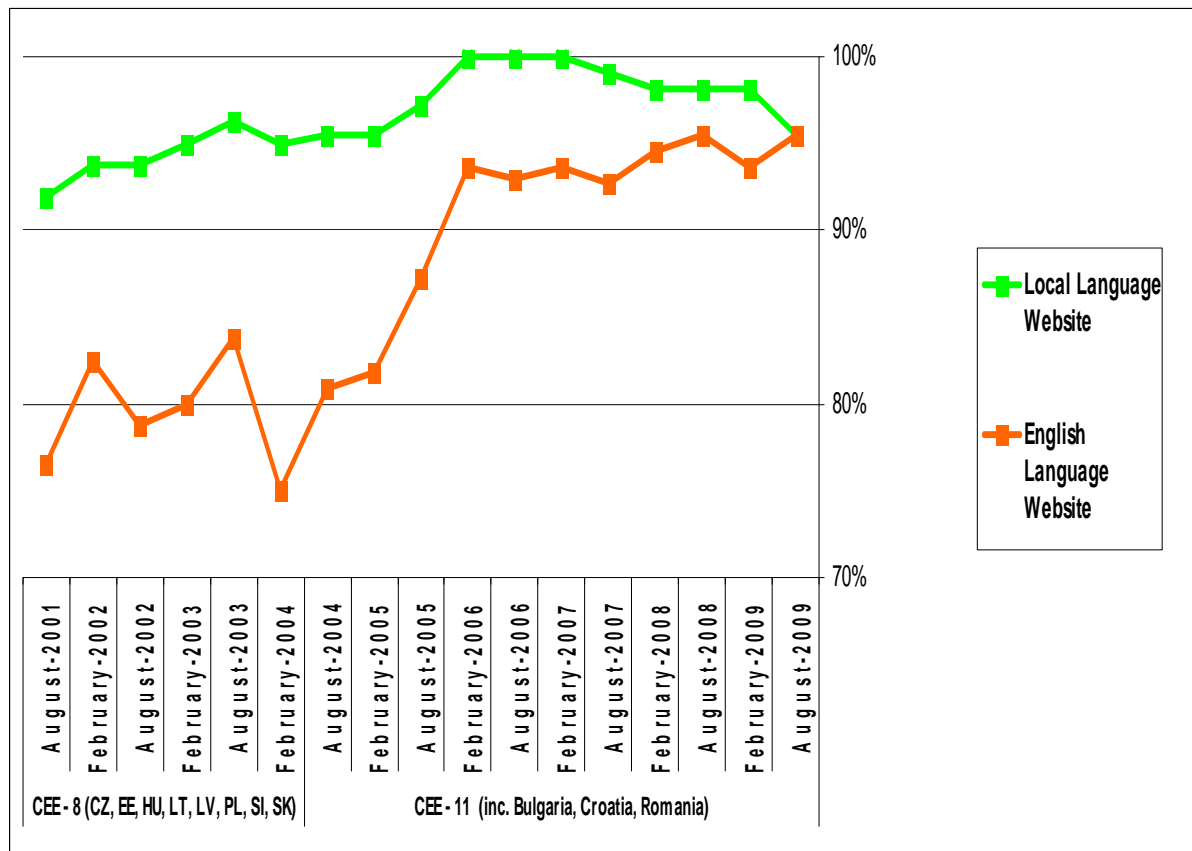
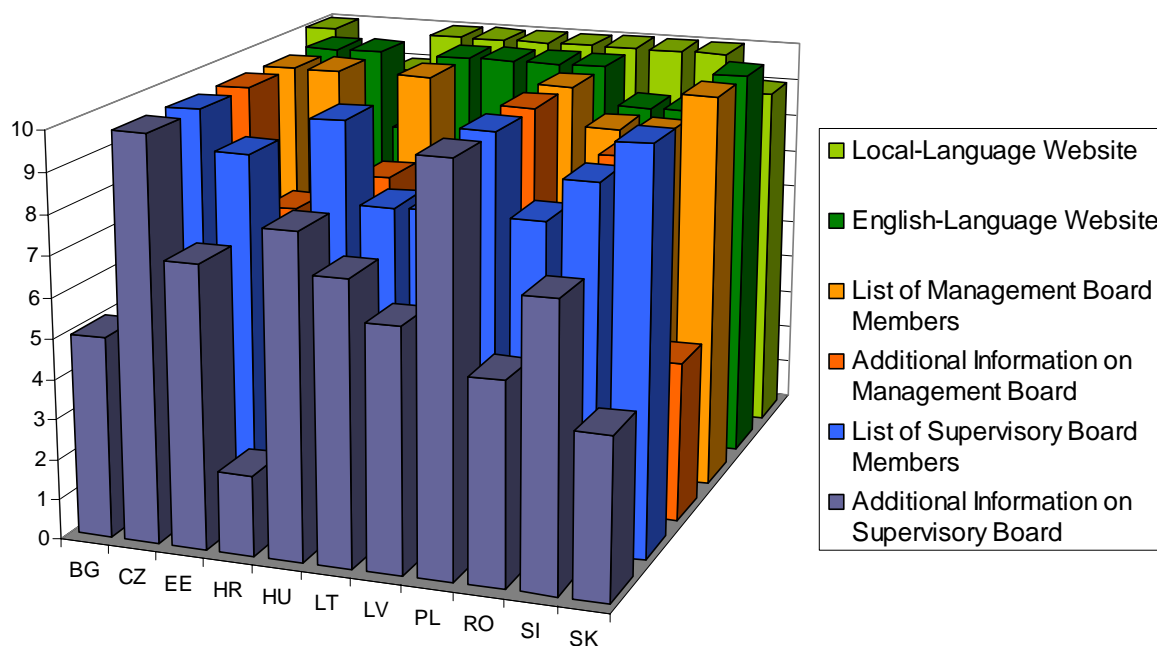


Chart 4.B presents a snapshot of the disclosure practices aggregated by country in each of the six basic categories analyzed in the first phase of the survey. As noted above, the survey database includes a spreadsheet of disclosures made by each company.

**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 Ten Largest Listed Companies in 11 CEE Countries: August 2009**



## 4.2. Disclosure of Information about Management and Board Members

### Summary

As noted above, disclosure of detailed governance information increased in all categories surveyed. Thus, these results continue the positive trend that developed through August 2008 but was broken in February 2009.

**91% of the companies surveyed provide a list of management online. This is the largest percentage recorded since the surveys began in 2001 and the first time that the 90% threshold was exceeded. It represents a slight increase vis-a-vis 84% in February 2009, 88% in August 2008 and 90% in February 2008.**

**68% of the companies surveyed provide additional information about management online; this is also the largest percentage recorded since the first survey, representing a significant increase vis-a-vis 61% in February 2009, 64% in August 2008 and 63% in February 2008.**

89% of the companies surveyed provide a list of board members online, compared with 85% in February 2009, 91% in August 2008 and 87% in February 2008.

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**64% of the companies surveyed provide additional information about board members online; this also represents a record high percentage and an increase compared with 56% in February 2009, 61% in August 2008 and 52% in February 2008.**

Disclosure of additional information varies widely, ranging from a short biography, previous work experience and/or description of duties.

The impact of corporate governance codes on disclosure of information about management can be observed. Companies in those countries which first implemented a “comply or explain” code generally outperform peers in other markets.

**In August 2009 all ten companies surveyed in Poland provide information in each category surveyed; in February 2009 all ten companies surveyed in Hungary provided information in each category surveyed. These are the first such cases since the first survey was conducted in 2001.**

#### **Comparison of Results – Information about Management**

The percentage of companies surveyed that provide a list of management online increased by seven percent to 91%.

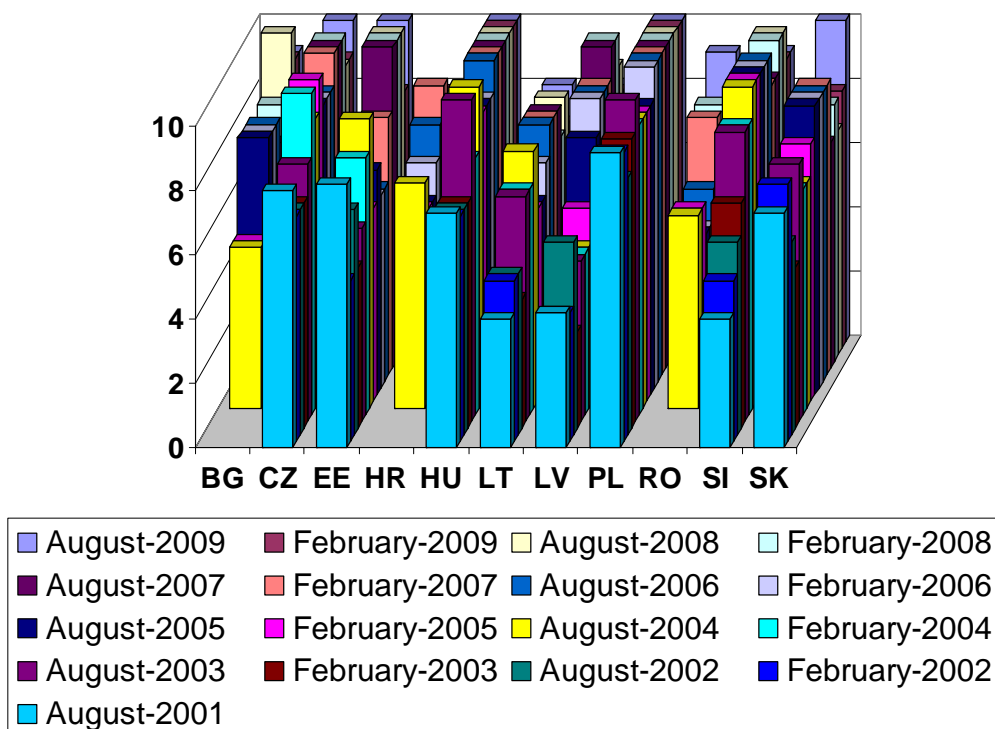
**This is the highest percentage recorded since the first survey conducted in 2001 and the first time that the 90% threshold is exceeded.**

It represents a slight increase in comparison with 84% on February 15, 2009 and 88% on August 15, 2008. 90% of the companies surveyed provided this information in February 2008, compared with 86% in August 2007 and 82% in February 2007.

The best performers are Czech, Estonia, Hungary, Poland and Slovakia, where 100% of the 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 2009.

**CHART 4.C: List of Management Available Online - Ten Largest Listed Companies in 11 CEE Countries: 2001 – 2009**



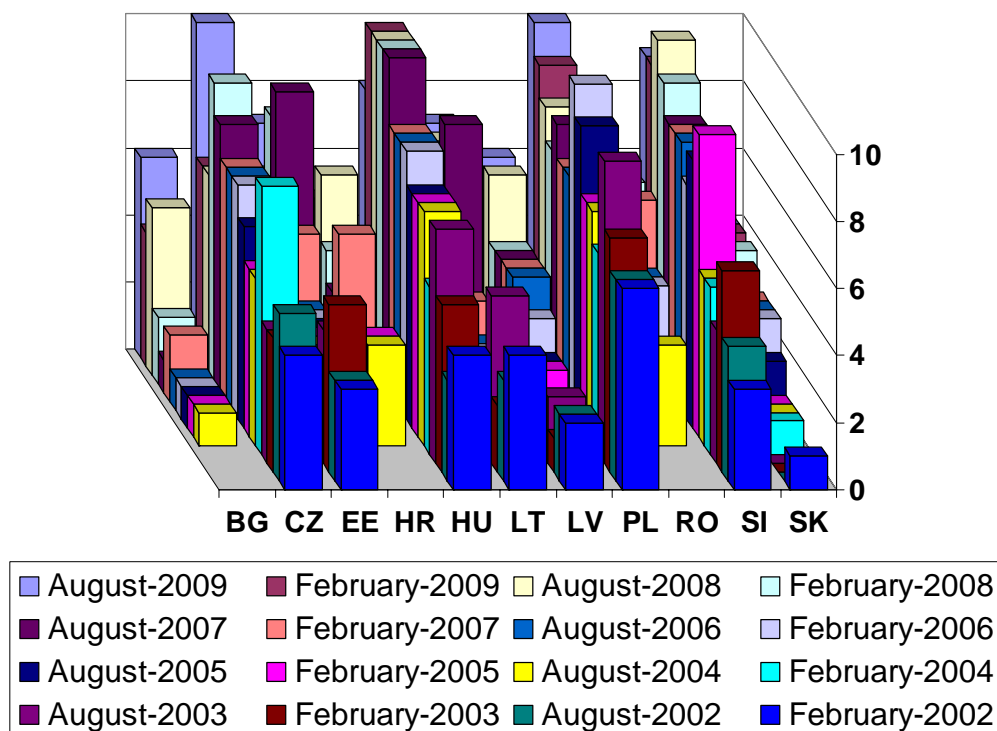
68% of the companies surveyed provide additional information about management online, in comparison with 61% on February 15, 2009. **This is the highest percentage recorded since the first survey conducted in 2001.**

64% of the companies surveyed provided this information in August 2008, compared with 63% in February 2008, 59% in August 2007, 53% in February 2007 and 45% in August 2006.

The best performers are: Czech Republic and Poland - 100%, as well as Slovenia - 90%.

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 2009.

**CHART 4.D: Additional Information on Management Available Online - Ten Largest Listed Companies in 11 CEE Countries: 2002 – 2009**



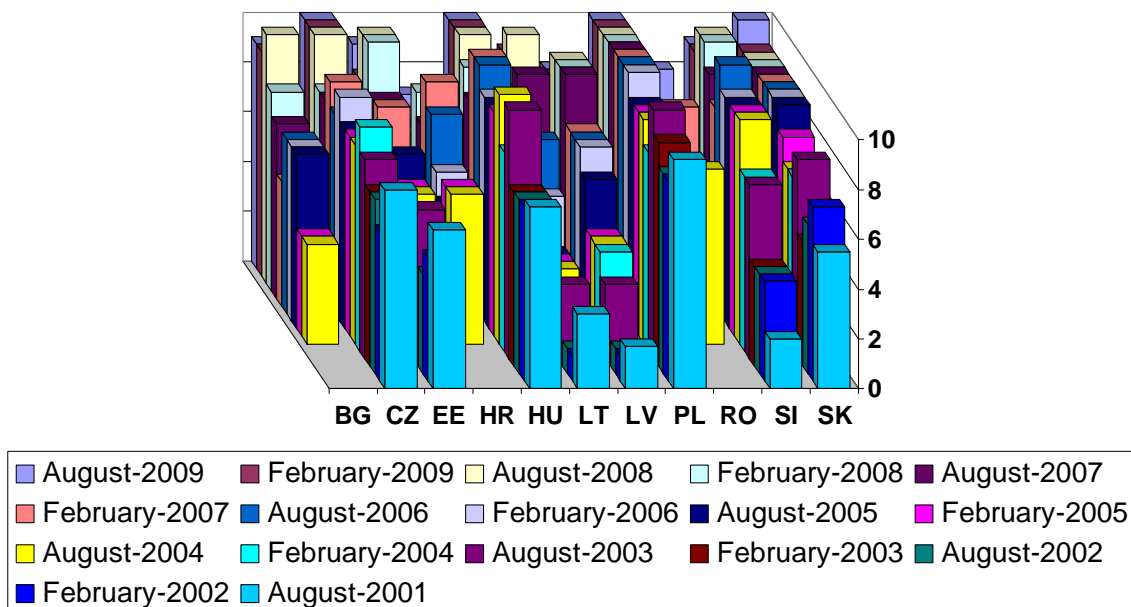
### Comparison of Results – Information about Board Members

The percentages of companies surveyed in that provide a list of board members online increased by 3.6% to 89.1% in August 2009 from 85.5 in February 2009. The percentage was 91% in August 2008, 87% in February 2008 and 82% in August 2007.

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

Chart 4.E presents a comparison of the disclosure of a list of board members from August 2001 through August 2009.

**CHART 4.E: List of Board Members Available Online - Ten Largest Listed Companies in 11 CEE Countries: 2001 – 2009**



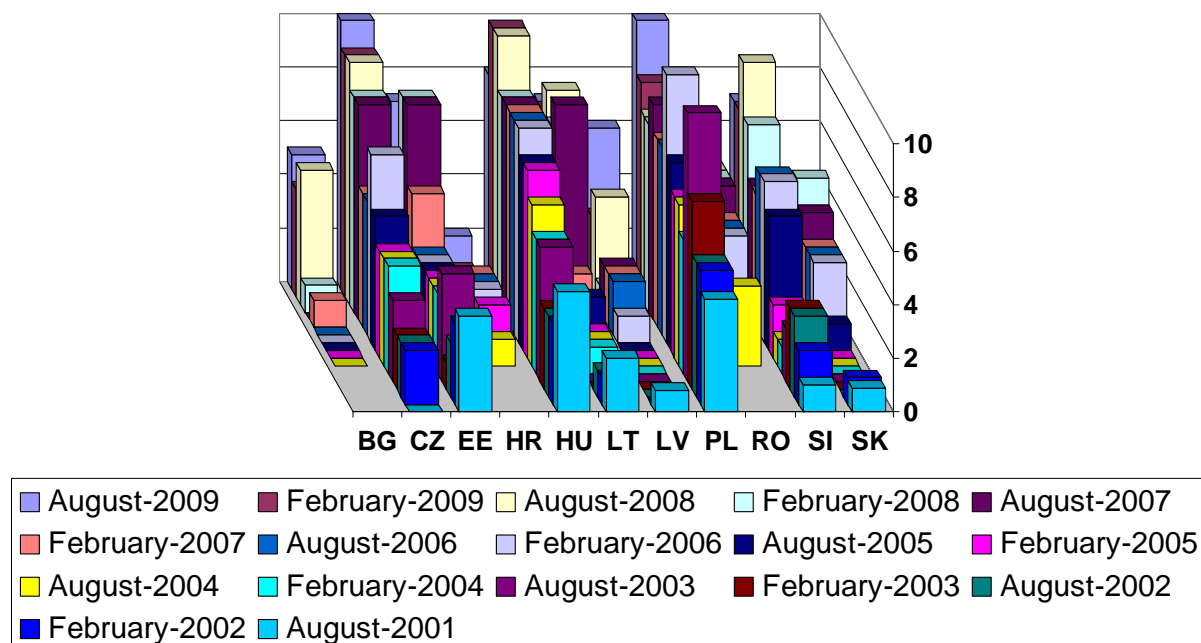
64% of the companies surveyed provide additional information about board members online, compared with 56% in February 2009. **This is the highest percentage recorded since the first survey conducted in 2001.**

61% of the companies surveyed disclosed this information in August 2008, compared with 52% in February 2008, 51% in August 2007 and 40% in February 2007.

The best performers are Czech Republic and Poland – 100%; and Hungary – 80%.

Chart 4.F presents a comparison of the disclosure of additional information on board members from August 2001 through August 2009.

**CHART 4.F: Additional Information on Board Members Available Online – Ten Largest Listed Companies in 11 CEE Countries: 2001 – 2009**



## 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 the following CEE countries has a local-language website: Hungary, Latvia, Lithuania, Poland and Slovenia. In Estonia and Slovakia, nine of the ten companies; and in Czech Republic, seven of the ten companies surveyed have 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. Nine of the ten companies surveyed in Slovenia have an English-language website.

#### Comparison of Results

94% of the companies surveyed in the eight CEE countries that joined the EU on May 1, 2004 have a local-language website. This is a slight decrease of 3.5% from the results in both February 2009 and August 2008, when it was 97.5%. In February 2008, 99% of the companies had a local-language website. In the surveys conducted in August 2007 and in February 2006 all of the companies surveyed had a local-language website.

The percentage of companies with an English-language website has remained the same as in the previous survey in February 2009 - 99%. **The highest score of 100% was recorded in**

**August 2008.** In the previous surveys the percentage of companies with an English-language website was 99%.

## 5.2. Disclosure of Information about Management and Board Members

### Summary

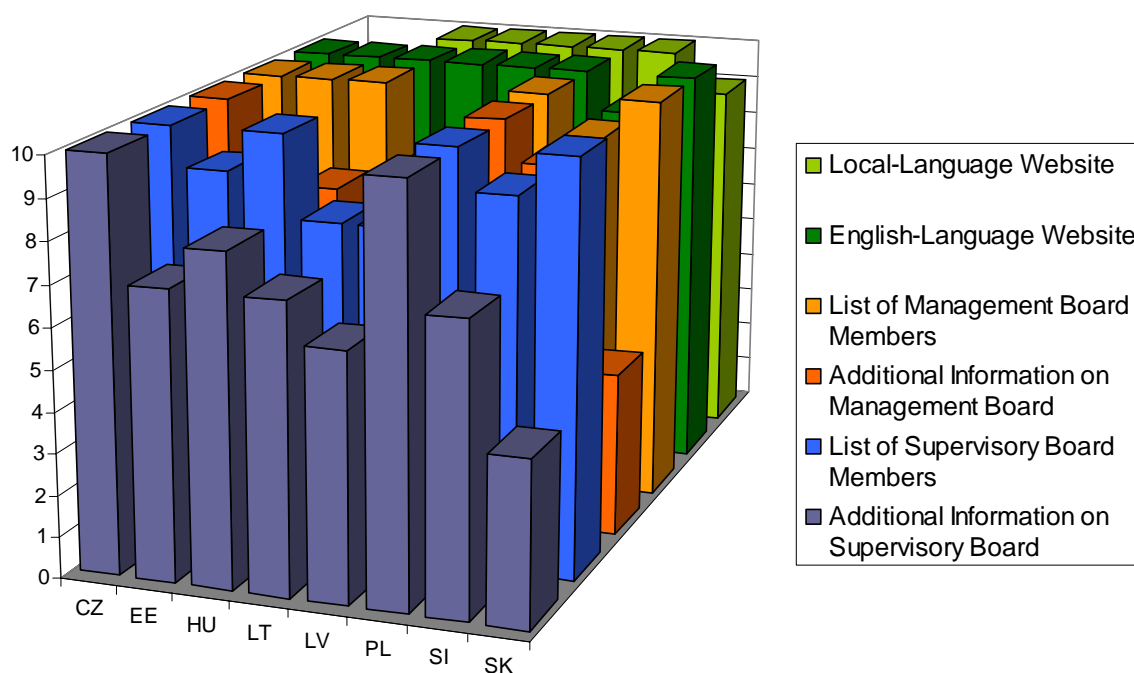
In Hungary, Poland, Czech Republic and Slovakia, all ten companies surveyed provide a list of management and a list of board members online. In Estonia all ten companies surveyed provide a list of board members and nine provide a list of management online. In Slovenia, nine companies surveyed provide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

The data for this peer group is as follows:

- 94% of the companies surveyed provide a list of management online;
- 76% of the companies surveyed provide additional information about management online;
- 92% of the companies surveyed provide a list of board members online; and
- 74% 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 these eight CEE countries on August 17, 2009.

**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 17, 2009**



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### **Comparison of Results**

**94% of the companies surveyed in the eight CEE countries that joined the EU on May 1, 2004 provide a list of management online. This is a record high since the first survey conducted in 2001 and represents a significant increase in comparison with February 2009, when the percentage was 86%.**

**76% of the companies surveyed in this peer group provide additional information on management online. This is also a record high and represents a significant increase vis-à-vis 67% in February 2009.** In August 2008 the percentage was 70%; and in February 2008 as well as August 2007 the percentage was 71%.

92% of the companies surveyed in this peer group provide a list of board members online, compared with 91% in August 2008.

**74% of the companies surveyed in this peer group provide additional information on board members online. This is also a record high and represents a significant increase of nine percent vis-à-vis 65% in February 2009. In August 2008 the percentage was 70% and in February 2008 it was 64%.**

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

### **6.1. Websites**

#### **Summary**

For the eighth consecutive survey, all ten companies surveyed in Bulgaria, Croatia and Romania have a local-language website.

90% of the companies surveyed in Bulgaria and Romania have an English-language website, compared with 80% of the companies surveyed in Croatia.

#### **Comparison of Results**

The percentage of companies in Bulgaria, Croatia and Romania with a local language website remained constant at 100%.

90% of the companies surveyed in Bulgaria and Romania have an English-language website, compared with 80% of the companies surveyed in Croatia. In February 2009, 90% of the companies surveyed in Bulgaria had an English-language website, compared with 80% of the companies surveyed in Croatia and 70% in Romania. Thus, there was a slight increase in the percentage in Romania and a slight decrease in the percentage in Bulgaria. In Croatia, the percentage remained the same.

### **6.2. Disclosure of Information about Management and Board Members**

#### **Summary**

90% of the companies surveyed in Bulgaria and in Romania, and 70% of the companies in Croatia provide a list of management online. In February 2009 the percentages were 90% in Bulgaria, 80% in Croatia and 60% in Romania. In August 2008, the percentages were 100% in Bulgaria, 80% in Croatia and 60% in Romania.

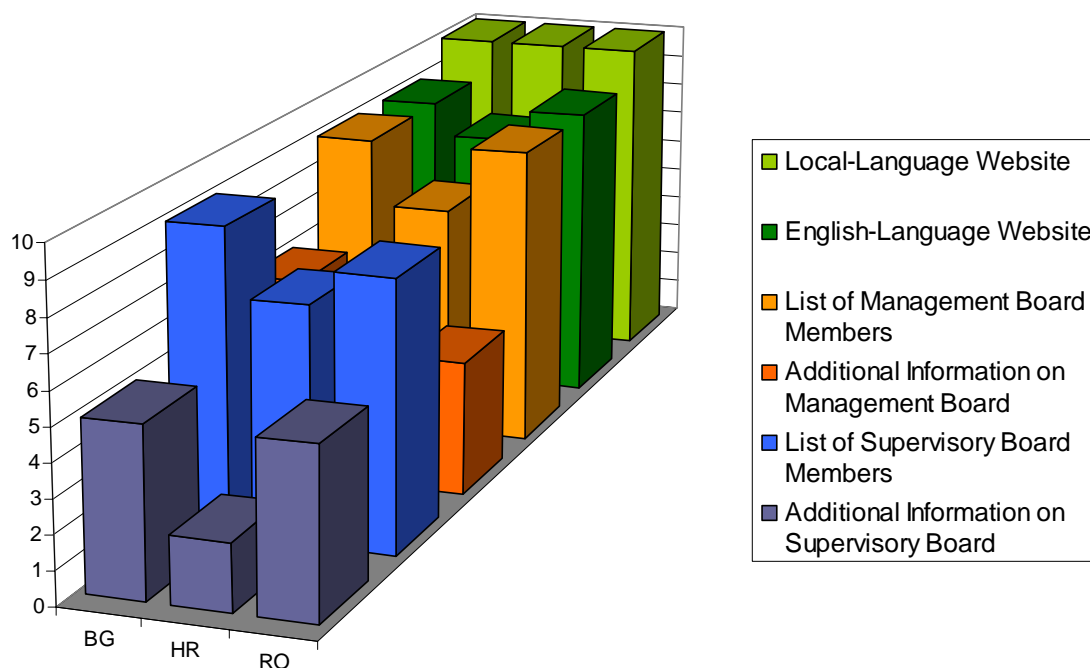
60% of the companies surveyed in Bulgaria provide additional information on management, compared with 40% in Croatia and in Romania. In February 2009 the percentages were 50% in Croatia and 40% in Bulgaria as well as in Romania. In August 2008 the percentages were 60% in Croatia, 50% in Bulgaria and 40% in Romania.

90% of the companies surveyed in Bulgaria provide a list of board members online, compared with 80% in Romania and 70% in Croatia. In February 2009 the percentages were 90% in Bulgaria and 60% in Croatia as well as in Romania.

50% of the companies surveyed in Romania and in Bulgaria provide additional information on board members, compared with 20% in Croatia. In February 2009 the percentages were 50% in Romania, 40% in Bulgaria and 10% in Croatia. In August 2008, the percentage was 50% in Bulgaria, 50% in Romania and 10% in Croatia.

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

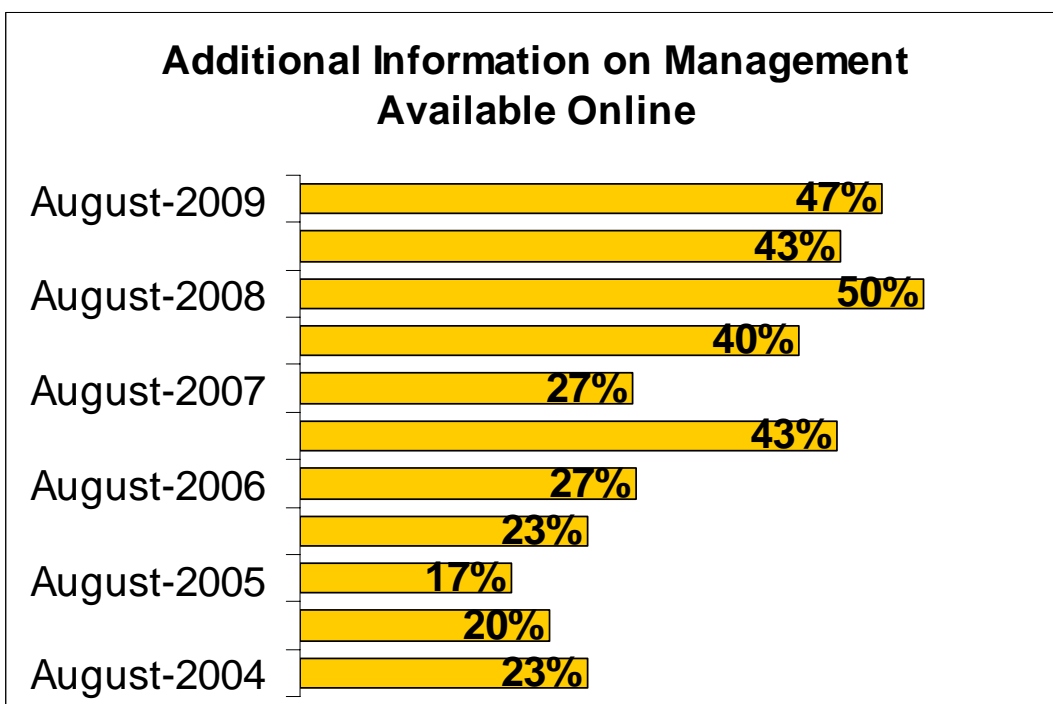
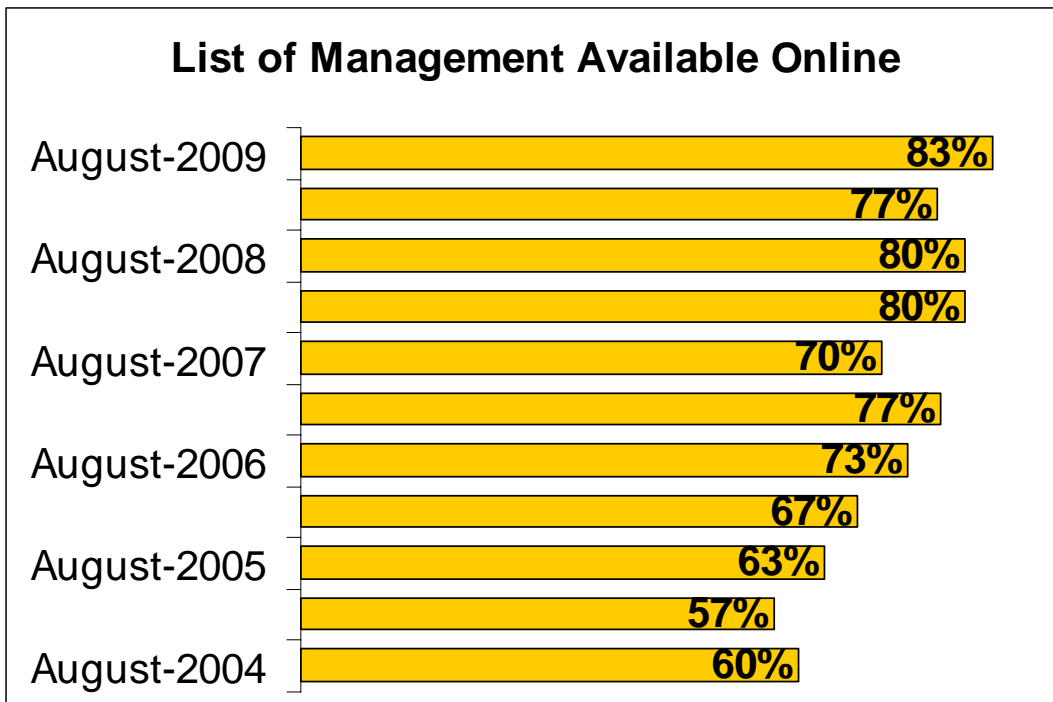
**CHART 6. Survey of Websites of the Ten Largest Listed Companies in Bulgaria, Croatia, and Romania: August 17, 2009**

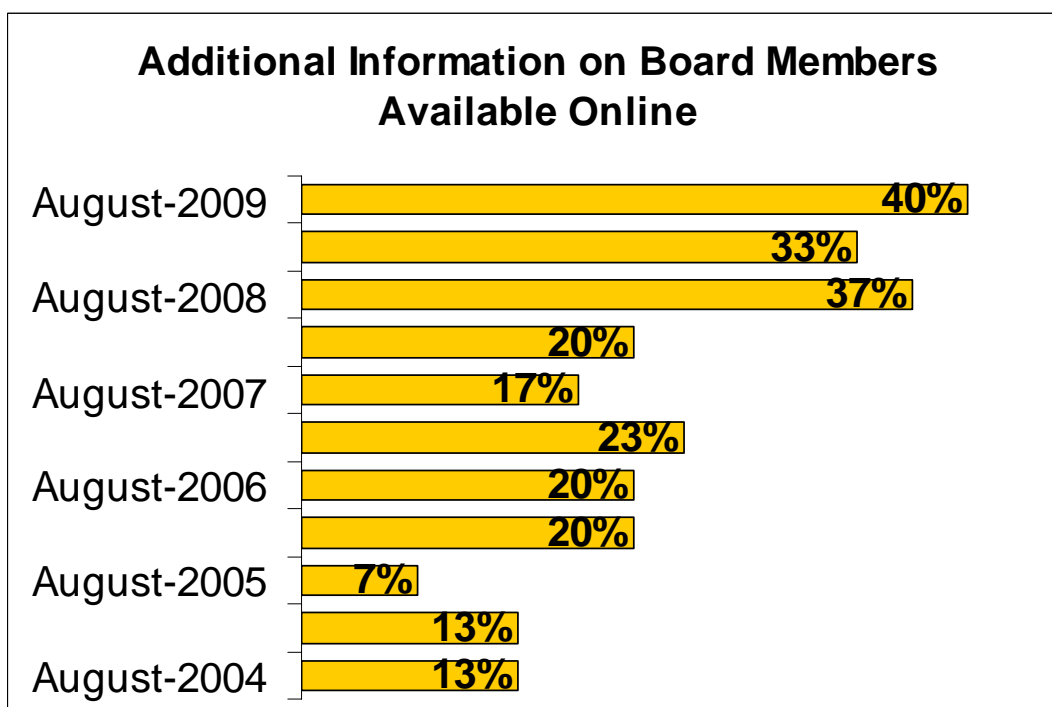
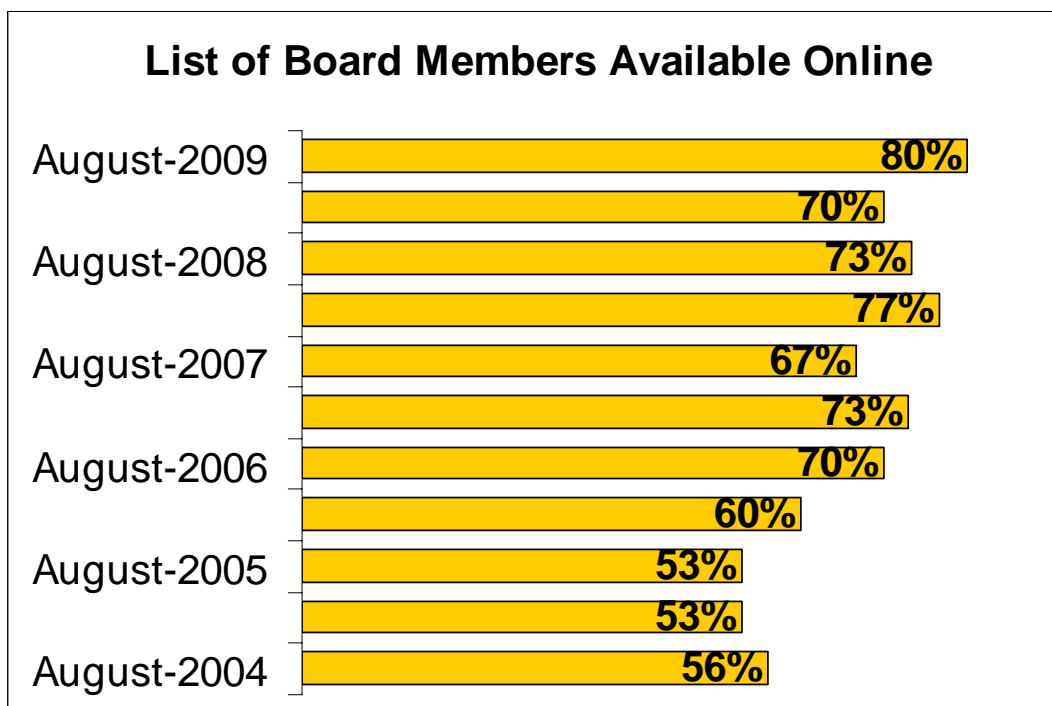


### Comparison of Results

The percentage of companies in Bulgaria, Croatia and Romania with a local language website remained constant at 100%. Disclosure of detailed governance information increased in all four categories surveyed. In three categories, a record high was noted. **83% of the companies surveyed provide a list of management online; this is the first time that the 80% threshold is exceeded. 80% of the companies surveyed provide a list of board members online; this is the first time that the 80% threshold is reached. 40% of the companies surveyed provide additional information on board members; this is the first time that the 40% threshold is reached.**

The next four tables present a comparison of the current results with the results of the previous surveys.





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

For the seventh time, the 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.

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## 7.1. Websites

### Summary and Comparison with CEE

In BRIC, each of the companies surveyed (100%) has a local language website.

In the CEE-11 countries, 95% of the companies surveyed have a local-language website. (In eight of the 11 CEE countries surveyed, each of the 10 companies surveyed has a local-language website. In Estonia and Slovakia, nine of the ten companies surveyed have a local-language website. In the Czech Republic, seven of the ten companies surveyed have a local-language website.)

In Ukraine, eight of the ten companies surveyed have a local-language website.

In BRIC, each of the companies surveyed (100%) has an English-language website, compared with 95.5% in CEE-11, 99% in the eight CEE countries that joined the EU in 2004 and 50% in Ukraine.

## 7.2. Disclosure of Management and Supervisory Board Members

### Summary and Comparison with CEE

In BRIC, 97.5% of the companies surveyed provide a list of management online, compared with 91% in the CEE-11 and 94% in the eight CEE countries that joined the EU in 2004. In Ukraine 20% of the companies surveyed provide a list of management online.

90% of the companies surveyed in BRIC provide additional information on management online, compared with 68% in the CEE-11, 76% in the eight CEE countries that joined the EU in 2004 and 10% in Ukraine.

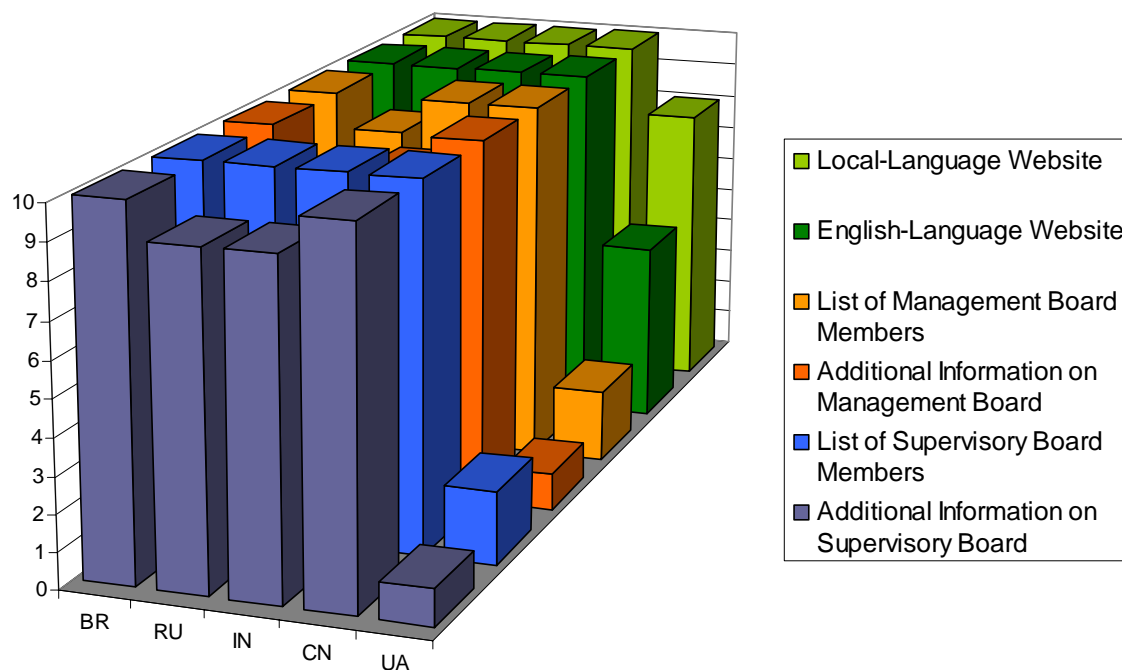
In BRIC, 100% of the companies surveyed provide a list of board members online, compared with 89% in the CEE, 92.5% in the eight CEE countries that joined the EU in 2004 and 20% in Ukraine.

95% of the companies surveyed in BRIC provide additional information on board members online, compared with 64.5% in CEE-11, 74% in the eight CEE countries that joined the EU in 2004 and 10% in Ukraine.

The largest listed companies in BRIC disclose more information in this survey than in the previous survey. In all categories surveyed, companies in BRIC outperform peers in the eight CEE countries that joined the EU in 2004. The largest gaps exist in providing additional information on management and on board members. However, in contrast, the most transparent of the largest listed companies in CEE slightly outperform their peers in BRIC in terms of providing detailed governance information online, either on the company website or in an annual report available online. Also, in several CEE markets the results are impressive. In August 2009 all ten companies surveyed in Poland provide information in each category surveyed; in February 2009 all ten companies surveyed in Hungary provided information in each category surveyed. These are the first such cases since the first survey was conducted in 2001.

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 17, 2009**



## 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.

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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.

**On August 17, 2009 64 of the 110 companies surveyed in CEE (58%) disclose information in all of the categories analyzed in the basic PFS Program survey: local-language website; local-language website; list of management; list of board members; additional information on management; list of board members; and additional information on board members.**

**This is record high and a significant increase in comparison with February 15, 2009 when 52 of the 110 companies surveyed in CEE (47%) disclosed this basic information.**

On August 15, 2008 56 of the 110 companies surveyed in CEE (51%) disclosed this basic information, compared with 51 of the 110 companies surveyed in CEE (46 %) on February 15, 2008.

These 64 companies were analyzed further regarding the above-mentioned ideal website recommendations.

On August 17, 2009 29 of the 110 companies surveyed in CEE (26%) provide all of the "ideal" recommended information:

- Five companies provide information directly on their company website; and
- 24 companies provide information indirectly through an annual report available online.

Furthermore 25 companies surveyed provide all of the information except one element:

- Two companies provides all information except for the photographs online;
- Two companies provide all information except for a brief description of functions held by each person in other institutions;
- Five companies provide all information except for a description of shares held by board members; and
- Sixteen companies provide all information except for a scope of responsibilities.

**This represents a record high and a significant increase vis-à-vis previous surveys.**

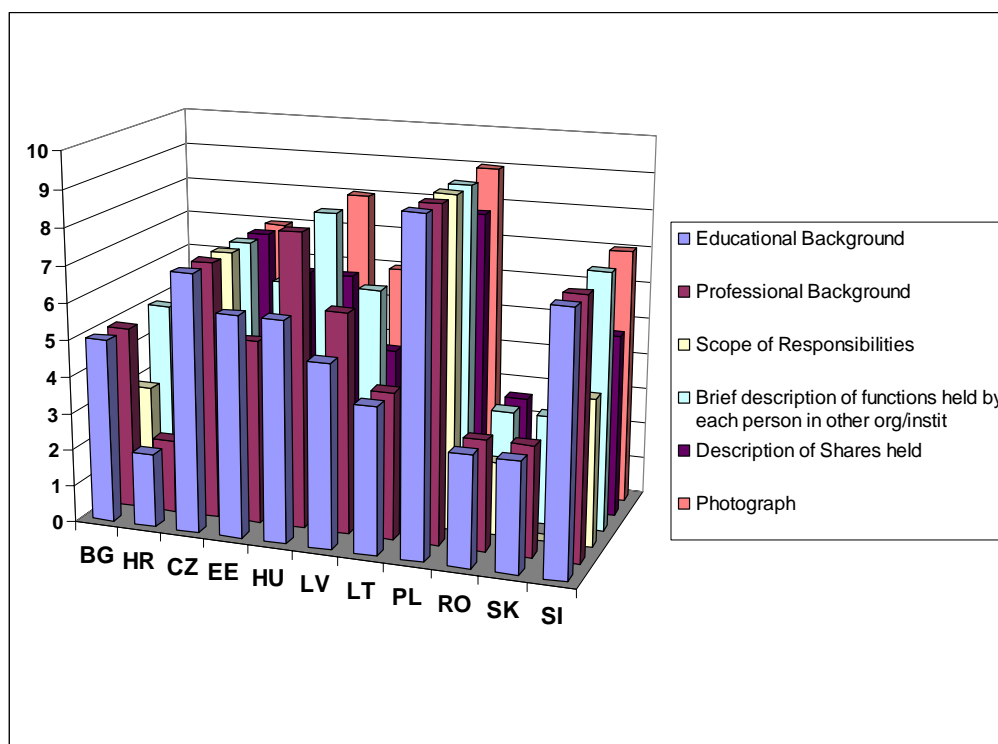
In comparison, in February 2009 16 of the 110 companies surveyed in CEE (15%) provided all of the "ideal" recommended information:

- Four companies provide information directly on their company website; and
- 12 companies provide information indirectly through an annual report available online.

Furthermore, in February 2009 13 companies surveyed provide all of the information except one element.

Chart 8.A presents the disclosure practices of the 64 CEE companies surveyed according to the “ideal” recommendations.

**CHART 8.A. Survey of Websites of the Ten Largest Listed Companies in 11 CEE Countries – “Ideal” Information in 64 CEE Companies: August 17, 2009**



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 17, 2009 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. One company in Ukraine (10%) provides information on all of the categories surveyed in the PFS Program survey.

These 37 companies in BRIC and Ukraine (74%) were analyzed further regarding the above-mentioned ideal website recommendations.

On August 17, 2009 12 of the 50 companies surveyed in BRIC and Ukraine (24%) provide all of the “ideal” recommended information:

- Six companies provide information directly on their company website; and
- Six companies provide information indirectly through an annual report available online.

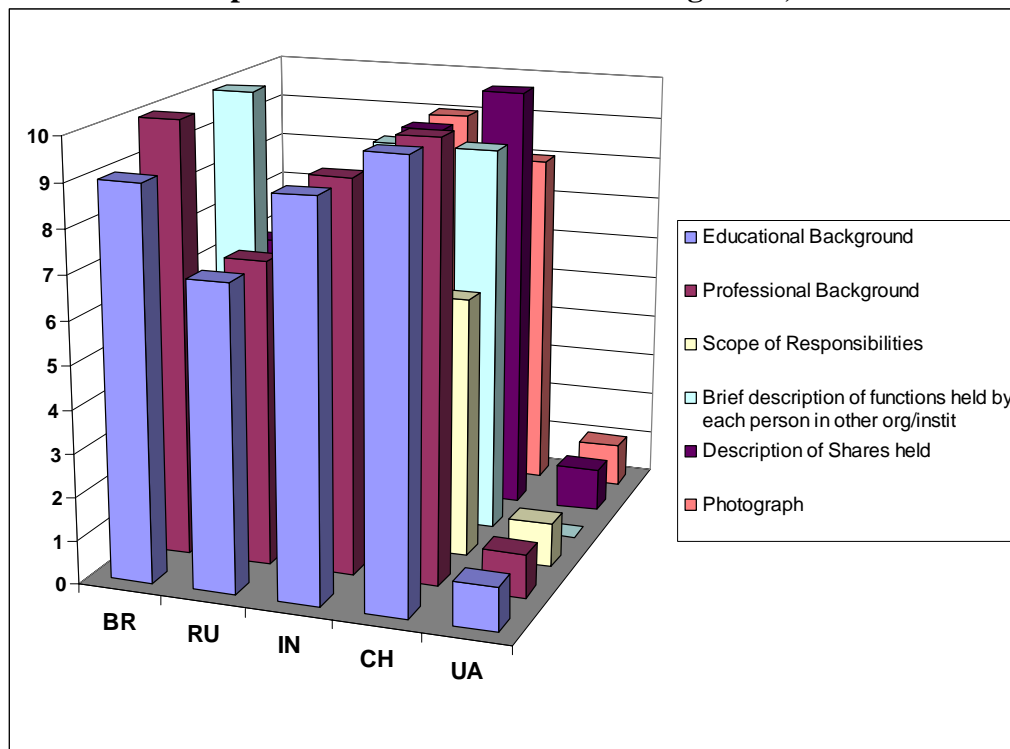
Furthermore 15 companies surveyed provide all of the information except one element:

- Two companies provides all information except for a brief description of functions held by each person in other institutions;

- Two companies provide all information except for description of shares held by board members;
- Two companies provide all information except for the photographs; and
- Nine companies provides all information except for a scope of responsibilities;

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

**CHART 8.B. Survey of Websites of the Ten Largest Listed Companies – ‘Ideal’ Information in 37 Companies in BRIC and Ukraine: August 17, 2009**



**Thus, the most transparent of the largest listed companies in CEE slightly outperform their peers in BRIC in terms of providing detailed governance information online, either on the company website or in an annual report available online.**

## 9. Conclusions and Next Steps

This is the PFS Program’s 17<sup>th</sup> 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 seventh time a comparison with peer companies in BRIC and Ukraine.

In this edition of the survey, disclosure of detailed governance information by CEE listed companies increased in all categories surveyed, except in the local-language website category, where the percentage is decreased.

The largest listed companies in BRIC disclosed more information in this survey than in the previous survey. Companies in BRIC generally outperform peers in the eight CEE countries that joined the EU in 2004 in all categories.

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**However, the most transparent of the largest listed companies in CEE slightly outperform their peers in BRIC in terms of providing detailed governance information online, either on the company website or in an annual report available online.**

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 March 2009 the Macedonian Stock Exchange published second editions of Macedonian country surveys (IR Online and Reporting on CSR) which analyze information provided in the Macedonian language by the 20 largest listed companies in Macedonia.

On September 11, 2009 Zagreb School of Economics and Management (ZSEM) will present the fourth editions of Croatian country surveys (IR Online and Reporting on CSR).

The PFS Program is scheduled to close in December 2009. We are currently in discussions with several partners regarding continuation of the regional surveys after the closure of the PFS Program. If anyone is interested in the opportunity, please contact us.

### **About the Authors**

PFS Program Interns Piotr Liberski (Poland) and Irena Petkovska (Macedonia) as well as PFS Program Research Assistant Igor Solodovnik conducted the survey from July 1 through August 17, 2009. Geoffrey Mazullo, Director, PFS Program, edited the survey.

**Piotr Liberski** – PFS Program Intern – Mr. Liberski is a second year student of law at the University of Opole, Poland. He is also a translator and teacher. He completed the School of American Law of the Faculty of Law, Administration and Economy of the University of Wrocław in winter/spring 2009 and thereafter undertook an internship with the PFS Program.

**Irena Petkovska** – PFS Program Intern – Miss Petkovska holds a M.Sc degree in Finance and Banking from the University of Sheffield and a Bachelor degree in International Economics from the University of Saints Cyril and Methodius in Skopje, Macedonia. She currently works for a consultancy company in Macedonia specialized for the EU funding programs. Her interests include investor relations and programs to foreign investment to Macedonia.

**Igor Solodovnik** – PFS Program Research Assistant – Mr. Solodovnik joined the PFS Program as Research Assistant in December 2006. He is a lawyer specializing in comparative law and competition law. He obtained his LL.M. degree from Chicago-Kent College of Law.

### **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.

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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>.

## Appendix 1: List of Companies Surveyed - CEE Countries

Country	Companies
<p><b>Bulgaria</b> <b>BG</b></p>	<ul style="list-style-type: none"> <li>• Petrol AD-Sofia</li> <li>• Bulgarian Telecommunication Company</li> <li>• Cibank PLC-Sofia</li> <li>• Arco Towers REIT-Sofia</li> <li>• DZI Insurance &amp; Reinsurance Plc.-Sofia</li> <li>• CB Corporate Commercial Bank AD-Sofia</li> <li>• Chimimport AD Sofia</li> <li>• Sopharma AD Sofia</li> <li>• Railway Infrastructure-Holding Company Plc.-Sofia</li> <li>• CB First Investment Bank</li> </ul>
<p><b>Croatia</b> <b>HR</b></p>	<ul style="list-style-type: none"> <li>• HT-hrvatske telekomunikacije</li> <li>• INA d.d</li> <li>• Zagrebačka banka</li> <li>• Pliva farmaceutika</li> <li>• Privredna banka Zagreb</li> <li>• Societe generale-splitska banka</li> <li>• Erste&amp;Steiermarkische Bank d.d</li> <li>• Konzum</li> <li>• Adris grupa</li> <li>• Zagrebacka pivovara d.d.</li> </ul>
<p><b>Czech Republic</b> <b>CZ</b></p>	<ul style="list-style-type: none"> <li>• Cez</li> <li>• Erste Group Bank</li> <li>• Telefónica O2 Czech Republic</li> <li>• Vienna Insurance Group</li> <li>• Komerčni Banka</li> <li>• New World Resources (NWR)</li> <li>• Unipetrol</li> <li>• CETV</li> <li>• PRAŽSKÁ Energetika Group (PRE)</li> <li>• Philip Morris ČR</li> </ul>
<p><b>Estonia</b> <b>EE</b></p>	<ul style="list-style-type: none"> <li>• Eesti Telekom</li> <li>• Tallink Grupp</li> <li>• Tallinna Vesi</li> <li>• Tallinna Kaubamaja</li> <li>• Olympic Entertainment Group</li> <li>• Merko Ehitus</li> <li>• Norma</li> <li>• Nordecon International AS</li> <li>• Harju Elekter</li> <li>• Silvano Fashion Group</li> </ul>

Country	Companies
<p><b>Hungary</b> <b>HU</b></p>	<ul style="list-style-type: none"> <li>• MOL</li> <li>• OTP</li> <li>• Magyar Telekom</li> <li>• Richter</li> <li>• ELMU</li> <li>• Egis</li> <li>• EMASZ</li> <li>• TVK</li> <li>• FHB</li> <li>• DANUBIUS</li> </ul>
<p><b>Latvia</b> <b>LV</b></p>	<ul style="list-style-type: none"> <li>• DnB NORD Banka</li> <li>• Latvijas Gāze</li> <li>• Ventspils nafta</li> <li>• Latvijas kuģniecība</li> <li>• Grindeks</li> <li>• Liepājas metalurģs</li> <li>• Latvijas Krājbanka</li> <li>• Rīgas elektromasīnbūves rūpnīca</li> <li>• Latvijas balzams</li> <li>• Valmieras stikla šķiedra</li> </ul>
<p><b>Lithuania</b> <b>LT</b></p>	<ul style="list-style-type: none"> <li>• Lietuvos Energija</li> <li>• VST</li> <li>• TEO LT</li> <li>• Rytų skirstomieji tinklai</li> <li>• DnB NORD bankas</li> <li>• Lietuvos Dujos</li> <li>• Lietuvos Elektrinė</li> <li>• Lifosa</li> <li>• Klaipėdos nafta</li> <li>• SNORAS</li> </ul>
<p><b>Poland</b> <b>PL</b></p>	<ul style="list-style-type: none"> <li>• PKO Bank Polski</li> <li>• Bank PEKAO</li> <li>• KGHM Polska Miedz</li> <li>• PKN Orlen</li> <li>• TP S.A.</li> <li>• PGNiG</li> <li>• ASSECO Poland</li> <li>• GTC</li> <li>• PBG S.A.</li> <li>• Bank Zachodni WBK</li> </ul>

<b>Country</b>	<b>Companies</b>
<p><b>Romania</b> <b>RO</b></p>	<ul style="list-style-type: none"> <li>• Petrom</li> <li>• BRD - Groupe Soci�t� G�n�rale</li> <li>• TGN - S.N.T.G.N. TRANSGAZ S.A.</li> <li>• ALRO S.A</li> <li>• TLV - BANCA TRANSILVANIA S.A</li> <li>• RRC - ROMPETROL RAFINARE S.A.</li> <li>• SIF Oltenia</li> <li>• SIF Muntenia</li> <li>• SIF Transilvania</li> <li>• SIF Moldova</li> </ul>
<p><b>Slovenia</b> <b>SI</b></p>	<ul style="list-style-type: none"> <li>• Krka</li> <li>• Petrol</li> <li>• Telekom Slovenije</li> <li>• SAVA</li> <li>• Mercator</li> <li>• ZAVAROVALNICA TRIGLAV, d.d.</li> <li>• NOVA KREDITNA BANKA MARIBOR</li> <li>• Pivovarna Laško</li> <li>• LUKA KOPER</li> <li>• ABANKA VIPA d.d.</li> </ul>
<p><b>Slovakia</b> <b>SK</b></p>	<ul style="list-style-type: none"> <li>• Slovnaft</li> <li>• Tatra banka</li> <li>• Všeobecná �verov banka</li> <li>• OTP Banka Slovensko</li> <li>• Dexia banka</li> <li>• Kraft Foods Slovakia</li> <li>• Smurfit Kappa �t�rovo</li> <li>• Tatragonk</li> <li>• VOLKSBANK Slovensko</li> <li>• Slovensk energetick strojrne</li> </ul>

## Appendix 2: List of Companies Surveyed - BRIC and Ukraine

Country	Company
<p style="text-align: center;"><b>Brazil BR</b></p>	<ul style="list-style-type: none"> <li>• Petrobras</li> <li>• Companhia Vale do Rio Doce</li> <li>• Itau Unibanco Banco Multiplo S.A.</li> <li>• Banco Bradesco</li> <li>• AmBev</li> <li>• Banco do Brasil</li> <li>• Itaúsa</li> <li>• OGX Petroleo</li> <li>• Companhia Siderúrgica Nacional</li> <li>• Eletrobras</li> </ul>
<p style="text-align: center;"><b>Russia RU</b></p>	<ul style="list-style-type: none"> <li>• LUKOIL</li> <li>• GAZPROM</li> <li>• Sberbank of Russia</li> <li>• MMC NORILSK NICKEL</li> <li>• Rosneft</li> <li>• MTS</li> <li>• Tatneft</li> <li>• Surgutneftegas</li> <li>• Gazprom Neft</li> <li>• NOVATEK</li> <li>• Polyusgold</li> </ul>
<p style="text-align: center;"><b>India IN</b></p>	<ul style="list-style-type: none"> <li>• Reliance Group</li> <li>• Larsen &amp; Toubro Ltd.</li> <li>• Infosys Technologies</li> <li>• ICICI Bank Ltd.</li> <li>• Housing Development Finance Corporation Ltd.</li> <li>• HDFC Bank Ltd.</li> <li>• Bharti Airtel Ltd.</li> <li>• ITC Ltd.</li> <li>• State Bank of India</li> <li>• Oil &amp; Natural Gas Corporation Ltd.</li> </ul>

<b>Country</b>	<b>Company</b>
<p><b>China</b> <b>CN</b></p>	<ul style="list-style-type: none"> <li>• China Mobile Ltd.</li> <li>• China Construction Bank Corporation</li> <li>• HSBC Holdings plc</li> <li>• Industrial and Commercial Bank of China Ltd. - H Shares</li> <li>• CNOOC Ltd.</li> <li>• Standard Chartered PLC</li> <li>• Bank of China Ltd. - H Shares</li> <li>• Sun Hung Kai Properties Ltd.</li> <li>• China Unicom (Hong Kong) Ltd.</li> <li>• Hutchison Whampoa Ltd.</li> </ul>
<p><b>Ukraine</b> <b>UA</b></p>	<ul style="list-style-type: none"> <li>• Zakhidenergo</li> <li>• Ukrnafta</li> <li>• Centerenergo</li> <li>• Ukrtelecom</li> <li>• Ilyich Iron and Steel Works</li> <li>• Motor Sich</li> <li>• Dniproenergo</li> <li>• NITR - INERPIPE Nyzhnodniprovsky Tube-Rolling Plant</li> <li>• Azovstal Iron and Steel Works</li> <li>• Enakievo Metallurgical Plant</li> </ul>