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NIRI Releases Results of Annual  
Report Survey  
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**PARTICIPANTS**

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**Operator:**

Thank you for your patience. Your teleconference will begin momentarily.

Greetings, ladies and gentlemen, and welcome to the National Investor Relations Institute executive alert, on annual report survey. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press \*0 on your telephone key pad. As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Ms. Katherine Philipp. Thank you, Ms. Philipp, you may begin.

**Katherine Philipp**

Thank you. I would like to welcome all of today's participants. We are delighted to have you with us today for e-learning forum. We would like to thank VCall and InCom Solutions, our sponsors for this program. As the operator told us, if you are on the telephone at this time, you are in a listen-only mode and you can ask your questions at the conclusion of our prepared remarks. If you are at your computer, you can ask a question at any time by clicking on the Q&A button on the left side of your computer screen.

Our moderator for today's forum is Nancy Humphries, President and CEO of NIRI. Her bio, and the bios of all of today's panelists are posted on the event site for you to download and

read.

NIRI recently issued an executive alert, announcing the results of our annual report survey. Nancy will start by telling us a little bit about some of the survey highlights. Then she will introduce today's panelists, who will give examples of some of the trends in annual report. Nancy.

### **Nancy Humphries, President and CEO**

Thank you, Katherine. Let me add my welcome to hers. This is a special NIRI webcast provided in conjunction with the recent announcement of NIRI's annual report survey. Last March, the NIRI board tasked a newly created research task force, chaired by Paul Gifford, Vice President of Investor Relations for our Goodrich Corporation, to recast NIRI's surveys, so that the information would be more meaningful and the data easier to use.

This annual report survey, one of NIRI's periodic surveys of membership practices, is the first product of this new effort. Before I introduce today's panel, let me give you some of the highlights of the data that was originally announced in our executive alert dated September 5, 2006.

Our sample of NIRI members were surveyed between March 30 - April 14 of this year, and a response rate was 13%. One of the most dramatic trends in annual reports is the increase in the use of the 10-K wrap. Well over half of the survey respondents are now producing a 10-K wrap, and most of you have made that change within the last three years.

Why, you might ask? Budget was the driving force for 8 of 10 respondents, followed by ease of production. As you all know, the 10-K wrap is much smaller, less time-consuming, and less expensive to produce.

The 10-K wrap is more focused on communicating direct disclosure-based information, and differs from the traditional annual report in these ways. According to our respondents, complying with the SEC requirements outweighed the importance of communicating nonfinancial information.

More of the report consists of financial data, and more attention is given to the needs of the financial audience, namely institutional investors and financial analysts. Investor relations officers continue to have primary responsibility and the budget for the 10-K, as well as annual report production. Current and potential institutional audiences are the keys to the 10-K wrap. Individual shareholders, employees, and customers are clearly not the target audience for the companies doing a 10-K wrap. The text of the majority of companies producing a 10-K wrap, focuses on strategic plans and financial performance. The

traditional annual report dedicates as much text to communicating the strategic message as they do to discussing products.

As I mentioned, investor relations officers involvement in writing the annual report has continued to increase over time. In 1996, half of the IROs surveyed were involved in writing the annual report, compared to 88% today. Three-fourths of our IR departments are ultimately responsible for the online version. We were pleased to see that IR involvement in writing the MD&A also increased significantly. Nearly three-fourths of IROs who responded are involved in the MD&A, putting them on par with the involvement of the CFO and the Treasurer.

Like so many other things we do today, the annual report is moving to the internet. Well over a third of those who responded, 35% in fact, produced an online annual report with features that include an index, downloadable financial data, photographs, and other illustrations. The online version has proven to be relatively inexpensive, nine of ten online reports were produced for less than \$20,000. In 2004, only a handful of IROs said they would consider discontinuing the written annual report in favor a web version if permitted. Today, that number has increased to one-in-four IROs. That is one of the trends our panelists will discuss.

As Katherine says, we've got some distinguished members joining us today to talk about the annual report survey. Let me just give you a quick introduction and we will turn the program over to them.

Tom Anderson is President and Chief Executive Officer of Waymeth Design. Prior to joining Waymeth, he was the Vice President of Corporate Communications at Millipore Corporation. Nina Eisenmann is President and Creative Director of Eisenmann Associates, a graphic design in advertising agency based in New York. As an internet pioneer, Nina created one of the earliest corporate websites in 1995 for her long-term client, PepsiCo, and in 1999, created the first standalone online annual report for Rite Aide. Felise Glantz Kissell is Vice President of Investor Relations from Maidenform Brands. The Company has an 84-year history, although it just went public in July 2005. Previously, she was Vice President of investor relations and finance at AFC Enterprises, the Franchisor and Operator of Popeye's Chicken and Biscuit. Prior to that, Kissell was a senior advisor with Thompson Financial. Bill Park is Senior Associate for Corporate Marketing and Financial Communications at the Chicago Mercantile Exchange. In this capacity, he served as Executive Speech Writer for the Chairman, CEO, President, and other senior leaders. Bill also handles corporate marketing and financial communications in Chicago Mercantile Exchange, the largest and most diverse financial exchange in the world. Graham Shelter is an Account Manager with Waymeth Design. He supervises and facilitates new business activities and participates in most activities associated with advertising, annual reports,

branding, investor relations presentations, video and websites programs.

Now let's hear from our panel.

### **Graham Shelter, Account Manager with Waymeth Design**

Thank you, Nancy. This is Graham Shelter from Waymeth Design and thank you for that introduction. Nancy, it was nice to see you at the introduction to IR program in Boston a few weeks ago. Today, what we wanted to go through is some research that we did this summer over the last three years in the biopharmaceutical space that we think is interesting when compared to the NIRI research. We think it supports some of the NIRI research as well. I want to hand it over to Tom Anderson to go through some trends with annual report and branding in the web. I want to go to a slide that talks about the Fortune 1000 pharmaceuticals and we audited the fourteen largest biopharmaceutical annual reports in the last three years, and the findings validate a lot of what the NIRI data showed us. The traditional annual report is on a decline, but there still are a good a group of companies doing a traditional annual report and that the 10-K wrap and summary annual report are becoming more common. The three companies produce a traditional annual report had switched to a 10-K wrap by 2005. Two companies produced a summary annual report for the first time in 2005. A summary is another viable option.

If you go to the next slide, you can look at the migration here from 2003-2005 and the companies that switched. This is an interesting analysis that you may want to consider within your industry vertical to see how you are stacking up against your competitors. I want to hand over the call to Tom Anderson and he is going to go through some client work as well.

### **Tom Anderson, President and Chief Executive Officer of Waymeth Design**

Great, thank you. This is Tom Anderson. I joined Waymeth Design three months ago after being responsible, as many of you listening are, for the end report on the Company side. I did 22 of them. It is a great project to do and do well, it's high exposure and high risks, but it is so important. The survey data from NIRI is fascinating, and confirms things we have seen in the past few years and are seeing right now with clients. Things have changed and are changing. The one thing to consider, with all the changes, is to reframe the end report, make it your chief branding document. Play it out across all media and programs, not just investor relations. Of course, it's primary for the annual, but you can reuse and leverage some of the material you create.

On the slide of reframing, why do this? It really is your defecto, chief branding document. There are customers, partners, investors, and employees that look at this. It does hit all

stakeholders. You want every stakeholder in the same brand loyalty as you companies, as your customer to your products. If you make it your chief branding document, you can amortize your time and energy in all the companies invest in this.

If you are going to make it your chief branding document, if you take that hypothesis, you have to make sure it is in shape to do that.

Look at the next five. There is a photograph on the left and some coffee on the right. You need great photography for branding. You will see that in some of the other panel slides later as well. That photograph on the left was in print magazine in August because it was so compelling. A picture can tell, obviously, 1000 words and so forth.

On the right there is an EMC annual report and I remember years ago, in 2003, I think I saw this and the writing was so good, I had to find out who wrote it. Good copying makes a difference, too, whether you are online, off-line, or whatever. Quality, I think, is an issue. If you are responsible for writing as most of you are based on the survey, great writing is critical.

I was at a Pulitzer Prize winner reading the other night, and he was just reading a short story and suddenly he got to a point and the 150 people in the audience all had this picture painted in their head. It was great. I like to write words like that. Maybe annual reports are a lot like that, but if you read IBM every year, I mean, that is really a well-written annual report and there are a number of them out there.

The slide has just a quote from Emotional Design that "Attractive things do work better". Their attractiveness produces positive emotions causing mental processes to be more creative and more tolerant. I think beauty is truth and so forth.

It isn't just pretty pictures. If you go to the next slide with Oscient Pharmaceuticals, one of our clients. It's just not big photos and cute copy. To get the facts there, is really important. The President's letter has all kinds of statistics and facts. It just makes it appealing to get information quickly.

On the next slide, there is a point of putting strategy in the end-report. This is from an EMC annual, and you can see it is very visual representation of strategy and that would play well on the web and in print and so forth. It is a compelling way to present a message.

There is also the technology and product story. That is on the next slide with the EMC 2003 10-K wrap. You can just nicely explain things quickly with visual image. Good writing, good photography, and compelling diagrams can help get that strategy message across.

Let me get back to my thesis of the chief branding document. It is easy to take the annual report and spread it out across other corporate communication vehicles like sustainability report or stewardship reports or environmental reports. If you use the same graphic imagery it kind of makes a nice package. It does reinforce the brand.

This is a Rafeon annual report online ARN stewardship report, all done in pretty much the same timeframe, but reinforcing each other, getting a strong brands message across of the Company.

There are less obvious extensions, if you go to the next slide. If you get great photographs, if you get great messages, it can play out in marketing and environmental and employee communications.

I was visiting Waymeth Design before I was part of it. There was this great 3-D sculpture of photography for Nabi Pharmaceuticals and I said, "Geez, this is really good." If you get great imagery, you can use it in lobbies and so forth. You have probably seen it talked about in Graffis Magazine and so forth, but it's great reuse of a trail. It gets that consistency across for your company.

Online is obvious and all of you, I am sure, are doing that. Rich intermittent media is really important.

Extending the annual report to other media in video and flash is a given these days. One thing to consider is that when we go out on photo shoots, typically a lot of our clients these days are asking us to do a video at the same time, some times just for the archives, and then we use it in branding videos or sales meeting videos later in the year. Again, it kind of stretches the annual report to more than a investor relations communications tool, to a tool to reflect the Company across all audiences and reflect the Company's brand.

I think a good example is the next one with Nabi Pharmaceutical, where the investor relations, marketing communications, online materials all kind of resinated with each other and work together in an echohesive-branded way. What I am saying is, if there is a corporate advertising program on television or in print, you can leverage it and run with it, use it in your end-report.

I, years ago, had a branding program that started in marketing communications, and it was played across all divisions and all geographies. We used the same themes in our annual report and it didn't curtail any creativity, it kind of extended it. The annual reports worked well.

In summary, consider reframing the end-report and play it out in marketing and internal

communications efforts. It could help your effort as you grow in your job responsibilities. Play it out in multiple media, print web events, 3-D podcast's, blog's, whatever, and you can use it to reflect, launch, or reinforce the brand. If it's a new corporate strategy, the end-report is the best place to talk about it. If you have a new branding program, it is a great place to leverage that as well.

With that, I will turn it over to the next speaker.

### **Nina Eisenmann, Eisenmann Associates**

Well, I guess that would be me. This is Nina Eisenmann from Eisenmann Associates. I would like to say thank you to Nancy and to Katherine for inviting me to participate in the forum today. Also a special thanks to Felise Glantz Kissell, my client from Maidenform, who really generously agreed to participate on this call as well, because it is very important to have her perspective. Graham and Tom, I think, made some terrific points. I agree that you need to maximize the opportunities that you have. It doesn't matter whether you're doing 10-K wrap or a full annual report. You need to maximize your communication opportunity and now with the online annual report, you have a wonderful opportunity to maximize that opportunity even further.

With Maidenform, we were particularly fortunate to what Tom was talking about, how it is important to have great photos and images and with Maidenform products, I have to say we did have that. When I first started doing online annuals way-back-when in 1995, the question for most companies was, "Are we going to do an online annual?" What's the point? Is the audience big enough to justify spending a few extra dollars out of our tight budget to do an online annual, and it was really the question. Today, according to the survey, and I think everybody knows, the question is no longer, "Are we going to do one?". The question is "What kind of online annual are we going to publish?". There are few options out there and different companies take different approaches. A lot of it has to do with what their budget constraints are. Some of it has to do with timing constraints. Some of it just has to do with a Company that is maybe mired in tradition and they are not quite ready to, they are not early adopters, I guess we can put it that way.

Some of the options are the PDF documents, and now everyone is very familiar with and it's got advantages. It is a very low-cost option. You can almost do it for free. It is very easy to print. Unfortunately, it is very hard to read on the screen. It is designed for a vertical format like a printed page rather than a screen orientation. Another nice thing is that it can be broken down into sections so you can have your financial section, you can have it broken down even further into your statements. So if someone is going in and they want to get a specific piece of information, they can just download that information. If any of you are putting the whole PDF of your whole annual up, you might want to consider breaking it

down so that the audience can have more granularity.

The next version that has become very popular, a couple of vendors are providing these services, are what is called image-base reports. Some people know them as mobular technology. It is basically almost like a PDF, but it's got the printed page and it's got navigation. It's searchable. I think that's fine. It's very low-cost, but there are a lot of difficulties with that. They are hard to read. They have a lot of issues. The PDF really is fine for that same purpose.

The best thing if your budget can allow it is to do an HTML version that is formatted to the size of a browser screen that you can have customized to really fit what your message is. You can really optimize what the web has available. It is easy to read on the screen. You can now include a lot of interactive features since the majority of browsers have flash, people are starting to include animation, audio, video, and those kinds of things.

I would like to turn it over to Felise to talk a little bit about why Maidenform decided to do an HTML version of their report this year. Felise.

**Felise Glantz Kissell, Vice President of Investor Relations, Maidenform Brands**

Thanks. Good afternoon, everyone. It's been a long day. I am Felise Glantz Kissell with Maidenform Brands, the intimate apparel company which I hope all of you are familiar with. I am going to take a couple of minutes to review our strategy regarding the online annual report that we created, and some of the decisions behind making it more interactive than simply doing a PDF version.

For purposes of today, we are your real-life case study.

First, Maidenform has a rather interesting dynamic because while being an 84-year-old brand as Nancy said, the Company went public in July of 2005. With that, the '05 annual represented our first report and really we had a totally clean slate from a creative standpoint, but still needed to be consistent from a brand-image integrity one.

We reflected on the positioning we wanted for the annual including the online version. We determined that it should be our point of differentiation what we see in the marketplace which is innovation. Of course, we were also very sensitive to natural budget constraints that all of you are probably embracing as we speak, so needed to work around those parameters, but also having the desire to do more than just putting a PDF version up on our IR site. Another component in the decision-making process for the online version was that we are an extremely visual Company, as you can imagine, so this element was critical. With the budget constraint in mind and the desire to do something really creative, we made

it work by using HTML and Flash.

Lastly, Maidenform has built the reputation for being extremely proactive with the Wall Street community. With that, we wanted to make sure that this audience of ours, when they get our information, they think, "Hmmm, this Company not only demonstrates innovation from a product standpoint, but also on all its touchpoints." This goes not only for Wall Street, but for our consumers, our retail customers, sourcing partners, and employees. This also became a great selling point to our executive team internally. How we think about it is certainly, there are approximately 6,000 public companies between the NYSE and NASDAQ that all of us are basically everyday competing for investment capital. With that mindset, it becomes important to always put a best foot forward for NEIR or corporate communication. That is kind of how we think about things and how we approached our annual report and our online annual.

With that, I am just going to turn it back to Nina to review some of the practical side and points for consideration if any of you want to have a more interactive online version of the annual. So, Nina.

### **Nina Eisenmann, Eisenmann Associates**

Thank you very much, Felise. With the next slide, we just put together a little bit of the process and little bit of the options.

What Maidenform did was, their print annual was a summary annual bound with a 10-K. A lot of companies as you know are now turning to that format. We first decided to do, obviously the 10-K was going to be on as a PDF and an HTML document, so we decided to do the online version, HTML version, of the narrative part of the book, or the summary annual.

In order to make it easy for visitors to find that, Maidenform's IR site has an index page with a big picture of the annual report and links to it in various formats. Not only can you view the annual report as the Flash HTML version, but you can also download it as a PDF and then in the same index you can download the 10-K as either a PDF or you can view it as HTML. That is all available and easy to find on the index page.

Then, we have to look at how we are going to reformat the print document to work well on the web. From the next slide, you will that we take the vertical shape of the page from the annual and we change the layouts a little bit so that they work very nicely in a browser. You can see how the layouts have been slightly changed.

Some of the wonderful things about being able to do a flash, or online annual, are all of the

different elements that you can have that you can't do in a flat-print piece. For example, if you go to the link that was provided, I hope everyone can do that. We provided a link to Maidenform's online annual. You will see there is a dynamic introduction with animation using the images from the annual. We provided intuitive, what we consider intuitive navigation, so once you enter past the introduction, you can get to all of the sections of the annual report very easily. You have your letters to shareholders. You have your history page. You have your growth page. All of those are easy to get to from the intuitive navigation.

The very nice thing is that the online annual is available anywhere in the world and at any time. You are in no way limited by your print run. Even if you only print, say 10,000 books, an unlimited number of people can still go and get your message through your online annual.

We also, of course, include the downloadable PDF so that it is easy to print for people.

### **Katherine Philipp**

Nina, this is Katherine. I want to tell our participants that it is very slowly loading up. We went to the annual report but we have provided a link on a later slide so people can check out the website later.

### **Nina Eisenmann, Eisenmann Associates**

Okay. Also, if you go to Maidenform's website, and you go to the company information, you can find it that way too. It's posted on their site.

So, then let's talk a little bit about the evolution of the online annual report, how it's been changing, and this year, I think, it's going to be a pivotal year. Next year might be a whole different kettle of fish than what we have seen. Originally, people thought about their printed annual and they said okay well I've printed this thing and then at the end of the process, usually, they said, "okay, I've got to convert it into something that I am going to put online." They already developed the design. They worked out the production. They had the printed book almost finished before they even started on either converting it into HTML or making it into a PDF. That was definitely the old way.

A lot of our clients, now, are talking about creating them simultaneously, so that was definitely the old way. A lot of our clients, now, are talking about creating them simultaneously, so you are not only thinking about a print piece that you are then going to convert something online, you are thinking about, oh, how can I maximize the print and how can I also maximize all of the wonderful capabilities of the web. Then, what we know from

the survey, is also that people are possibly considering getting rid of the printed report entirely and doing just an online version. That begs a very interesting question and that question would be if the print report disappears entirely, then what will the online annual be? Will companies still be putting their message out in some form on the internet, and it is very exciting to think about what kind of annuals can be produced in that way. I think we are going to start to see some of that this year. For example, things like video, having a video of the Chairman's message, or having some dynamic and interactive charts. All of those kinds of things are available online. You can even create an annual that would be downloadable as a podcast and you can alert your investors that your annual is there via RSS feeds. There are a lot of exciting opportunities on the horizon that I think that companies are only just starting to grasp. I think that this coming year, online annuals are going to be exciting to see. Thank you very much. I appreciate you all listening.

### **Katherine Philipp**

At this point, we are going to ask Bill Park to tell us a little bit about their Chicago Annual Report Contest.

### **Bill Park**

Thanks, Katherine. I am very happy to. I am on the board of the NIRI Chicago Chapter and I just want to say that for about a decade or more, we have held an annual report competition called Triad where we solicit annuals from all the public companies within an 8-state region surrounding Illinois. This year we had about 500 books come in. It's called Triad because, they are reviewed by NIRI members, by the American Institute of Graphic Artists, and by the finance department of DePaul University. We get a score and so forth, and we rank them the ten top annuals.

What is interesting this year, I think, is that we just completed the judging. The results really confirm, I think, the NIRI survey, in that we would estimate 50% or more of the books we evaluated this year, are 10-K wraps of one sort, whether it's just a wrapper around the 10-K or a full-blown editorial section around the 10-K. That's a change that we have seen gradually over the years.

Having said that, just from my own perspective, I have very mixed feelings about it I have to say. I have done probably more than 20 annual reports here in Chicago for fairly large companies like Sears, Ameritech, and Sara Lee, always the full-blown annual report. I am doing that now for CME, Chicago Mercantile Exchange, which is a 107-year-old company, but only 5 years old as a public company. For the very reasons that Tom Anderson said, I concur wholeheartedly. It is a chief branding document. When you replace that with a 10-K wrap, my concern is, what takes the place of that branding document? If it does migrate to

the web, great. The thing I have noticed over the years doing annual reports is the discipline of doing the editorial section of the full-blown annual report, it forces all sorts of decision making within a company in terms of articulating your strategy, in terms of outlining your messages, showcasing your key initiatives, and reviewing the successes of the year. Not that it can't be done in an analyst meeting or in other forums, but many times it really isn't done. It's just dropped, and all of a sudden you have lost that tremendous opportunity to reach not just your shareholders and your investors, but also employees, customers, potential customers, potential employees, etc., opinion leaders.

My concern I guess is, is that branding document going to truly move to the web in the same way? Is it going to be replaced by a corporate social responsibility book, which seems to be growing trend and I totally support that as well. What is it that a company has then, if it becomes that chief branding document once the financial report is strictly financial. I guess that is my question.

**Nancy Humphries, President and CEO**

Okay. I think it sounds like we are ready to open the conference call for questions. Operator, will you explain to us the process, please?

**Operator:**

Certainly. At this time we will be conducting our question-and-answer session. If you would like to ask a question, please press \*1 on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press \*2 if you would like to remove your question from the queue. For participants using speaker equipment, it may necessary to pick up your handset before pressing the \* keys. One moment please while we poll for questions.

**Nancy Humphries, President and CEO**

Let me start us off while we are waiting for the polling process. The data that NIRI collected was done in the spring of this year. What are y'all hearing as the current buzz? Can you give us some indication of what companies are talking about, or the directions that companies are going for the '07 annual report?

**Nina Eisenmann, Eisenmann Associates**

Is it open to anybody?

**Nancy Humphries, President and CEO**

Sure.

**Nina Eisenmann, Eisenmann Associates**

Well, for the year '07, now we are starting to work on the '06s, and I have a real mix, actually. I have a couple of clients who have done traditional books in the past who are continuing to do traditional full annuals this year. All my clients who were doing 10-K wraps last year are still doing 10-K wraps. So, for me at least, everybody is staying steady this year. Although last year we had a couple of clients who went from the full annual to the 10-K wrap format.

**Tom Anderson, President and Chief Executive Officer of Waymeth Design**

This is Tom Anderson from Waymeth. We are seeing the same trend with clients who last year who did the 10-K are doing the 10-K this year. There are, as Bill mentioned, different types of wraps and we have 8 to 24 page narratives at front of some of these. We have some people that are in traditional mode thinking seriously of going to a 10-K wrap.

**Felise Glantz Kissell, Vice President of Investor Relations, Maidenform Brands**

This is Felise for Maidenform. For us, I think what we are doing a bit different this year than last year is simultaneously working with Nina to employee our web online annual together with our wrap, and we are thinking through this beyond the investors. Maidenform, we are talking about branding, we are in 40 countries or so, we are just seeing this is as hitting various touchpoints and then just the hard copies. I think it is a proven statement now and the ROI certainly has been proven internally here about how important the online version has become to us.

**Nina Eisenmann, Eisenmann Associates**

Right, and I have certainly found that. Felise, amongst other clients has expressed the desire to look at the very beginning of the process of what they can do to leverage the online annual.

**Bill Park**

This is Bill Park. I am, this year for 2006, doing a traditional annual report. That could change next year. However, it is an opportunity for photographically to show our customers which we do, our employees, etc., our locations around the world. We are still holding on to that positioning to be annual as the chief branding instrument, one of the chief branding instruments of the Company. Now that may change, but even if we went to a 10-K wrap of

some sort, I think it would still behoove us to maintain that upfront section of some length to do that branding.

**Nancy Humphries, President and CEO**

Are you hearing any buzz yet around the issue of a new section that the SEC is going to require for a more expanded disclosure of the executive comp.? Has that hit your radar screen yet?

**Nina Eisenmann, Eisenmann Associates**

None of my clients have mentioned it yet. This year it is something we need to consider as with adding pages to annual.

**Nancy Humphries, President and CEO**

Yes, page-addition wise.

**Nina Eisenmann, Eisenmann Associates**

No, not yet.

**Operator:**

Katherine, have we got some questions?

**Katherine Philipp**

I have a couple that came in on the internet. Mary wants to know, given the online version that is available worldwide, has anyone done something about translating it and if so, what languages?

**Nina Eisenmann, Eisenmann Associates**

Oh, absolutely. As a matter of fact it's kind of funny because I was looking back at a publication I put together a number of years ago about the history of the online annual. IBM actually first did a translated version of their Chairman's letter back in '96. Since then, Microsoft has done one. There are number of companies that actually have translated versions of their annuals online. It's a great idea.

**Nina Eisenmann, Eisenmann Associates**

How did they do it and what languages do they do, do you know?

**Nina Eisenmann, Eisenmann Associates**

Oh gosh, what do they do? They have a lot of them. I would imagine that for the companies it would really depend on your shareholder base and which audiences. I would say, if you are an international company and you have major presence, I would try to have it in whatever countries you have a major presence in. Try to get it translated into those languages.

**Tom Anderson, President and Chief Executive Officer of Waymeth Design**

This is Tom Anderson from Waymeth. At Milliport, we took the online annual and all the stories in the annual report were put on the corporate homepage and so it wasn't translated as an annual report but it was translated in terms of the homepage itself. It took the stories from annual and made it that branding document that appealed to all audiences. If you go to that [www.milliport.com](http://www.milliport.com) you can see the stories and see the annual report as well.

**Nina Eisenmann, Eisenmann Associates**

Right.

**Katherine Philipp**

There is another question about companies that are largely held by institutions. Do they have the same need, or get the same results that if they do a full annual report?

**Nina Eisenmann, Eisenmann Associates**

It depends on the audiences that they are using their annual report for. Even a company who is 90% institutionally held may still use their annual report as a recruitment tool, as a branding tool in other ways to share with other companies that they want to partner with or do business with. A lot of it depends on how they ultimately use that document.

**Bill Park**

I can speak to that. This is Bill Park from CME. Our stock opened in our IPO at \$35.00, four years ago, almost five, it is now trading at \$470.00. That is not a retail stock. It is an institutional stock. We are largely institutionally held, yet we are doing a book that appeals to all levels of readers. Why? Because we are establishing really a new brand as a publicly traded company. That basically suits our needs right now but it is a little, maybe,

counterintuitive.

**Felise Glantz Kissell, Vice President of Investor Relations, Maidenform Brands**

Yes, and this is Felise Kissell at Maidenform. Similarly, we have a large institutional shareholder base and we kind of took a different route with our utilizing a 10-K wrap. I think, particularly in the peril, but not unlike any other company, we felt that we had to lead by example of showing that this Company is very cost-sensitive. Although not always the case, it may present the image that we are kind of a lean, mean organization and trying to demonstrate that to our constituency.

**Katherine Philipp**

Operator, do we have any calls from the telephone?

**Operator**

No, I am showing we have no questions coming at this time.

**Katherine Philipp**

I have another one on the internet. Audrey wants to know, if you are looking for a firm to help produce the annual report, what is the most important thing that a client should look for if they are talking to a firm. Should they be talking more about the print or the online? What should they be asking a service provider to make a decision of who to go with?

**Felise Glantz Kissell, Vice President of Investor Relations, Maidenform Brands**

This is again Felise from Maidenform. A couple of things certainly, understanding what is important to your particular company, again for us it is point of differentiation, innovation, and really our annual report should be an extension of that. Can your design firm or whoever you are partnering with present that kind of point of differentiation visually? That was an important consideration and really looking at examples of kind of historically what they have done and what they can bring to the mix. The other points of consideration for us, certainly budget and really having your partners for this project, starting with the designer, kind of commit to a budget, and really working and partnering with the company to ensure that the budget remains to what it had been committed to, because ultimately you are accountable to your executive team to make a best-in-class type of report, however, making it as cheaply and cost-sensitive as you can. I think that is kind of a natural push-and-pull that truly takes place. For us, actually, Eisenmann we have a staff here, but whether it is someone like me who does strategy planning who is on our pricing committee

for our share repurchase it's someone who wears multiple hats within the organization, can your partner go beyond just implementation and tactical implementation, but they can they partner with you to be a strategic thinker. Those are all the things you probably want to probe if that is kind of the mindset that you may have as a company, certainly we had it on this end. I don't know if that helps but those are some of the points of sensitivity we certainly had in the decision-making process.

### **Bill Park**

I totally agree. Having worked with some of the very top design firms in Chicago, I think one of the things, in terms of annual report, whether you do a print one or not, they should have the capability to do the online version if that is where you go. I think the thing is, and it's something that was just mentioned, is the collaboration. Really, it is a partnership. It is a strategic partnership. It is not somebody just coming in and revealing the curtain and showing you what it is. It's somebody that you can work with to present the best communications document possible.

### **Tom Anderson, President and Chief Executive Officer of Waymeth Design**

I would like to add something. This is Tom. Look for an agency that has done it. It isn't just the superficial design but it is like connecting into databases to know RSS, to have done some podcast type of thing, the experience can help you accelerate it in the end of the process. Real experience in doing internet implementation and looking towards the future. Having done websites in 1995, as Nina mentioned, is a nice recommendation and having a firm that does video and photography and stuff would help as well. I would look for case studies and examples and not just flat surfaces, but connecting to your IT group well to connecting to outsourced IR sites like Thompson and so forth. The ability to do that and report it effectively well is important.

### **Nancy Humphries, President and CEO**

Katherine, anymore from the web?

### **Katherine Philipp**

I have no more right now but people can still submit a question. Operator, anything from your standpoint?

### **Operator:**

No, I am showing no questions on this end.

**Nancy Humphries, President and CEO**

All right. Let me go back to some data that I presented at the beginning in which we talked about in 2004 only a handful of IROs surveyed considered discontinuing the written annual report if they can get permission or be permitted to do a web version. We are sitting today, with the data that we talked of earlier this year, that suggested 25% of our members would agree to that change. Where do you think it is headed, panel?

**Nina Eisenmann, Eisenmann Associates**

It is hard to tell. I have a feeling that with things like it is like critical mass is suddenly reached and then everyone jumps on the boat. I think that right now the print annual still has, even if it is only 8 pages, it still has too much value and I think it would shock a lot of people if suddenly they stopped getting it. I actually, before the NIRI national conference this year, I conducted a poll of several investors and asked them what they thought the relevance of the print annual, the online annual, the corporate website, and all of that kind of stuff is and I made a little video of that which I put up on my website and show at NIRI. All the investors that I spoke to still said they would like to have the print copy and that they, although they would look at a PDF, they didn't really like using up all their paper and ink printing it out, that they liked to be able to call the company and say send me a print a annual and have that so they could have that in their files. They also went online when they wanted to browse it quickly. They really liked having both. I think it's going to be a slightly slower change. I don't think it's going to be like the SEC says. You don't have to print anything and everybody stops. I think it will be a gradual effect if it ever completely does change.

**Tom Anderson, President and Chief Executive Officer of Waymeth Design**

I agree with that. Your big lesson in society is people resist change no matter what, but there is a trend towards electronic and everybody has to move that way. I think Bill's point about the discipline of doing that once a year type of thing is so important. It's like a time-bound thing that is so critical. It kind of validates everything that has gone on, all of the flow information during the year. It's a nice way that the shareholders get it all summarized.

**Bill Park**

See, if there is a fixed date and invisible data, that forces everybody's attention to get it done. I find that I refer to our annual all year long. It's a container of all the messaging, all the facts, and you know in communications you don't have 45 different things really you are

doing. You have certain core messages that you are repeating over and over and over again and it gives all the people in your company a repository of bedded, clearly, delineated images, words, sentences. It articulates your corporate strategy for everybody in the company as well as investors and potential investors. That's a wealth of information that really can take you through the entire year. I am not saying it could not be done some other way, but you take away the date and you take away the vehicle, and guess what, it does not get done.

**Nina Eisenmann, Eisenmann Associates**

I think even for employees of the company it so important to have those messages for the year.

**Bill Park**

Absolutely. It is backward looking in a sense, but nobody does that. You are already putting your strategy for the future. There it is and everybody's bought into it and you can judge all of your activities during the coming year against fulfilling that strategy.

**Nina Eisenmann, Eisenmann Associates**

How many employees of the company are going to read the 10-K wrap?

**Bill Park**

Zero.

**Nina Eisenmann, Eisenmann Associates**

Right.

**Tom Anderson, President and Chief Executive Officer of Waymeth Design**

You know, it doesn't matter if it's online or off-line or print, as long as you have that date and you have the discipline to do some good, creative work. Like with Maidenform example that you saw.

**Bill Park**

I am going to rush home right after this, print out somebody's 10-K wrap, and read it tonight.

**Nina Eisenmann, Eisenmann Associates**

Read the 10-K?

**Bill Park**

Yeah.

**Nina Eisenmann, Eisenmann Associates**

Me too.

**Felise Glantz Kissell, Vice President of Investor Relations, Maidenform Brands**

To offset some of the cost, some of the creative things, although within the organization, we did for our print copy was to just take the editorials, or the 8-page of the wrap, and really did a spiral binding and we use it as a recruitment tool, and I guess our team in HR, people services, are on campus recruiting, information, background information. Then for the more financially oriented type of candidates that we have in employees, we give them the whole book. We use it elsewhere within the organization to make it not just the IR corporation piece.

**Tom Anderson, President and Chief Executive Officer of Waymeth Design**

That's great. We do the same thing.

**Nina Eisenmann, Eisenmann Associates**

Yeah, very valuable to kind of leverage it.

**Bill Park**

There is a movement afoot with the increase of the printed corporate social responsibility, which is another great branding piece and people are very attune to that in wanting to work for and invest in companies that are socially responsible. Maybe it could be blended with a print book or online version of an annual, but it's still a little different from the business focus and financial focus of the annual report, the instruments of laying out the strategy for the company, etc.

**Nina Eisenmann, Eisenmann Associates**

Right. PepsiCo, we have been doing their annual for a very long time and I guess it was two years ago that they bound in the social responsibility report into the annual, because Steve Reineman, the CEO, thought it was so important to get it out to everybody to really show that they had this commitment. So, that continues to take up a number of valuable page space in the annual report.

**Bill Park**

But it didn't replace it?

**Nina Eisenmann, Eisenmann Associates**

No, it was part of it. Like a chapter.

**Bill Park**

Correct. Yeah.

**Nancy Humphries, President and CEO**

Okay, any additional questions or comments?

**Operator**

I am showing we have no questions coming from the phones.

**Katherine Philipp**

None on the internet.

**Nancy Humphries, President and CEO**

Closing comments from anyone on the panel?

**Tom Anderson, President and Chief Executive Officer of Waymeth Design**

I am really intrigued with the rich internet media possibilities of getting video incorporated online annuals and so forth. I think that is great. We have done it for some clients. I would like to see more do it.

**Nina Eisenmann, Eisenmann Associates**

Yes, absolutely. It is going to be exciting.

**Felise Glantz Kissell, Vice President of Investor Relations, Maidenform Brands**

I would say stay tuned for Maidenform's online annual for next year because those are some of the things we are thinking about as well. We have to win another award.

**Katherine Philipp**

Thanks, everybody.

**Nancy Humphries, President and CEO**

Thanks to all of you for your participation. It was very interesting. Katherine anything in closing we need to share with the group?

**Katherine Philipp**

I just want to remind everyone to please take a minute to complete the short survey before they exit or send your comments at any time to [education@niri.org](mailto:education@niri.org). I want to thank, once again, VCall and InCom Solutions for their support of the e-learning forum. The slide that is up there now lists your replay options. You can listen on the phone until October 10 and you can view the archive at your computer at your convenience for six months, till the end of March. The final slide lists other programs that NIRI has coming up soon. We look forward to your participation in future NIRI e-learning forums. Thanks to all of our speakers. Hope to see you again soon.

**Nina Eisenmann, Eisenmann Associates**

Thank you.

**Bill Park**

Thank you.

**Tom Anderson, President and Chief Executive Officer of Waymeth Design**

Thank you very much.

**Felise Glantz Kissell, Vice President of Investor Relations, Maidenform Brands**

Thank you.

**Operator:**

Thank you. This does conclude today's teleconference. We appreciate your participation and you may disconnect your lines at this time.

