



Award for Best Financial Information

2010

Speech HB

14 October 2010

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Ladies and Gentlemen,

Mr De Graeve, thank you for your warm welcome and the fact that Bekaert, winner of last year's award, was prepared to help us with this important event, as the tradition has lived on for years now. Ladies and gentlemen, we are honoured that you were all able to come. May I welcome you all, to this important evening for the Belgian Association of Financial Analysts, the Belgische Vereniging van Financiële Analisten, l'Association Belge des Analystes Financier. As you may know, our Association exists 52 years but is granting tonight, for the 50th time the Award for the Best Financial Information as well as the nominations for Best Annual Report, Best Press Releases, Best Website and Best Investor Relations. This year we have worked in close relation with the BIRA, the Belgian Investor Relation Association and its President Frank Vandenborre.

For this 50th anniversary we have enlarged and upgraded our event thanks to our sponsors Tijd, Echo who have been helping us marketing this event, BNP Paribas Fortis as main infrastructure sponsor, VWD with whom we are also closely working together on our new website that will be ready soon, SAS on financial software, Nyse Euronext who has been a structural sponsor for years and last but not least last year's winner Bekaert. This year we have invited several people from the international community of financial analysts and intend to do so even more in the coming years. Analysts covering our main industries do not operate from Brussels alone anymore. An increasing number of those analysts is operating from London, Paris or Amsterdam. A lot of Belgian quoted

companies are no longer quoted in Brussels alone either. Financial analysis has become truly international. ABAF-BVFA is member of EFFAS, the European Federation of Financial Analyst Societies (www.effas.com) and ACIIA, the Association for International Investment Analysts (www.aciia.org). Both Presidents of these associations are present here today. Welcome to Mr Fritz Rau, President of ACIIA and Mr Giampaolo Trasi, President of EFFAS.

So, tonight and for the 50th time, the Belgian Association of Financial Analysts is granting its annual Award for Best Financial Information. The award aims to reward the Belgian listed companies that stand out in terms of communication policy, transparency and investor relations.

Over the past few months, 48 financial analysts and 6 fund managers have analyzed how the Belgian listed companies communicate with the financial markets and how they make financial information available to the investors' community. It has to be stressed that the Award still gets tremendous support from the vast majority of the Belgian analysts and other financial specialists on the one hand side, and from the stock quoted companies on the other hand. Their help is a key feature of the Award and the Belgian Association of Financial Analysts would sincerely like to thank all that have participated in the process this year.

Last year the following companies were honoured for their remarkable efforts and results. We nominated Bekaert for its Best Annual Report and overall winner of the 2009 Award, AB-Inbev for Best Press Releases, Umicore for Best Investor Relations and KBC for Best Website.

Over the past months, 55 companies were screened and ranked. We imposed again that every participating company is being analyzed by at least 3 analysts. This year we have obtained an average of 3.3 analysts per company. Therefore we would like to thank all equity houses that participated in the process. And we find it extremely sad that still some financial institutions do not collaborate.

Good financial communication remains a necessity, despite the difficult times the markets have been going through. And luckily companies did not scale back their efforts in terms of financial communication or investor relations. On the contrary, we are particularly pleased with the progress that a number of small- and midcaps keep making. For these smaller companies in particular, financial communication remains a necessity in order to attract the attention of national and international, small and larger investors.”

This is a very positive evolution, knowing that we are barely leaving the recession behind us. Today, more than ever, correct financial information has, without any doubt, a crucial impact. Our governments try to overcome the crisis through extensive regulation and state control but this raises significant questions regarding the current financial system and its information provision. Further solutions must be elaborated on a European or world scale level. Globalisation is omnipresent. Different recommendations from the European Federation of Financial Analyst Societies (EFFAS), our parent association, were taken into account to enhance and optimize a quicker and more adequate information distribution. This European presence has proved to be a must in order to make information more transparent.

But there is still a lot that needs to be done:

Banks and quoted companies are operating on a global basis, while the regulatory bodies are predominantly organized on a national basis. A better coordinated international supervisory structure must be established in order to control global players more effectively and activate warning systems more quickly.

Issues such as bonuses being as high as the yearly dividend pay-out of companies, or the extremely high remuneration packages (including base salary, bonus, stock) that have occurred when they were no longer based upon any realistic underlying business trend must be better monitored and regulated. During last year's Award we discussed this extensively.

Banking products should be created and traded in a highly transparent fashion. Information must be returned quicker to the markets. Accounting rules still must become more transparent for the private investor.

ABAF-BVFA believes that the issues being addressed here, are crucial for the construction of a better-functioning financial system in the future. Initiatives, such as our Award, improve consistently the quality of the financial communication and make the markets more efficient. The Belgian Association of Financial Analysts will continue to strive for better, more transparent and quicker financial communication. We acknowledge that there is no such thing as "the investor". We must adapt the information flow to the different needs and expectations of a diversified public.

And because transparency of information is so important we decided to launch a nationwide enquiry analyzing and assessing what the private investor thinks about the current analyst role in our financial centres. We checked as well how the analyst evaluates himself and what he thinks about this strife for

transparency. Finally we crosschecked our findings with the investor relation community, the natural counterparty of the analyst. We also analyzed the role of the investor relation officer within this process and how it has evolved over recent times. We could count on the support from Mediafin (Tijd & l’Echo) to make this happen.

The questions have been intriguing, the results even more. We have asked the private investor whether the financial analyst really increases market transparency. We also asked the public, the investor relation manager and the analysts whether well elaborated quarterly results are what the investor wants. Or is he happy with what he gets right now. But what does the investor relation person want, and does the analyst want this? And are their positions the same?

Interesting topics, but let’s find out what has happened? And what should be changed?

“Is the financial analyst still useful? Does he provide us with sufficient information? Do we want him to be in Brussels? Or is London good enough?”

The main topics that we tackled were the following:

Does the analyst make information more transparent?	Yes, oeff...
Should quarterly reporting be more elaborated?	Yes, says the investor
Should the Government interfere with banks?	No
Are UK analysts better than Belgian ones?	No
Do you expect a price target from your analyst?	Oh yes!

Does he think this is a good idea?	Not really
Have analysts been too positive?	Yes
Do we like/need modern means of communication?	Yes please
Have analysts changed their habits since the crisis?	(h)A bit...

You will receive a small booklet with the major results of this enquiry as well as a small present from our side when you leave, late after the walking dinner.

I now gladly give the floor to Prof. Dr. Arturo Bris, finance professor at IMD in Lausanne, one of the most prestigious management schools in Europe, who will specifically zoom in on rational and non rational information since the Financial Crisis”.

Professor, the floor is yours.

Thank you,