EXTEL

IDENTIFYING EXCELLENCE

MIDDLE EAST INVESTOR RELATIONS STUDY

middle east investor relations society

NOVEMBER 2011

THOMSON REUTERS

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1. EXECUTIVE SUMMARY

This report provides an overviews and results from the third annual Middle East Investor Relations Survey, undertaken by Thomson Reuters Extel, in partnership with the Middle East Investor Relations Society (ME-IRS)

The third Middle East Investor Relations Survey continues the development and growth of professional IR across this dynamic region. From 2009 to 2011, buyside and sellside participation has increased substantially, more than doubling in 2010, and growing a further 20% this year. In 2011, we have recorded votes from 261 individuals from 132 buyside and sellside organizations, based both across the Middle East, and with significant USA, UK and continental European participation as well.

This continued growth in interest is obviously encouraging, and we would like to formally acknowledge our thanks to all participants, and to ME-IRS itself, for making this possible. It is clear that the importance of investor relations for Middle East companies continues to increase, as organizations both respond to international investor requirements on transparency and disclosure, and as the greater professionalism of IR in the region becomes an engine itself to raise the profile, scope and influence of IR.

This increase in the influence and professionalism of IR in the region must be framed in the context of the special issues and nature of the Middle East. This is the combination of what is an 'emerging market', in terms of the comparative sophistication and traditions of investment structures, along with the huge capital reserves and access to 'local' sources of investment. Such a combination is very unusual, and has meant, in one sense, the need for international investment has not been acute, and hence the opportunity to embrace a proactive IR approach has been more limited. This is changing, as companies in the region become more influential on the global stage, and as regional investors themselves are looking for more granularity and interaction with companies.

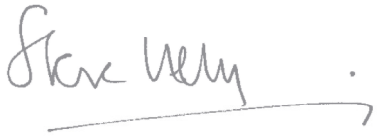
From all our data and discussions worldwide, it is evident that direct meetings with senior management, and more and more, with divisional directors too, are the fulcrum for investors and analysts in defining their investment stance for a stock. Companies have to respond to this, and indeed drive it, in order to properly communicate their corporate story. While there is still much to do, and in a real sense, it is a continuous journey rather than a destination, we do know that companies across the Middle East are responding to this. There is greater recognition that, allied to the natural trust and honesty in the region, fully engaging with investors really enables companies to present themselves more favourably, and is a source of strength, rather than any sign of weakness.

In undertaking the third Middle East IR Survey, we adopted the same fundamental approach for treating the votes received, and methodology applied, as for all our professional surveys. Some 2,050 buyside and sellside professionals globally were invited to participate in the study.

Votes were only verified and accepted from legitimate investment professionals investing in or covering the Middle East region, and the 'Methodology and Process' section of this report provides more detailed information.

We look forward to working with ME-IRS and the investment community to continue to measure the impact and development of investor relations in the region.

Steve Kelly



Managing Director Thomson Reuters Extel
November 2011

THE LEADING FIRMS AND INDIVIDUALS FOR EACH MARKET ARE:

OVERALL GRAND PRIX

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

ALMARAI

BEST CFO FOR INVESTOR RELATIONS

GEORGES SCHORDERET, ALMARAI

WEBSITE

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

QATAR TELECOM (QTEL)

CRISIS COMMUNICATION

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

EMIRATES NBD

CORPORATE ACCESS

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

DP WORLD

CORPORATE GOVERNANCE

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

DP WORLD

BAHRAIN

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

BAHRAIN TELECOMMUNICATIONS CO (BATELCO)

EGYPT

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

ORASCOM CONSTRUCTION INDUSTRIES (OCI)

KUWAIT

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

NATIONAL BANK OF KUWAIT (NBK)

OMAN

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

BANK MUSCAT

QATAR

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

QATAR TELECOM (QTEL)

SAUDI ARABIA

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

ALMARAI

UAE

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

DP WORLD

THE LEVANT

LEADING QUOTED COMPANY FOR INVESTOR RELATIONS

BANK AUDI

2. METHODOLOGY AND PROCESS

In total we invited some 2,050 investment professionals to take part in the 2011 ME-IR Survey. These were exclusively sellside analysts covering stocks in the region or PMs/buyside analysts who invest in the region, or who have expressed a specific interest in relation to us in the region

In total 261 qualifying responses from 132 separate organizations (buyside and sellside) were received. Responses were only accepted from legitimate individuals at brokerage firms/asset managers, and virtually all responses came from individuals on our original target audience listing.

The composition and breakout of respondents is as follows:

	%
SELLSIDE	48.7
BUYSIDE	51.3

GEOGRAPHIC BREAKOUT	%
UNITED ARAB EMIRATES	36.2
UNITED KINGDOM	16.6
SAUDI ARABIA	7.9
USA	7.9
KUWAIT	6.6
EGYPT	5.3
SAUDI ARABIA	4.2
REST OF MIDDLE EAST	5.7
BENELUX	2.9
FRANCE	2.4
SWITZERLAND	2.2
GERMANY	2.1
ASIA	1.3

All respondents were encouraged to participate at www.extelsurveys.com. Additionally we issued soft copy questionnaires and we received email responses utilizing this soft copy forms. The approximate breakout of responses was 91% internet-based, 3% by email, and 3% by telephone. When voting, participants were asked to rank up to five companies for overall quality and direction of their IR, and separately rank up to five CFOs for investor relations. No votes for the same firm or individual were allowed to be cast more than once, either in the single ballot or multiple versions.

All responses were then treated as follows in order to calculate results from each country/market:

- Votes from multiple individuals at the same company were consolidated to form a single submission in all cases where multiple individuals had voted in the same country/market
- All votes once consolidated were weighted to score a first place vote as 5 points, 2nd place as 4 points and so on to a 5th place vote being worth 1 point
- Votes were then additionally weighted –
  - Brokerage votes weighted based on the brokerage firms' position in the 2010 Extel Survey (Middle East & North Africa category)
  - Buyside votes weighted on assets under management (overall equity assets)

The weighting tables are as follows:

AUM – STANDARD FUNDS WEIGHTING		
US$ 0-1 Billion	BAND 1	WEIGHTING 1
US$ 1-3 Billion	BAND 2	WEIGHTING 3
US$ 3-5 Billion	BAND 3	WEIGHTING 5
US$ 5-10 Billion	BAND 4	WEIGHTING 7
US$ 10-20 Billion	BAND 5	WEIGHTING 9
US$ 20-40 Billion	BAND 6	WEIGHTING 12
US$ 40-60 Billion	BAND 7	WEIGHTING 15
US$ 60-80 Billion	BAND 8	WEIGHTING 18
US$ 80-100 Billion	BAND 9	WEIGHTING 21
US$ 100 Billion+	BAND 10	WEIGHTING 25

BROKERAGE VOTE WEIGHTING	
RESULTS FOR FIRM IN 2010 EXTEL SURVEY RANKING	
POSITION	WEIGHTING
1ST TO 3RD	15
4TH TO 6TH	10
7TH TO 10TH	5
11TH TO 15TH	3
16TH PLUS	1

Clearly, one major impact of this weighting, given the results are based on the combined views of both buyside and sellside, is to accord a greater importance to the votes received from fund managers. This is the approach we adopt in all our studies and assessments, reflecting as it does the market reality that corporates care more about buyside opinion.

The qualifying votes received for each market were as follows:

BAHRAIN	
FIRM	22

EGYPT	
FIRM	60

KUWAIT	
FIRM	30

OMAN	
FIRM	34

QATAR	
FIRM	45

SAUDI ARABIA	
FIRM	72

UAE	
FIRM	91

THE LEVANT	
FIRM	20

In each case 'firm' means the number of votes cast for the firm rankings, and 'individuals' means the number of votes cast for the individual rankings.

3. KEY RESULTS

In addition to requesting nominations for companies and CFOs, we also asked respondents to assess the importance to them of some fundamental aspects crucial in delivering an effective IR programme

We know, and our global data proves this, that all these factors both matter for investors, internationally, and equally so in their dealings and interaction with Middle East companies. The three most highly rated elements are – clarity and transparency, service and responsiveness, and IR team knowledge.
That investors think this way, while not notably different from our other studies around the world, does reflect the still nascent market for secondary equities in the Middle East. Investors are, quite frequently, still comparatively ill-informed about stocks in the region, and an appetite for basic understanding and information is apparent. They are looking to IR teams, or CEO/CFO to deliver such information, as openly and transparently as possible, both for comparisons and for fundamental knowledge. If such a dialogue can include sector and market insights, then so much the better.

THE IMPORTANCE OF COMPANY IR ACTIVITIES	%
CLARITY & TRANSPARENCY	
UNIMPORTANT	1.7
	4.2
	4.5
	11
VERY IMPORTANT	79

THE IMPORTANCE OF COMPANY IR ACTIVITIES	%
SERVICE & RESPONSIVENESS	
UNIMPORTANT	0.4
	6.0
	9.8
	16
VERY IMPORTANT	68

PROACTIVITY AT CEO/CFO LEVEL	
UNIMPORTANT	1.2
	6.3
	16
	26
VERY IMPORTANT	51

FORMAL DISCLOSURE	
UNIMPORTANT	0
	2.5
	26
	16
VERY IMPORTANT	56

QUALITY OF IR TEAM'S KNOWLEDGE	
UNIMPORTANT	0.1
	3.4
	5.1
	30
VERY IMPORTANT	62

FORMAL DISCLOSURE	
UNIMPORTANT	0
	2.5
	26
	16
VERY IMPORTANT	56

OVERALL GRAND PRIX

RANK	BEST COMPANY FOR INVESTOR RELATIONS FOR MIDDLE EAST	% OF WEIGHTED VOTE
1	ALMARAI	7.3
2	DP WORLD	6.3
3	QATAR TELECOM (QTEL)	5.7
4	QATAR NATIONAL BANK (QNB)	5.6
5	EMIRATES NBD	5.4
6	ORASCOM CONSTRUCTION INDUSTRIES (OCI)	4.9
7	INDUSTRIES QATAR	4.9
8	BANK MUSCAT	4.9
9	ETIHAD ETISALAT (MOBILY)	4.9
10	OMANI QATARI TELECOMMUNICATIONS (NAWRAS)	4.8

RANK	BEST INVESTOR RELATIONS BY CFO FOR MIDDLE EAST	% OF WEIGHTED VOTE
1	GEORGES SCHORDERET, ALMARAI	14.1
2	KARIM KAROUI, FIRST GULF BANK	10.8
3	YUVRAJ NARAYAN, DP WORLD	5.8
4	RAMZI MARIE, QATAR NATIONAL BANK (QNB)	5.0
5	AJAY BAHRI, QATAR TELECOM (QTEL)	4.8
6	AMIT JAIN, EMAAR PROPERTIES PJSC	3.6
7	JORGEN LATTE, OMANI QATARI TELECOMMUNICATIONS (NAWRAS)	3.4
8	MARK SHUTTLEWORTH, EMIRATES INTEGRATED COMPANY (DU)	3.2
9	ZIAD MAKHZOUMI, ARABTEC HOLDING	3.0
10	JIM MURPHY, NATIONAL BANK OF KUWAIT (NBK)	2.8

CORPORATE ACCESS

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	DP WORLD	9.9
2	ALMARAI	5.8
3	EMIRATES NBD	5.2
4	ORASCOM CONSTRUCTION INDUSTRIES (OCI)	4.6
4	QATAR TELECOM (QTEL)	4.6
6	FIRST GULF BANK	4.4
7	ETIHAD ETISALAT (MOBILY)	3.5
8	COMMERCIAL INTERNATIONAL BANK (EGYPT)	3.4
9	QATAR NATIONAL BANK (QNB)	3.1
10	NATIONAL BANK OF ABU DHABI	2.6

CORPORATE GOVERNANCE

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	DP WORLD	10.6
2	ALMARAI	8.6
3	QATAR TELECOM (QTEL)	7.0
4	EMIRATES NBD	6.3
5	NATIONAL BANK OF ABU DHABI	5.6
6	FIRST GULF BANK	4.1
7	OMAN TELECOMMUNICATIONS CO (OMANTEL)	3.4
7	ORASCOM CONSTRUCTION INDUSTRIES	3.4
9	EFG HERMES	2.9
9	EMIRATES INTEGRATED COMPANY (DU)	2.9

CRISIS COMMUNICATION

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	EMIRATES NBD	9.9
2	ALMARAI	8.9
3	DP WORLD	7.2
4	QATAR TELECOM (QTEL)	4.9
5	ORASCOM CONSTRUCTION INDUSTRIES	4.7
6	COMMERCIAL INTERNATIONAL BANK (EGYPT)	4.3
7	FIRST GULF BANK	3.3
8	OMAN TELECOMMUNICATIONS CO (OMANTEL)	3.1
9	GB AUTO	2.9
10	ORASCOM TELECOM HOLDING	2.8

WEBSITE

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	QATAR TELECOM (QTEL)	9.0
2	EMIRATES NBD	8.7
3	ALMARAI	6.0
3	DP WORLD	6.0
5	INDUSTRIES QATAR	4.3
6	EMAAR PROPERTIES PJSC	4.0
7	QATAR NATIONAL BANK (QNB)	3.6
8	ETIHAD ETISALAT (MOBILY)	3.1
9	GB AUTO	2.7
10	COMMERCIAL BANK OF QATAR	2.5
10	EMIRATES INTEGRATED COMPANY (DU)	2.5

BAHRAIN

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	BAHRAIN TELECOMMUNICATIONS CO (BATELCO)	29.3
2	ALUMINIUM BAHRAIN (ALBA)	21.7
3	AHLI UNITED BANK	15.2
4	INVESTCORP BANK BSC	10.9
5	GULF FINANCE HOUSE BSC	8.7

EGYPT

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	ORASCOM CONSTRUCTION INDUSTRIES (OCI)	19.2
2	COMMERCIAL INTERNATIONAL BANK (EGYPT)	12.8
3	ORASCOM TELECOM HOLDING	12.0
4	TELECOM EGYPT	7.3
5	GB AUTO	6.7
5	MOBINIL	6.7

KUWAIT

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	NATIONAL BANK OF KUWAIT (NBK)	25.8
2	KIPCO ASSET MANAGEMENT CO	15.3
3	ZAIN	13.2
4	MABANEE COMPANY	11.6
5	GLOBAL INVESTMENT HOUSE	7.9

OMAN

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	BANK MUSCAT	29.0
2	OMANI QATARI TELECOMMUNICATIONS (NAWRAS)	28.6
3	OMAN TELECOMMUNICATIONS CO (OMANTEL)	25.9
4	RENAISSANCE SERVICES	10.3
5	NATIONAL BANK OF OMAN	1.8

QATAR

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	QATAR TELECOM (QTEL)	24.1
2	QATAR NATIONAL BANK (QNB)	23.3
3	INDUSTRIES QATAR	19.0
4	VODAFONE QATAR	11.5
5	COMMERCIAL BANK OF QATAR	8.3

SAUDI ARABIA

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	ALMARAI	32.0
2	ETIHAD ETISALAT (MOBILY)	17.2
3	SAUDI BRITISH BANK (SABB)	6.6
4	SAMBA FINANCIAL GROUP	5.3
5	DAR AL-ARKAN	4.8

UNITED ARAB EMIRATES

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	DP WORLD	18.1
2	EMIRATES NBD	14.4
3	FIRST GULF BANK	8.0
4	EMIRATES INTEGRATED COMPANY (DU)	6.7
5	NATIONAL BANK OF ABU DHABI	6.5
6	DRAKE & SCULL INTERNATIONAL PJSC	6.1
7	SOROUH REAL ESTATE	4.8
8	DEPA LTD	3.7
9	EMAAR PROPERTIES PJSC	3.6
10	ARAMEX	3.5

THE LEVANT

RANK	LEADING QUOTED COMPANIES FOR INVESTOR RELATIONS	% OF WEIGHTED VOTE
1	BANK AUDI	33.3
2	SOLIDERE	29.0
3	BLOM BANK	26.5
4	ARAB BANK	3.1
5	JORDAN TELECOM GROUP	3.0

4. EXTEL

THOMSON REUTERS EXTEL

Established in 1999, when Thomson Reuters acquired the Extel Survey from the FT Group (part of Pearson).

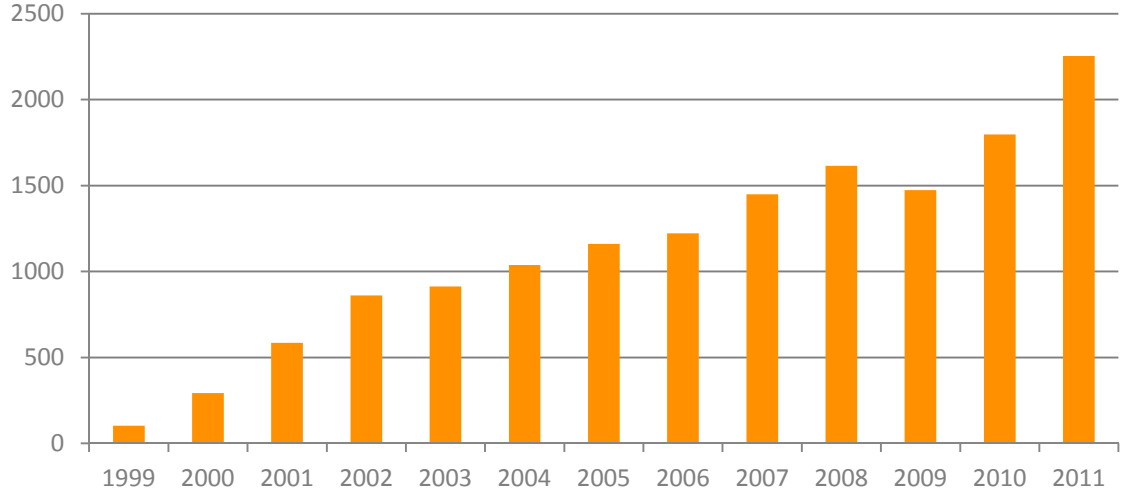
Initially 5 people, the team has expanded over the period 1999-2011 to a current strength of 25.
This expansion has both enabled us to develop the Pan-European Survey to become the leading indicator of investment industry opinion in Europe, and to respond to the demands we have had for additional survey and investment industry research consultancy work.

Our policy is to keep the consultancy team as small and focused as possible, in order that we provide direct service to each of limited number clients.

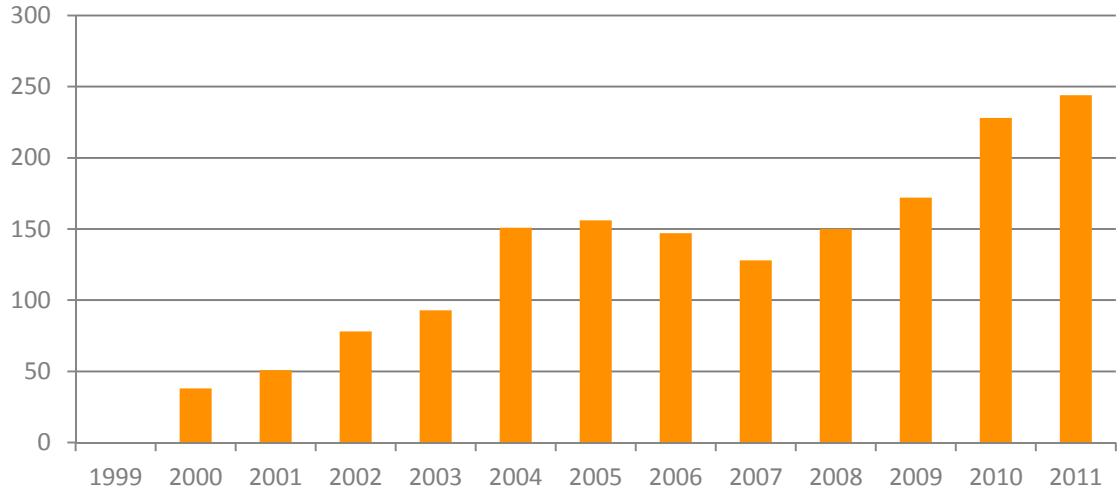
ACTIVITIES

- Thomson Reuters Europe
- Thomson Reuters UK Small Caps
- SRI (socially responsible investing) (undertaken in conjunction with UKSIF – the UK industry group for social investing)
- Focus Russia (undertaken in conjunction with Interfax)
- Thomson Reuters Extel Asia & Japan
- Consultancy projects on behalf of sellside firms, buyside houses and quoted companies. We have undertaken a range of specific assignments over the last 6 years for organizations in all three of these areas. As is usual with this work, client names and the nature of the work remain confidential. They include a major US investment bank, several European investment banks, two UK-based FM institutions and quoted companies in insurance, pharmaceuticals, real estate and transport

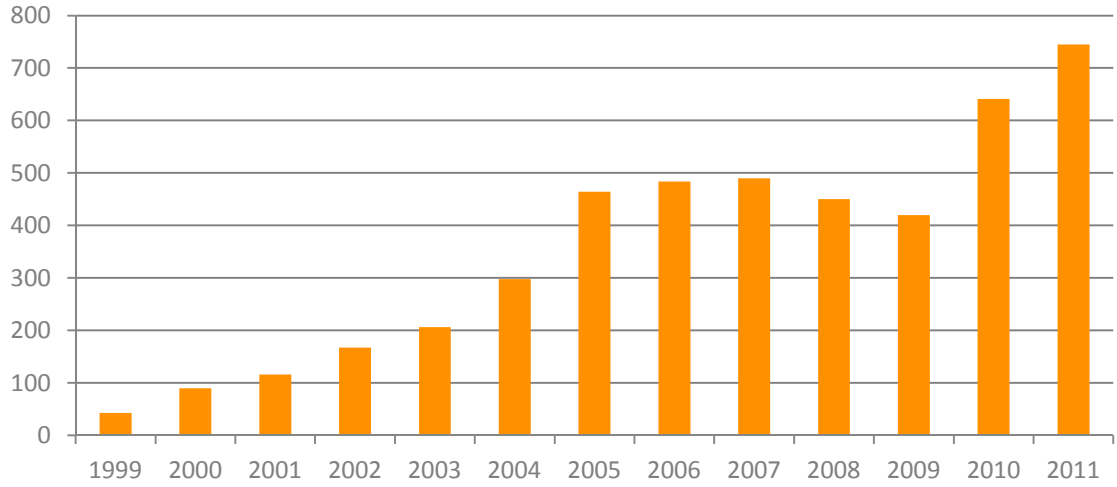
POWERFUL GROWTH IN PARTICIPANTS



Buyside Firms



Sellside Firms



Quoted Companies

5. CONTACTS

Thomson Reuters Extel
The Thomson Reuters Building
30 South Colonnade
Canary Wharf
London E14 5EP, UK

T. +44 (0) 20 7542 7700
F. +44 (0) 20 7542 7704
E. extelsurveys@thomsonreuters.com
www.extelsurveys.com