EXTEL

IDENTIFYING EXCELLENCE

EXTEL EUROPE 2012
Voting 19th March – 4th May

SELLSIDE BRIEFING

FEBRUARY 2012

FINAL

THOMSON REUTERS

EXTEL
IDENTIFYING EXCELLENCE

CONTENTS

1	EXECUTIVE OVERVIEW	3
2	AGGREGATIONS	4
3	METHODOLOGY & WEIGHTING TABLES	5
4	SECTORS/CATEGORIES LISTING	8
5	ABOUT THOMSON REUTERS EXTEL	12
6	CONTACTING THOMSON REUTERS EXTEL	14

EXECUTIVE OVERVIEW

Extel Europe 2012 will run from March 19 to May 04.
Results will be published on June 12, 2012.

PARTICIPATION

- Primarily votes will be requested through the website – www.extelsurveys.com – where a log-on and password are required. Clients can register online to create their own password. An interactive PDF questionnaire will be provided, but only on specific request from clients.
- Participants will be asked to rate sellside firms/ research providers on a 1-5 scale (average to excellent). This aligns voting for firms with voting for individuals – and, as currently, votes for firms will remain separate from votes for individuals. Voters will be able to rate up to seven separate firms, with scoring as follows: two firms at 5; a further two firms at 4; one firm at 3; one firm at 2 and one firm at 1.
- Participants will be able to provide comments against any votes they cast. All comments will be unattributed, and provided to subscribers on a firm-specific basis, linked to the sectors in which comments were provided

KEY METHODOLOGY/PROCESS

- All that follows below excludes UK Small & Mid Caps, where a separate briefing is provided
- All results in Equities, Economics & Strategy, Corporate Access, Sales, Trading and Derivatives will be based only on votes from key buyside firms
- Results in Emerging EMEA (including Russia), Countries and Prime Brokerage will be based on votes from all qualifying buyside firms
- Weightings will be based only on pan-European equity commissions paid

The commissions weighting will be the prime weighting, and used for all headline and key results

- For the key buyside firms, a co-ordinated response will be sought in every case, and an ongoing update provided for this
- All aggregated results will be based purely on the weighted points received in each of the relevant sector/categories, with no additional weightings applied

RESULTS

- Headline results will be available free to view at the Extel website – www.extelsurveys.com
- Complete rankings will be available online on a subscription basis
- The new online service – Extel Broker Scorecards will be available for extensive analysis and customisation of the data

DELOITTE

- As has been the case since 2000, Deloitte will be appointed to review and verify all procedures, data and results

AGGREGATIONS

- All aggregated results published in Extel Europe 2012 will be based on a straightforward compilation of weighted votes received in the team/firm voting areas

- The aggregation to produce the results for Leading Pan-European Equity House will be based on all weighted points in all categories

- The aggregation to produce the results for Leading Pan-European Brokerage Firm for Equity & Equity-linked Research will be based on weighted points across all research sectors and categories in the Survey (unless specifically excluded)

- The aggregation to produce the results for Leading Pan-European Brokerage Firm for Equity Research will be based on all equity sectors categories

- The aggregation to produce the results for Leading Pan-European Brokerage Firm for Equity & Equity Linked Sales will be based on all Sales categories and Sales questions in Equity Derivatives, Countries and Emerging EMEA

- The aggregation to produce the results for Leading Pan-European Brokerage Firm for Trading/Execution will be based on all Trading/Execution categories and Trading/Execution questions in Equity Derivatives, Countries and Emerging EMEA

- The aggregation to produce the results for Leading Pan-European Brokerage Firm for Economics & Strategy will be based on all Economics & Strategy sectors

- For all continental European countries, we will produce a single overall aggregate result for each market, based on all relevant sectors/categories e.g. Leading Brokerage Firm Nordic Countries would be an aggregate of all Nordic Countries categories:
  - Equity Sales, Country Research, Trading & Execution, and Corporate Access

- SRI & Sustainability Survey. This Survey, conducted in partnership with UKSIF, will be undertaken as usual as part of Extel Europe 2012. All weighted points from the six categories in the SRI & Sustainability Survey will count towards the overall headline aggregated result for Extel Europe 2012, as well as being separately available. The six sectors in the SRI & Sustainability Survey are:

CORPORATE GOVERNANCE
INTEGRATED CLIMATE CHANGE
LONG-TERM THEMATIC RESEARCH
RENEWABLE ENERGY
SRI RESEARCH
SRI ROADSHOWS*

*SRI Roadshows is a firm sector only.

METHODOLOGY & WEIGHTING TABLES

BUYSIDE PARTICIPATION

- Votes for firms are the only votes used to compile the firm sector and aggregated rankings. When rating firms, voters can rate up to seven separate firms, scoring two firms at 5; a further two firms at 4; one firm at 3; one firm at 2 and one firm at 1.

- Votes for specific analysts/specialist salespersons will only be used to compile individual rankings

- All firm votes received, which are a single vote only (i.e. voting for a firm with a rating of 5 and casting no other vote) will normally be excluded. Additionally, as normal, Extel reserves the right to exclude any votes if, in consultation with Extel auditors, such votes are considered invalid

- All votes received must come direct from a buyside participant and be originated by them. No third party votes will be accepted

- Separate questionnaires will cover:
  - Equity Sectors
  - Equity Sales
  - Equity Trading & Execution
  - Economics & Strategy
  - Equity Derivatives & Convertibles
  - Countries (Inc. Small & Mid Caps)
  - Emerging EMEA
  - Prime Brokerage
  - Corporate Access
  - UK Small & Mid Caps
  - SRI & Sustainability
  - Specialisms

- In as many cases as possible, we will look to focus appropriate questionnaires to the relevant audiences. The website voting capability naturally enhances this

- All votes will be weighted in two ways. Firstly on a 1-5 basis for ratings (i.e. a rating of 5 worth 5 points; a 4 - 4 points, a 3 - 3 points, a 2 - 2 points and a 1 - 1 point), and secondly then based on the commissions paid weighting ascribed to buyside firms

- In terms of weighting of buyside firms we intend to produce one set of results
- W e will collect and calculate weightings from Thomson Reuters data, plus feedback directly from the market. There will be ten bands with the weighting in the lowest band being 1 and the weighting in the top band 30. A listing of participants, together with the commission-based weighting ascribed to them, will be published in advance of final calculation of results, in order to ensure accuracy and transparency

- The exception to the Commission Paid weighting being the results for UK Small & Mid Caps which will continue to be weighted by the AUM that each buyside firm has invested in UK Small & Mid Cap companies. Similar to the rest of the survey, the weighting in the lowest band is 1 and the weighting in the top band 30.

- No weighting will be applied for specific sectors, as we seek to utilize 'natural weighting', whereby the larger, more heavily-broked sectors attract a larger level of votes (and hence weighted points)

- Extel will seek participation from buyside institutions running European funds, irrespective of the location of the institutions

- Virtually all results in Extel Europe will be based on responses from the 'key list' of 380 (estimated) buyside firms. Within this list, on which we welcome submissions and comments, a twin-track participation process will be followed:
  a) Leading FM institutions – We will contact these institutions with the clear intent of using the relevant sections of their internal broker reviews and to ensure that additional responses from these firms are specifically approved by a central point for inclusion in the results. It should be emphasised that no additional responses will be 'counted' unless we are directed to do so by the central contact point(s)
  b) All other FM institutions – While accepting a centralized response, we will also be seeking response from across the institutions. Multiple responses will be combined to produce a single weighted 'vote' from the institution
- For the Trading & Execution questionnaire, a distinct list of buyside dealing desks is being compiled, with the focus on dealing desks at the 380 (approx.) key buyside firms. Responses will be sought only from this list for this questionnaire
- Based on the successful introduction of specific trend questions, via a 'pop-up' window which appears before a voter casts his scores in each sector, we will be asking industry trend' questions in the same manner in 2012. This data will be freely available to all clients who subscribe to 2012 results, while 2011 data is now freely available to all brokers, just by logging on to the Extel website. In 2011, there were 6,000 participants
- All data, participation and results, along with the operational process and systems, will be independently assessed and verified by Deloitte. Thomson Reuters Extel remains the only Survey with complete independent verification
- In recognition of their participation, all buyside firms will receive full, free access to all Extel results in sectors/categories in which they voted, and full access to buyside rankings too

KEY BUYSIDE FIRMS

A separate confidential Excel file is available with the list of proposed key buyside firms. We welcome views on the composition of this list. Our aim here is entirely to generate results based on those buyside firms – and only those firms – that matter to the market.

WEIGHTING BANDS

The weighting bands are shown below. Please note Commissions Paid weightings will be used for all key results, and all published rankings. AUM weighted results will only be available on request.

COMMISSIONS PAID	BAND	WEIGHTING
US$ 0-250,000	BAND 1	WEIGHTING 1
US$ 250,000-500,000	BAND 2	WEIGHTING 2
US$ 500,000-1 MILLION	BAND 3	WEIGHTING 3
US$ 1-2 MILLION	BAND 4	WEIGHTING 5
US$ 2-5 MILLION	BAND 5	WEIGHTING 7
US$ 5-10 MILLION	BAND 6	WEIGHTING 10
US$ 10-20 MILLION	BAND 7	WEIGHTING 14
US$ 20-30 MILLION	BAND 8	WEIGHTING 18
US$ 30-50 MILLION	BAND 9	WEIGHTING 24
US$ 50 MILLION+	BAND 10	WEIGHTING 30

SELLSIDE PARTICIPATION

- A distinct questionnaire, seeking views from the sellside on fund management firms and on quoted companies will be available. We will aim to contact sellside analysts, salespersons etc. to seek their participation
- Votes will be weighted based on firms' ranking in the relevant sectors/categories in Thomson Reuters Extel Europe 2011

QUOTED COMPANIES

- A distinct questionnaire, seeking views from quoted companies on the sellside and on the buyside will be available. Rankings will be produced based on the results received, for buyside and for sellside firms, both in aggregate and sector-by-sector
- Votes will be weighted based on Market Capitalisation of Companies (average value in US$ May 2011/May 2012. Source: Datastream)

SECTORS/CATEGORIES LISTING

EQUITY SECTORS

Questions asked of buyside:

- Rate sellside firms, individual analysts and specialist salespersons on 1-5 scale
- Rate quoted companies for IR and IR professionals/ CEO/CFO on 1-5 scale

Sectors:

AEROSPACE & DEFENCE
AUTOS & AUTOMOTIVE COMPONENTS
BANKS
BEVERAGES
CAPITAL GOODS (INC. ENG & MACH)
CHEMICALS
CONSTRUCTION & BUILDING MATERIALS
FOOD MANUFACTURERS
FORESTRY, PAPER & PACKAGING
HOUSEHOLD PRODUCTS & PERSONAL CARE
INSURANCE
LEISURE, ENTERTAINMENT & HOTELS
LUXURY GOODS
MEDIA
MEDTECH & SERVICES
METALS & MINING
OIL & GAS
OIL SERVICES
PHARMACEUTICALS & BIOTECH
REAL ESTATE
RETAILERS (FOOD)
RETAILERS (NON FOOD)
SEMICONDUCTORS
SOFTWARE & IT SERVICES
SPECIALITY & OTHER FINANCE
SUPPORT & BUSINESS SERVICES
TELECOMMUNICATIONS SERVICES
TELECOMS. EQUIP./IT HARDWARE
TOBACCO
TRANSPORT
UTILITIES

EQUITY SALES

Questions asked of buyside:

- Rate sellside firms and individuals on 1-5 scale

Sectors:

BENELUX
ELECTRONIC ALPHA CAPTURE*
EMERGING EMEA
FRANCE
GERMANY
GLOBAL
GREECE
IRELAND
ITALY
NORDIC COUNTRIES
PAN-EUROPEAN
RUSSIA
SPAIN & PORTUGAL
SPECIAL SITUATIONS
SWITZERLAND
UK

*Electronic Alpha Capture is a firm only sector.

EQUITY TRADING & EXECUTION

Questions asked of buyside:

- Rate sellside firms on 1-5 scale

SALES TRADING
CLIENT SERVICE*
EXECUTION QUALITY
IOIs
TRADING IDEAS & UPDATES
PORTFOLIO TRADING
CLIENT SERVICE
EXECUTION QUALITY
INTERNAL CROSSING PROCESS
PRE & POST TRADE ANALYTICS
ELECTRONIC TRADING
ALGORITHMIC QUALITY
CLIENT SERVICE
CONFIDENTIALITY
DARK POOLS STRATEGY
INTERNAL LIQUIDITY
LIQUIDITY ACCESS/SMART ORDER ROUTING

DELTA ONE SERVICE ETF
SERVICE

*Individuals as well as firms can be voted for within the Sales Trading: Client Service sector.

ECONOMICS & STRATEGY

Questions asked of buyside:

- Rate sellside firms and individuals on scale 1-5

Sectors:

EQUITY TECHNICAL ANALYSIS & CHARTING
FIXED INCOME TECHNICAL ANALYSIS
FX TECHNICAL ANALYSIS
GEM ECONOMICS & MACRO
GEM STRATEGY
GLOBAL ECONOMICS
GLOBAL STRATEGY
INDEX ANALYSIS
MULTI ASSET RESEARCH
PAN-EUROPEAN ECONOMICS & MACRO
PAN-EUROPEAN EQUITY MARKET STRATEGY
QUANTITATIVE/DATABASE ANALYSIS
VALUATIONS & ACCOUNTING

DERIVATIVES

Questions asked of buyside:

- Rate sellside firms and individuals on scale 1-5

Sectors:

RESEARCH
SALES
TRADING/EXECUTION*

CONVERTIBLES

Questions asked of buyside:

- Rate sellside firms and individual analysts on scale 1-5 (Research only)

Sectors:

RESEARCH
SALES
TRADING/EXECUTION*

*Derivatives: Trading/Execution and Convertibles: Trading/Execution are firm sectors only.

PRIME BROKERAGE

Questions asked of buyside:

- Rate sellside firms on 1-5 scale

Sectors:

PRIME BROKERAGE
CAPITAL INTRODUCTION
CLIENT SERVICE
FINANCING
PRODUCT CAPABILITIES
RISK MANAGEMENT
SECURITIES LENDING
TECHNOLOGY

COUNTRIES (INC. SMALL & MID CAPS)

Aside from UK Small & Mid Caps (a separate concurrent study), for the rest of Europe we will have the following categories:

Questions asked of buyside:

- **Rate sellside firms and individuals on 1-5 scale**

Sectors:

BENELUX:
- CORPORATE ACCESS*
- COUNTRY RESEARCH
- TRADING/EXECUTION

FRANCE:
- CORPORATE ACCESS*
- COUNTRY RESEARCH
- SMALL & MID CAPS RESEARCH
- SMALL & MID CAPS SALES
- TRADING/EXECUTION

GERMANY:
- CORPORATE ACCESS*
- COUNTRY RESEARCH
- SMALL & MID CAPS RESEARCH
- SMALL & MID CAPS SALES
- TRADING/EXECUTION

GREECE:
- COUNTRY RESEARCH

IRELAND:
- COUNTRY RESEARCH
- TRADING/EXECUTION

ITALY:
- CORPORATE ACCESS*
- COUNTRY RESEARCH
- TRADING/EXECUTION

NORDIC COUNTRIES:
- CORPORATE ACCESS*
- COUNTRY RESEARCH
- TRADING/EXECUTION

PAN-EUROPEAN:
- CORPORATE ACCESS*
- SMALL & MID CAPS RESEARCH
- SMALL & MID CAPS SALES
- TRADING/EXECUTION

SPAIN & PORTUGAL:
- CORPORATE ACCESS*
- COUNTRY RESEARCH
- TRADING/EXECUTION

SWITZERLAND:
- CORPORATE ACCESS*
- COUNTRY RESEARCH
- SMALL & MID CAPS RESEARCH
- SMALL & MID CAPS SALES
- TRADING/EXECUTION

UK: COUNTRY STRATEGY

AUSTRIA: COUNTRY RESEARCH
ISRAEL: COUNTRY RESEARCH
SOUTH AFRICA: COUNTRY RESEARCH

***Corporate Access sectors are firm sectors only.**

EMERGING EMEA RESEARCH SERVICES

Questions asked of buyside:

- Rate sellside firms and individuals on 1-5 scale

Sectors:

EMERGING EMEA: CHEMICALS/INDUSTRIALS
CENTRAL/EASTERN EUROPE **
EMERGING EMEA: CONSUMER
EMERGING EMEA: CORPORATE ACCESS*
EMERGING EMEA: EQUITY SALES
EMERGING EMEA: FINANCIALS
EMERGING EMEA: METALS & MINING
EMERGING EMEA: OIL & GAS
EMERGING EMEA: TELECOMMUNICATIONS
EMERGING EMEA: TRADING & EXECUTION
FRONTIER MARKETS (INC KAZAKHSTAN & KYRGYZSTAN)
GEM: ECONOMICS & MACRO
GEM: STRATEGY
ISRAEL: COUNTRY RESEARCH
MIDDLE EAST & NORTH AFRICA
SOUTH AFRICA: COUNTRY RESEARCH
TURKEY: COUNTRY RESEARCH
UKRAINE: COUNTRY RESEARCH

- *Emerging EMEA: Corporate Access is a firm sector only.
- **Central/Eastern Europe consists of: Czech Republic, Hungary, Poland, Romania and Slovakia
- The following Russia equity sectors will be included with the Emerging EMEA category. These are:

RUSSIA: BANKS & OTHER FINANCIALS
RUSSIA: CONSUMER/RETAIL
RUSSIA: ECONOMICS & MACRO
RUSSIA: EQUITY STRATEGY
RUSSIA: METALS & MINING
RUSSIA: OIL & GAS
RUSSIA: COUNTRY RESEARCH
RUSSIA: EQUITY SALES
RUSSIA: TELECOMMUNICATIONS
RUSSIA: TRADING & EXECUTION
RUSSIA: UTILITIES

SPECIALISMS

Questions asked of buyside:

- Rate sellside firms and individuals on 1-5 scale

Sectors:

ALTERNATIVE INVESTMENT FUNDS:
RESEARCH
SALES
INVESTMENT TRUSTS:
RESEARCH
SALES
SPECIAL SITUATIONS:
RESEARCH
SALES
ELECTRONIC ALPHA CAPTURE*

*Electronic Alpha Capture is a firm only sector.

**Separate weightings for buyside participants, based only on Investment Trusts AUM.

WEIGHTING TABLE	BAND	WEIGHTING
US$ 0-100M	BAND 1	WEIGHTING 1
US$ 101-200M	BAND 2	WEIGHTING 2
US$ 201-300M	BAND 3	WEIGHTING 3
US$ 301-400M	BAND 4	WEIGHTING 5
US$ 401-500M	BAND 5	WEIGHTING 7
US$ 501-600M	BAND 6	WEIGHTING 10
US$ 601-700M	BAND 7	WEIGHTING 14
US$ 701-850M	BAND 8	WEIGHTING 18
US$ 851-999M	BAND 9	WEIGHTING 24
US$ 1BN+	BAND 10	WEIGHTING 30

CORPORATE ACCESS

Questions asked of buyside:

- Rate sellside firms on 1-5 scale

Sectors:

CONFERENCES*
CORPORATE ROADSHOWS
INVESTOR VISITS
INDUSTRY EXPERTS
REVERSE ROADSHOWS/FIELD TRIPS

* We will ask for votes on specific broker conferences.

ABOUT THOMSON REUTERS EXTEL

THOMSON REUTERS EXTEL

Thomson Reuters Extel professionally gather, collates and presents perception opinions and ratings from the investment community worldwide. Specifically we provide assessment and rankings of brokerage firms and individuals for research, equity sales and trading; of buyside firms and analysts; of quoted companies for IR expertise; an in-depth analysis of industry and market trends.

PAN-EUROPEAN SURVEY

Thomson Reuters Extel was established in 1974. We measure the performance of the investment community, through votes by its customers or audiences, in three principal ways:

- Brokerage firms and investment analysts are ranked by fund managers and IR professionals
- Fund management firms and buyside analysts are ranked by investment analysts and IR professionals
- Quoted companies and IR professionals are ranked by both sellside and buyside analysts

The results, which are available on-line year- round, are used by investment professionals across Europe to inform buying decisions and service provision. The awards are highly coveted and are considered by brokerage firms to be a powerful endorsement of their success.

Since it was acquired from the Financial Times in 1999, Extel has been expanded and improved year-on-year in a number of important ways:

- It has achieved status as the premier survey and awards in Europe, with full Pan-European coverage
- Fund managers and quoted companies are now rated in the Survey
- Voters have been widened to include analysts and quoted companies and the number of voters overall has increased by over 1,000% since 1999
- There has been a significant rise in media attention and financial community awareness
- The annual awards event has become a prestigious occasion and the high-profile guest list, filled to capacity

Extel has a reputation founded on integrity, the independence and professionalism with which it is run, coupled with the high quality of the information it provides, has established its leading position and profile in Europe. Data and processes are independently assessed and verified by Deloitte. Extel is valued for the insight it gives into the way merchant banks and brokers plan, sell and deliver a wide range of services to their customers in a fiercely competitive market.

Visit our website: **www.extelsurveys.com**

ACTIVITIES

Thomson Reuters Europe

Thomson Reuters UK Small & Mid Caps

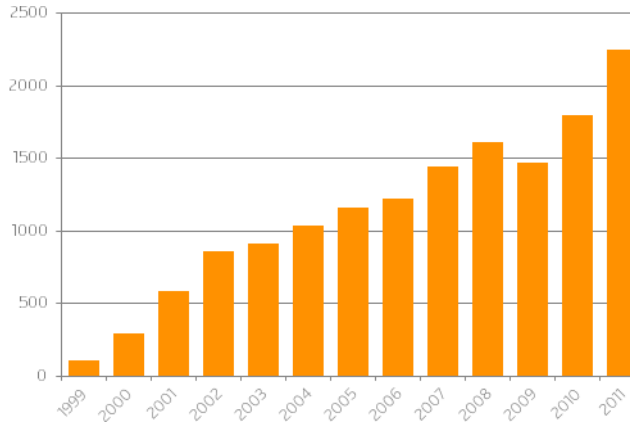
SRI (socially responsible investing) (undertaken in conjunction with UKSIF – the UK industry group for social investing)

Thomson Reuters Extel Asia & Japan

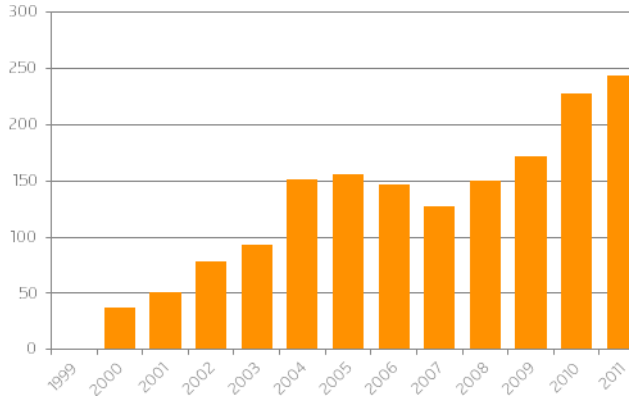
Consultancy projects on behalf of sellside firms, buyside houses and quoted companies. We have undertaken a range of specific assignments over the last 6 years for organizations in all three of these areas. As is usual with this work, client names and the nature of the work remain confidential. They 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

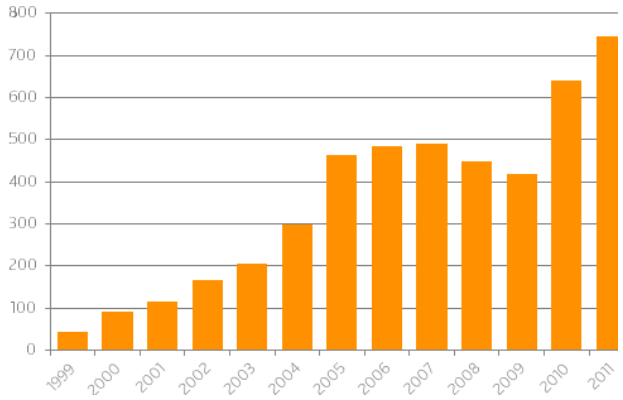
BUYSIDE FIRMS



SELLSIDE FIRMS



QUOTED COMPANIES



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