

TaylorRafferty

Investor Relations and Financial Communications

IR Best Practice in Theory

November 2009



AGENDA –

Investor relations consulting helps clients set and achieve goals

- **Goal Setting**

- Management appreciates the benefits of time invested
- Roles of advisors are more transparent and aligned
- Strengthens investors' confidence in management's commitment to value

- **Strategic Planning – Understanding your Universe of Investors**

- Focuses efforts to maximises return
- Provides clarity on Capital Markets 'cause & effect'

- **Message Development**

- Delivers modular investment story
- Strengthens communications across all financial materials and mediums, including, group events, conference calls, webcasts...

Productive IR programmes focus on achieving clearly defined capital markets goals

- Management appreciates the strategic benefits of IR and is willing to invest time, energy and resources to create real value
- IR programmes can be planned, implemented and analysed with measurable results in mind
- IR teams are highly motivated when incentivised to achieve meaningful targets
- The roles of advisors and interlocutors become more transparent – where interests align and conflict
- Sharing capital markets goals and IR plans with existing and potential investors strengthens their confidence in management's commitment to create shareholder value

IR Planning Workbook:

- **Review and analyse existing components of capital markets work**
- **Illustrates where tighter focus, additional efforts and resources may be needed**

Goal Setting & Strategy: Capital Markets Goals

Set capital markets goals that best advance your corporate strategy

- Maximise sustainable valuation
- Close value gap with peers
- Achieve premium rating
- Build optimal markets for fund raising
- Prepare target markets for M&A transactions
- Improve liquidity of home market and / or secondary listing
- Reduce volatility
- Enhance management profile among stakeholders
- Link corporate interests with those of employees, customers, suppliers and partners

Goal Setting & Strategy: Focused Tactical IR Initiatives

Align tactical IR initiatives with your strategic capital markets goals

- Establish and maintain best practice standards of transparency and disclosure
- Grow investor base among sector / peer investors
- Increase geographic breadth and depth of institutional following
- Build retail investor base
- Expand shareholding among employees, suppliers, customers and partners
- Develop media coverage which supports corporate investment thesis
- Evolve home market valuation parameters
- Initiate, expand and structure sell side coverage
- Increase management's direct knowledge of capital markets challenges and opportunities
- Develop and deliver consistent investment thesis to full spectrum of potential investors

AGENDA –

Investor relations consulting helps clients set and achieve goals

- **Goal Setting**
 - Management appreciates the benefits of time invested
 - Roles of advisors are more transparent and aligned
 - Strengthens investors' confidence in management's commitment to value
- **Strategic Planning – Understanding your Universe of Investors**
 - Focuses efforts to maximises return
 - Provides clarity on Capital Markets 'cause & effect'
- **Message Development**
 - Delivers modular investment story
 - Strengthens communications across all financial materials and mediums, including, group events, conference calls, webcasts...

The Brief - to Capture Incremental Investment and Access New Pools of Capital for Client

In September 2008, *Client* mandated Taylor Rafferty (TR) to conduct a formal, exhaustive analysis of its underweight existing investors, as well as non-investors relevant to their current portfolios.

TR addressed the entire universe of investors globally, applying the following filters:

- Institutional investors with a propensity to 'hold long'
- Institutions with Equities Under Management in excess of \$1 billion
- Institutions underweight according to the industry peer group (*Peer 1, Peer 2, Peer 3, Peer 4, Peer 5*)
- Non-holders with relevant industry peer group holdings

Further to the above quantitative analysis, TR conducted primary research to establish the motivation(s) for relatively underweight holdings in *Client* within the context of the investor's broader portfolio, for example:

- Regional holdings
- Sector holdings
- Other asset allocation metrics

These conversations were specifically designed to yield the best approach per investor to capture either initial or incremental investment.

TR's ultimate goal was to find the investment triggers of those most likely to invest

Key Findings

The quantitative analysis yielded over 650 targets in the US, Continental Europe and the UK, that matched our pre-agreed criteria. Of these:

- ~2/3 were existing underweight holders, with the remainder non-holders
- Some 150 responded to our outreach, with 70% of these replying electronically and the remaining 30% participating in brief telephone interviews. TR proactively secured feedback from the top 20 underweight investors to ensure the most actionable results.

Key findings were that:

- The majority of respondents that were underweight due to lack of awareness of *Client* were large US institutions diversely located around the country
- Industry concerns dominated the benchmark-driven institutions
- Management/strategy concerns were the largest pool and nearly all respondents in this set also cited industry headwinds
- Notably, those expressing a preference for another peer were most familiar with the *Client* story and cited valuation as the key driver of their investment decision-making

Asset allocation was consistently cited as the driver of sector exposure but nearly all of the interviewees expressed that they were able to buy and hold their “best picks”, irrespective of the house weighting.

TR identified approximately \$5.4 billion in potential investment that *Client* can capture with accurate outreach underpinned by solid fundamental performance



Top Targets Summary

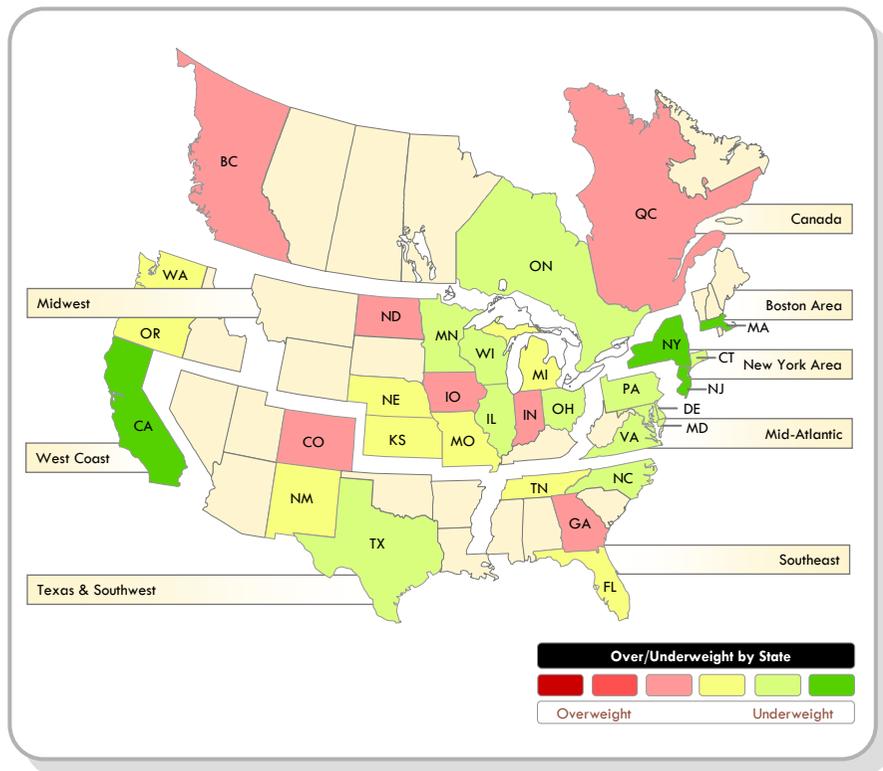
	Detailed interview	Institution	Underweight Position (\$M)	Money Center	Your Company Shareholder	Market Value of Peers (\$M)	Primary Motivation
●	✓	AllianceBernstein LP	(37.5)	New York	✗	1,195.40	Lack of confidence in management
●	✓	APG Investments	(48.4)	Amsterdam	✓	1,074.70	Prefer to invest in Peer 1
●	✓	Bessemer Investment Management	(35.4)	New York	✓	1,073.40	Feels that Peer 1 better fits profile
●	✓	BlackRock Investment Management	(30.0)	London	✓	853.2	Fundamental industry uncertainty
●	✓	Brandes Investment Partners	(154.5)	San Diego	✓	4,020.70	Uncertainty over strategy
●	✗	Brandywine Global Investment Management	(173.9)	Philadelphia	✓	4,560.70	Better understanding of Peer 6
●	✓	Capital Research Global Investors	(375.0)	New York	✓	3,849.20	Concerned about industry outlook
●	✓	Capital World Investors	(418.9)	Los Angeles	✓	4,216.20	Prefer to invest in Peer 3
●	✗	Columbia Management Advisors	(38.3)	St. Louis	✓	1,391.40	Better understanding of Peer 1
●	✓	Dodge & Cox	(411.2)	San Francisco	✓	2,672.40	Not confident about cash strategy
●	✓	Fidelity Management & Research	(212.1)	Boston	✓	1,835.90	Lack of understanding of <i>Client</i> fundamentals
●	✗	GE Asset Management	(51.5)	New York	✓	1,191.40	Concerned about sector outlook
●	✓	Grantham, Mayo, van Otterloo	(21.1)	Boston	✗	735.8	Little understanding of <i>Client</i>
●	✓	Harris Associates	(53.9)	Chicago	✓	1,578.00	Concerned with management performance
●	✓	Natixis Asset Management	(169.2)	Paris	✓	811.4	Downsizing investment in sector
●	✗	Norges Bank Investment Management	(94.6)	Oslo	✓	1,465.10	Never met <i>Client</i> management
●	✓	OppenheimerFunds	(111.5)	New York	✓	1,240.60	Unfamiliar with <i>Client</i> story
●	✓	Southeastern Asset Management	(127.8)	Nashville	✗	1,281.80	Prefer to invest in Peer 1
●	✓	T. Rowe Price Associates	(158.7)	Baltimore	✗	1,047.50	Lack of confidence in management
●	✗	Templeton Global Advisors	(192.1)	San Francisco	✗	1,467.20	Feels growth in sector is unsustainable
●	✓	TIAA-CREF Asset Management	(54.7)	New York	✓	1,376.10	Management not visible enough
●	✓	UBS Global Asset Management	(169.7)	Zurich	✗	5,390.80	Recently sold out due to strategy issues
●	✓	Wellington Management	(56.8)	Boston	✓	2,048.90	Unfamiliar with <i>Client</i> story

● Management/strategy concerns
 ● Unfavourable positioning
 ● Industry concerns
 ● Unfamiliarity with company



North American Density, Weighting & Potential

Breakdown of Adjusted Over/Under Weight by Region



Top 20 Targets*

West Coast

Brandes Investment Partners
Capital World Investors
Dodge & Cox
Templeton Global Advisors

New York Area

AllianceBernstein LP
Bessemer Inv. Mgmt.
Capital Research Global Inv.

GE Asset Management
New Jersey Division Inv.
OppenheimerFunds
TIAA-CREF Asset Mgmt.

Boston Area

Fidelity Mgmt. & Research
Grantham, Mayo, Van Ott.
Putnam Investment Mgmt.
Wellington Management

Midwest

Columbia Mgmt. Advisors

Southeast

Southeastern Asset Mgmt.

Canada

Jarislowsky Fraser & Co.

Mid-Atlantic

Brandywine Global
T. Rowe Price Associates

Regional Breakdown of Investment & Adjusted Over/Underweight

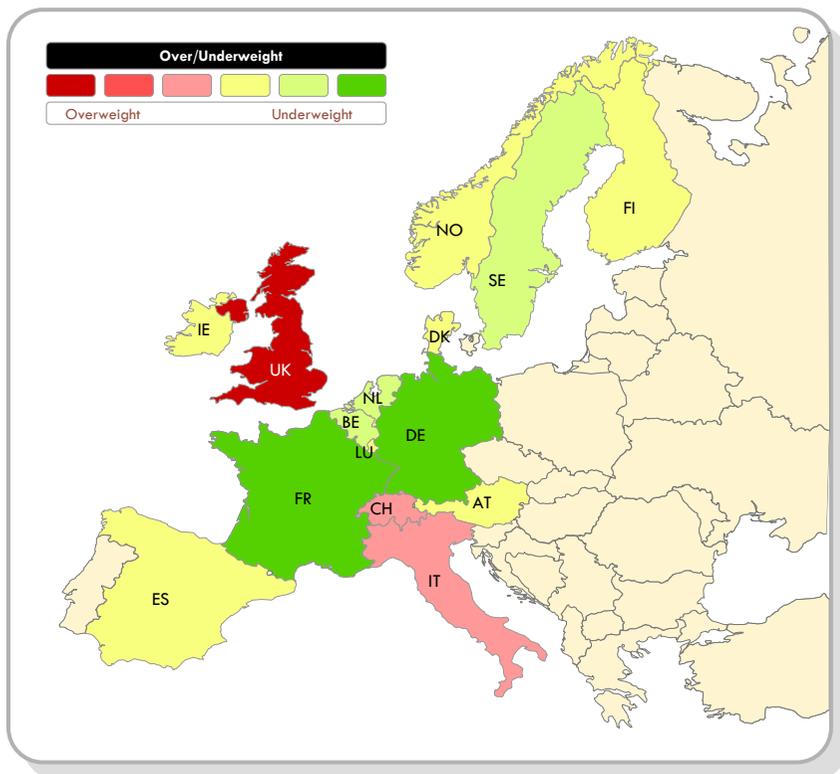
Region	Number of Underweight Institutions	Adjusted Over/Under Weight (\$M)	Overall Investment Potential (\$M)**
West Coast	16	(935.2)	1,536.2
New York Area	15	(262.7)	1,015.9
Boston Area	9	(410.4)	755.1
Midwest	8	51.8	372.3
Southeast	5	(22.4)	164.0
Canada	5	(19.0)	82.8
Texas & SW	3	82.3	33.6
Mid-Atlantic	1	18.2	26.5

* Top 20 targets based on largest underweight positions in Client, including current and potential shareholders

** Investment potential indicates the value of additional capital if all underweight institutions invested up to an equal weighting versus peers

European Density, Weighting & Potential

Breakdown of Adjusted Over/Under Weight by Region



Top 20 Targets*

<p>UK/Ireland Blackrock Investment Mgmt. Henderson Global Investors Pioneer Investment Mgmt. Standard Life Investments Threadneedle Investments</p> <p>France Crédit Agricole Asset Mgmt. Natixis Asset Management</p>	<p>Germany Allianz Global Investors Metzler Investment Union Investment</p> <p>The Netherlands APG Investments Dresdner VPV ING Investment Mgmt. Robeco Asset Management</p>	<p>Switzerland BCV Asset Management Pictet & Cie. UBS Global Asset Mgmt.</p> <p>Norway Norges Bank IM</p> <p>Sweden SEB Asset Management Tredje AP-Fonden (AP3)</p>
--	--	--

Regional Breakdown of Investment & Adjusted Over/Underweight

Country	Number of Underweight Institutions	Adjusted Over/Under Weight (\$M)	Overall Investment Potential (\$M)**
UK	41	345.0	660.5
Germany	19	(145.3)	163.1
France	11	(75.1)	100.8
Netherlands	5	(22.8)	85.3
Sweden	2	(36.3)	46.3
Belgium	3	(19.8)	31.0
Switzerland	7	25.2	29.0
Denmark	4	(11.4)	26.1
Ireland	7	(14.7)	19.0
Norway	3	(12.2)	12.2
Finland	3	(6.7)	6.7
Italy	5	10.1	6.3
Luxembourg	2	(11.4)	5.7
Austria	1	(3.1)	3.1
Spain	1	(1.1)	1.1

* Top 20 targets based on largest underweight positions in Client, including current and potential shareholders

** Investment potential indicates the value of additional capital if all underweight institutions invested up to an equal weighting versus peers

Institution Motivation Profile: Dodge & Cox

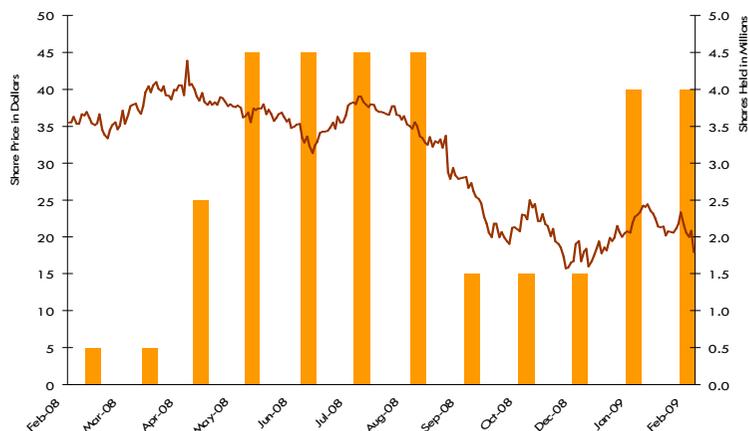


Total Peer Investment: \$2,672.4m
Client Holding: 4.0m shares
Average Underweight Position: (\$411.2m)
Investor Sentiment: Bordering on negative

CONTACT: John Doe
FUNCTION: Buy-Side Analyst
COVERAGE: X Sector, Y Region
KEY ISSUES: Follows company in great detail
 Covers *Client* as part of his investment in the sector
 Mildly concerned with recent events

LARGEST PEER INVESTMENT: Peer 4

Historical Ownership



Investment Views

Investment Style

Dodge and Cox emphasizes long-term value investing and seeks solid, well-established companies with strong long-term profit potential. Known to be conservative investors, their investment policy focuses on long-term earnings potential and reasonable valuation for individual companies. The average stock-holding period is over five years.

Current Sentiment

The company took a large position over the last 6 months. The investment committee is concerned about the recent developments and feels that management has been “quiet” in providing a clear way out of the current difficulties. While the short term issues are “material” he shared that they are not significant enough to cause them to sell off their position. He commented that management is generally doing a good job, specifically citing core business management as he has attended R/D days in the past.

Investment Triggers

As Dodge & Cox has some of the lowest portfolio turnover among all mutual fund companies and *Client* is at the beginning of what will likely be a 3-5 year holding, he indicated that it was unlikely that the fund would act in the near future.

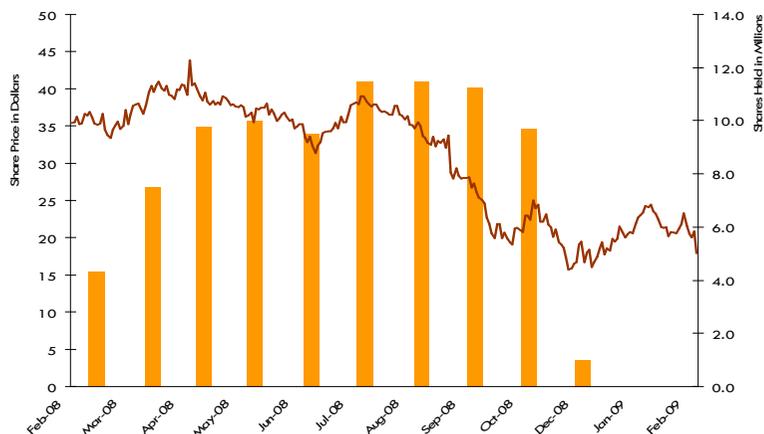
Institution Motivation Profile: UBS Global Asset Management



Total Peer Investment: \$5,390.8m
Client Holding: No shares
Average Underweight Position: (\$169.7m)
Investor Sentiment: Largely positive

CONTACT: Jeff Bloggs
FUNCTION: Portfolio Manager
COVERAGE: X Sector, Y Region
KEY ISSUES: Good businesses but strategy unclear
 Recent share price performance an over-reaction
 Capital discipline must be maintained
LARGEST PEER INVESTMENT: Peer 2

Historical Ownership



Investment Views

Investment Style

UBS's approach is value-oriented and is based on rigorous fundamental asset class, market, currency and security analysis, with a global perspective, to identify intrinsic values. They typically invest for the long term but take a regular view on risk ratings.

Current Sentiment

Has met several times with management and been impressed with operational competency but concerned by lack of clarity into core business and strategy, particularly in emerging markets, which he sees as a primary growth driver for the business in the next 18-24 months. Also expressed concern at timing of recent acquisitions given market downturn, although acknowledging that the inherent synergies in Acquisition 1 will benefit the company in the medium term.

Investment Triggers

Is not overly concerned by the recent fluctuations in share price and environment of uncertainty in the industry, but feels that Peer 2 is better placed to "ride out the storm" with a stronger balance sheet and more transparency into strategy. Wants to 'wait and see' but expects consistent performance against targets from Client to stimulate investment.

AGENDA –

Investor relations consulting helps clients set and achieve goals

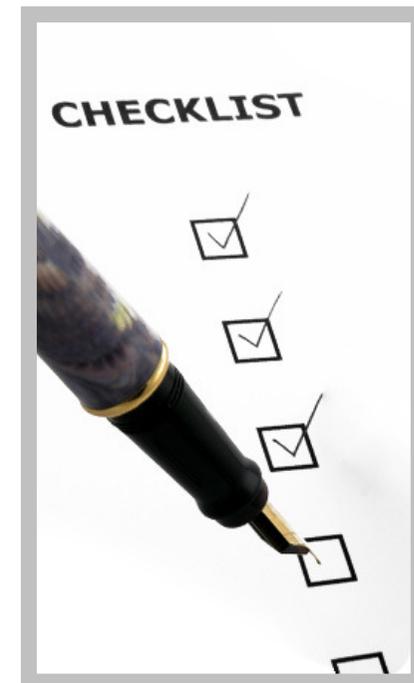
- **Goal Setting**
 - Management appreciates the benefits of time invested
 - Roles of advisors are more transparent and aligned
 - Strengthens investors' confidence in management's commitment to value
- **Strategic Planning – Understanding your Universe of Investors**
 - Focuses efforts to maximises return
 - Provides clarity on Capital Markets 'cause & effect'
- **Message Development**
 - Delivers modular investment story
 - Strengthens communications across all financial materials and mediums, including, group events, conference calls, webcasts...

Competing for investment dollars



What investors want to know – a checklist

- **Where are you now?**
- **Where is the business going?**
- **How will you get there? ... and when?**
- **What are the risks/competitive landscape?**
- **How can I benchmark progress (KPI's)**
- **Why is this company better than its peers?**
- **Can I trust management?**

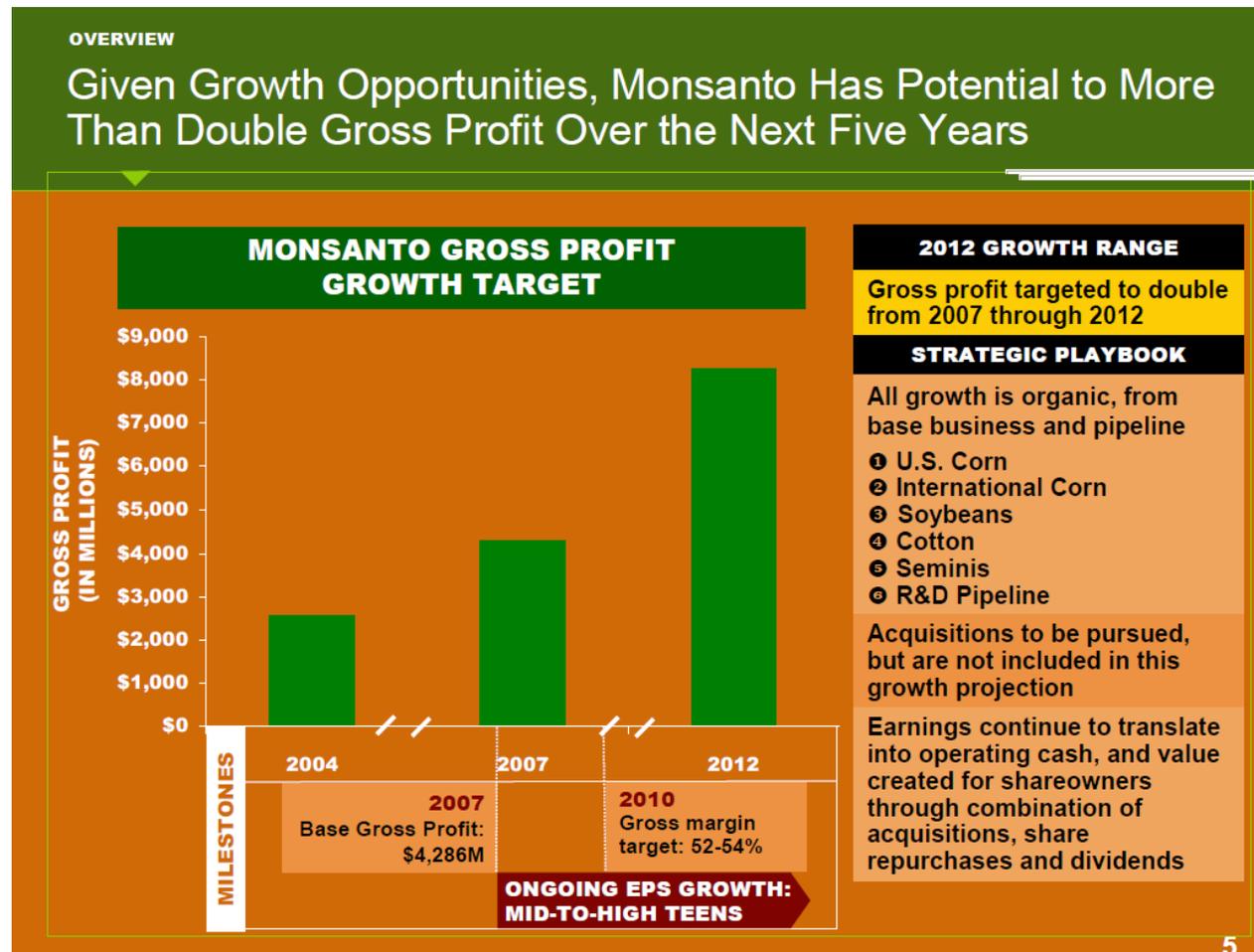


Equity Story Presentation

- **Management introductions**
- **Products – geographic presence**
- **Market information – site – players – growth profile**
- **Strategy/Business model**
- **Case studies – customers**
- **Easy to follow financial highlights**
- **Guidance/outlook**
- **Conclusion “investment highlights”**



Strategy/Growth



Products

Fiat Group Automobiles

Alfa Romeo: Product Range Plenty of News

FIAT
GROUP

2008



Junior

- ▶ Innovative concept of 3-door sporty compact car
- ▶ Launch in Q2
- ▶ Length ~4mtr
- ▶ Price from €16k

2009



Future C Segment

- ▶ Sporty 5-door hatchback
- ▶ Length ~4.3mtr
- ▶ Price from €28k



8C Spider

- ▶ Soft top 2-seater
- ▶ 4.7 V8 engine 450hp

2010



C Crossover

- ▶ 5-door sporty crossover, in between SUV and coupe
- ▶ Length ~4.6mtr
- ▶ Price €28-45k



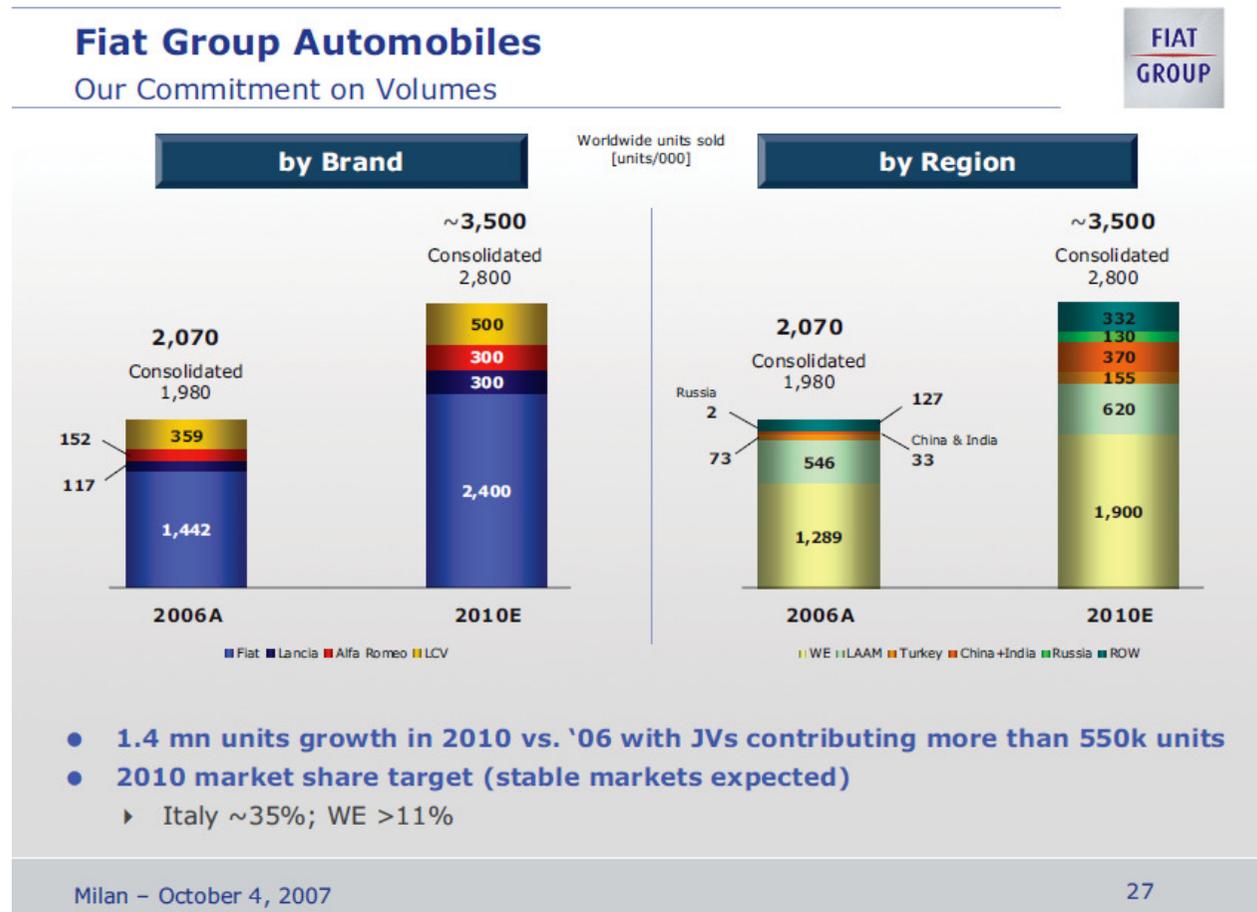
169

- ▶ 4-door sporty sedan
- ▶ Length >4.9mtr
- ▶ Price €40-55k

Milan – October 4, 2007

25

Products & Geographic Presence

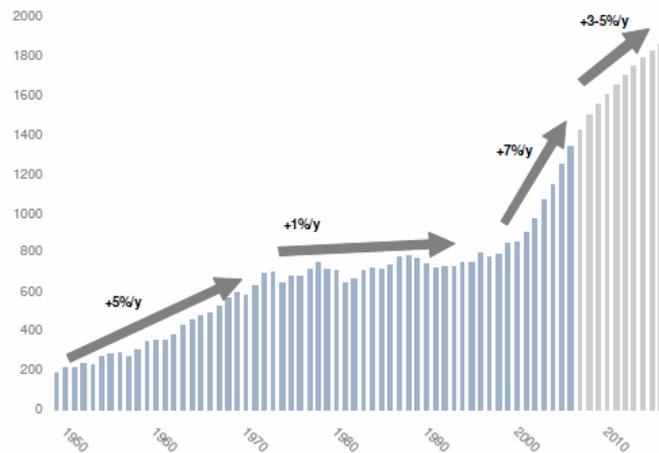


Market Scenario

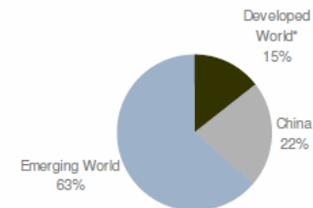
A growth ambition supported by market dynamic



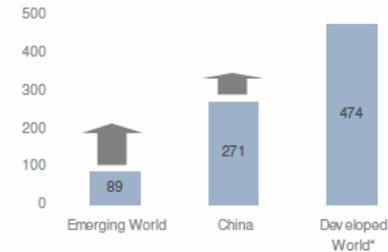
World steel apparent demand from 1950 to 2006
– millions of tonnes



Breakdown of world population



Steel consumption per capita in 2006 (kg)



Demand expected to grow by 3 to 5% over the next decade

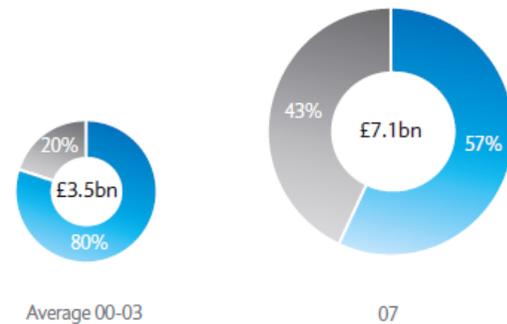
* Developed world includes US, Canada, EU15, Japan and Korea
Source IISI

Strategy – Business Model

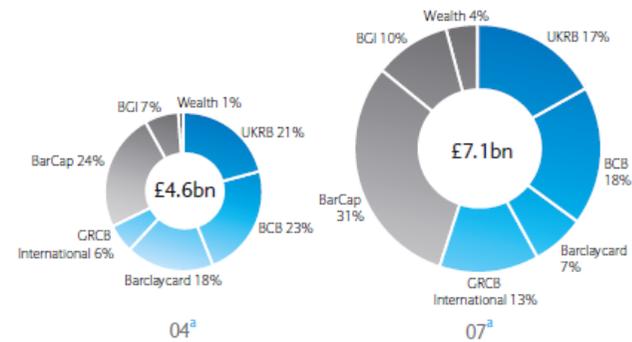


Executing on this strategy is reshaping Barclays from a UK clearing bank into a diversified global universal bank

Profit diversification by geography



Profit diversification by business unit



^a Head Office functions and other operations segment has been excluded.

Strategy: Outlook

2008: reaffirming guidance

(\$ in billions – except EPS)	2008 outlook	
Revenues	~\$195	~10-15%
EPS	~\$2.42+	~10%+
CFOA	~\$23-26	~10% Industrial
ROTC	~20%	+100 bps.

		December guidance '08F segment profit	1Q keys
1	Sustain growth in Infrastructure	40% 15-20%	+ Capitalize on strong backlog + Deliver margin expansion
2	Manage transition in Financial Services	35% ~5	- U.S. consumer/lower gains + Add assets at high margins + Global growth
3	Turnaround Healthcare	10% ~10	- Manage DRA + Drive global growth + Get OEC operating/shipping
4	Sustain NBCU momentum	10% ~10	+ Solid momentum on all fronts
5	Grow Industrial	5% ~10	- Appliance market tougher + Enterprise Solutions strong ... global



Strategy: Progress update

2004-10 Group Financial Targets

FIAT
GROUP

	2004	2005	2006	2007	2008	2009	2010
Group Revenues		~€47bn	← 2005-10 CAGR 7.6% →				~€67bn
Group Trading Profit/Margin	Group break-even ✓	2% trading margin ✓	Trading profit of ~€1.85bn ✓	€2.5-2.7bn 4.5%-5.1%	€3.4-3.6bn 5.9%-6.5%	€4.3-4.5bn 6.7%-7.3%	~€5.0bn 7.2%-7.8%
Group Net Income	€1.6bn net loss ✓	Net income of €1.4bn due to unusual items ✓	Net income of ~€800mn ✓	€1.6-1.8bn EPS €1.25/1.40	€2.4-2.6bn EPS €1.90/2.00	€2.9-3.1bn EPS €2.30/2.40	€3.4-3.6bn EPS €2.65/2.80
Group Net Industrial Debt (a)	1.92:1 net debt to Group equity ✓	0.34:1 net debt to Group equity ✓	Net industrial debt at ~€2.0bn ✓	~0.6bn d)	Nearly debt free	Net cash €0.7-1.0bn	Net cash ~€3.0bn
Group Cash Flow (b)	Neg. cash flow before exceptionals significantly reduced ✓	Net ind. cash flow of €3.4bn due to unusuals(c) ✓	Net Industrial Cash flow of ~€1.2bn ✓	(a) Assuming dividend payout at a rate of 25% of annual net income (~€2.0bn over period 2007-10) (b) Cash Flow from operations (c) Incl. Italenergia Bis: €1.8 bn; Real estate: €0.2 bn; GM settlement net of assumed Powertrain debt: €1.1 bn (d) Excluding the impact of additional share buy-back in H2 '07			

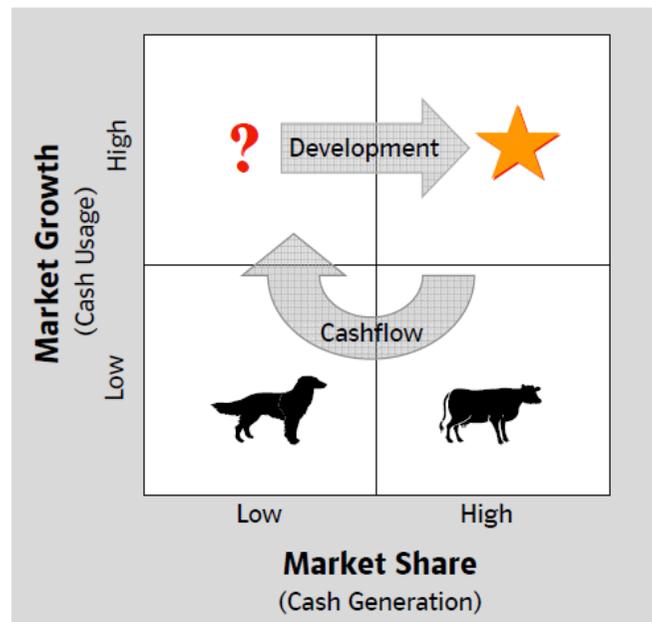
Milan – October 4, 2007

39

Negative example

e.on

Value creation requires international growth



- Despite excellent market positions, growth in E.ON's traditional markets is limited
- E.ON needs to invest more in growth segments and improve its competitive position
- In parallel, E.ON needs to review its portfolio for assets that are more valuable to other parties

3

Taylor Rafferty Associates

New York 48 Wall Street, New York, New York, 10005, USA Tel 212 889 4350 Fax 212 683 2614

London 34th floor, CityPoint, 1 Ropemaker Street, EC9Y 9HT Tel +44 (0)20 7614 2900 Fax +44 (0)20 7614 2901

Tokyo Shiroshima Trust Tower 16F, 4-3-1 Toranomon, Minato-ku, Tokyo 105-6016, Japan Tel +81 3 5403 4835 Fax +81 3 5403 4717

Hong Kong 3213 Cosco Tower, 183 Queen's Road Central, Hong Kong Tel +852 3196 3712 Fax +852 2834 5109

Web taylor-rafferty.com

TaylorRafferty

Research & Analysis

© 2009 Taylor Rafferty, LLC