

NIRI ANNUAL REPORT 2008



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Definition of Investor Relations

Investor relations is a strategic management responsibility that integrates finance, communication, marketing and securities law compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation.

About National Investor Relations Institute (NIRI)

Founded in 1969, NIRI is the professional association of corporate officers and investor relations consultants responsible for communication among corporate management, shareholders, securities analysts and other financial community constituents. The largest professional investor relations association in the world, NIRI's more than 4,000 members represent 2,000 publicly held companies and \$5.4 trillion in stock market capitalization. For more information, please visit www.niri.org.

Mission

NIRI is dedicated to advancing the practice of investor relations and the professional competency and stature of its members.

Letter from the Chair

NIRI Members,

NIRI has made great strides over the past year, and I'm happy to report that while the organization faces the same economic challenges that we all face, NIRI is addressing them from a position of strength. The NIRI Board and staff take seriously our responsibility as stewards of your membership dues as we look to provide maximum value for your NIRI investment. With this in mind, I would like to review some of my key NIRI priorities.

At the beginning of my term as NIRI Chair in March 2008, I identified a number of key focus areas: providing a high level of board support for our then-new CEO Jeff Morgan and his staff, continuing to enhance local chapter programs, and bringing NIRI "back to the table" in Washington.



Regarding support of the NIRI staff, your board is highly engaged with Jeff and the staff. Although actions around this priority may not be visible to members, one example you may be aware of is our new NIRI Board Emerging Issues Committee. This committee was developed in response to our members' expressed desire for more "early warning" on relevant new issues, trends, and regulations. This new board committee is working closely with staff to keep you current through newly created *IR Advisor* publications, member benefit webinars and revisions to NIRI's Standards of Practice for Investor Relations.

Another priority is our commitment to continuing the high level of chapter support that the board established under previous NIRI Chair Matthew Stroud. I agree with Matthew that one of NIRI's greatest strengths is our chapters — more than 90% of you are members of a chapter. Beyond the regular NIRI staff attendance of chapter meetings, Jeff and I hold quarterly chapter officer conference calls after each national board meeting to give chapter leadership a direct voice as well to keep them plugged in. We also developed the new NIRI Board/Chapter Liaison Program as another way of ensuring two-way communication between chapter leaders and the board. Through this program, each national board member communicates with and visits several chapters. Another new initiative was our fall NIRI Board/Chapter Leader strategic planning session to help chart our future direction.

My last priority is to increase NIRI's advocacy efforts on behalf of members, another priority directly responsive to your interest. NIRI CEO Jeff Morgan joined us in early 2008, bringing financial services association executive experience as well as a firm grounding in Washington advocacy. I couldn't be happier with Jeff's accomplishments in bringing NIRI back to the regulatory table. Please read his regular *IR Weekly* columns and *IR Update* President's Notes to get a sense of just how far we've come over the last year. We look forward to Jeff continuing to bring the voice of the IRO into the mix as the Obama Administration and Congress effect financial regulatory reform in 2009.

As you may know, the NIRI Board of Directors approved a change this year to better align its calendar with the NIRI calendar year budget. The practical effect is that the current board's term has been lengthened several months and will now end in December. I speak for the full board in saying that we look forward to continuing to serve you in the coming months as we work together to deliver the greatest possible value for your NIRI investment.

Sincerely,



Bina Thompson
NIRI Chair and
Vice President, Investor Relations
Colgate-Palmolive Company

Letter from the President and CEO

NIRI Members,

In communicating with your fellow members around the country in chapter visits, phone calls, and e-mails, there is one common theme — the economic downturn. It's also a discussion point among my association colleagues and with the NIRI Board. Just as your companies are addressing the financial situation, the NIRI staff and board are focused on the recession and its impact on NIRI's operations and member value.

While the long-term impact of the downturn is unknown, we can be certain that investor relations will evolve. IR will change in concert with regulation and capital markets to create new methods of interaction between investors and issuers. As the premier IR professional organization, NIRI must continue to be the leader, shaping the future through advocacy, information, professional practices, education and community. We will continue to provide clear value to our members and build a bridge of opportunity to the future.



2008 was a good year for NIRI, with a successful conference and a marked increase in communication, relevant information, and new advocacy measures. I am also pleased that NIRI remains in a position of financial strength. Our independent auditor's report again confirms that NIRI continues to operate in a sound financial manner. NIRI ended 2008 with a gain from operations of approximately \$68,000, but experienced an overall loss of about \$515,000 due to realized and unrealized losses in the investment portfolio. Although the portfolio was down about 13% for the year, the reduction was relatively contained (compared to a loss in the S&P 500 of about 35% plus for example), due to a prudent investment policy. In reviewing our plan for 2009, the

board agreed to make use of NIRI reserves to enable us to continue to deliver the increased value that NIRI members are now accustomed to. Let me assure you that our budgeting for 2009 was very mindful of the current economic situation, and that the NIRI staff continues to monitor all expenses and to align with forecasted revenues as necessary in the same way many of your organizations have done.

It is in times like these that members need NIRI the most. IR can be a lonely profession, and NIRI provides support through chapters and networks that members build over time at events like the Annual Conference. Members seek out the professional development, information and research NIRI provides, such as our member benefit webinars, and our recent study into the effects of the downturn on the practice of IR. Members benefit from NIRI's advocacy efforts on behalf of the profession, leveraging the more than \$5 trillion in member combined market cap to bring the voice of IR to the regulatory table in Washington.

Members can count on NIRI's support through the Career Transition Program, which temporarily suspends membership dues for those between jobs. NIRI is also providing scholarships to the 2009 Annual Conference, as well as special member one-on-one sessions with executive recruiters. NIRI chapters are supporting members too, by lowering the cost of some of their functions, and dipping into their reserves to help their own members get the most from NIRI.

Thank you for your continued support — it is through the efforts of all of you that NIRI continues to grow and deliver member value through the good times as well as the challenging times. I want you to know that NIRI is here for you. Please don't hesitate to let me or any of the NIRI staff know if we can assist you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Morgan". The signature is fluid and cursive, written over a light-colored background.

Jeffrey D. Morgan, CAE
President and CEO
National Investor Relations Institute

Recent Enhancements to the Value of NIRI Membership

■ Increased advocacy and information

- NIRI gives you a voice in regulatory matters that impact you as a member of an organization representing \$5.4 trillion in market capitalization.
- The **Emerging Issues Committee** of the NIRI board proactively identifies and provides information on emerging issues, trends, and regulations critical to the membership.
- Enhanced and increased frequency of NIRI *Executive Alerts*.

■ New and enhanced members-only publications and communications

- The new *IR Advisor* provides executive briefings to support your understanding of key developing issues.
- You'll find new focus and direction in the monthly *IR Update* newsletter with a new editor and editorial advisory board.
- The *IR Weekly* electronic newsletter re-launched in June 2008, providing even more timely updates and regulatory content culled from nearly 11,000 information resources.

■ New surveys, including the **Surveillance Services Buyer's Guide Survey** and the **2008 Compensation Survey** with an online Compensation Wizard that allows members to filter the survey data to create their own specialized reports. **Annual Earnings Guidance Survey** and others are in progress.

■ Additional opportunities for senior members

- The **Senior Roundtable** has expanded the membership cap to provide interaction for an even larger number of members.
- Additional **Annual Conference** content, including special invitation-only events.
- The all-new *IR Executive Forums* have created an intimate setting for dialogue and idea exchange for seasoned IR professionals.

■ More specialized networking opportunities

- **Industry roundtables** include banking, biopharma, semiconductor — and the list is growing with more expansion planned in 2009.
- The **Annual Conference** now includes hot topic discussion groups so members can discuss the subjects most important to them.
- More seminars offer a wider variety of networking and learning options.
- New in 2008: **Effective IR in Contemporary Capital Markets** provided an updated and comprehensive understanding of today's capital markets for IROs and consultants.

■ New member programs and services in 2008

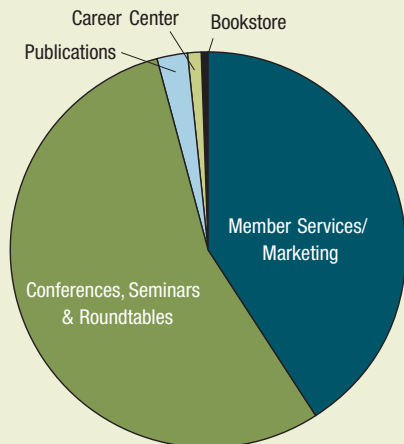
- An expanded **NIRI Career Center** Web page now provides even more resources and information for members. This includes the **Career Transition Program**, which assists members who become unemployed.
- A new **Errors & Omissions Insurance Program** for Consultant members has been established based on feedback and requests from the consultant/counselor community.
- Member savings on relevant publications, including *PR Week* and *Compliance Week*.

Statement of Revenues and Expenses

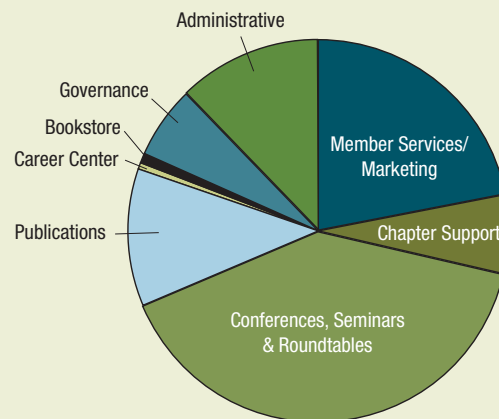
Years ended December 31, 2008 and 2007

	2008	Unrestricted	2007
REVENUES			
Membership dues	\$ 1,830,422		\$2,011,641
Conference and seminar fees	2,576,609		2,573,004
Publications and member services	192,136		261,988
Interest and investment income	(391,229)		282,022
TOTAL REVENUES	4,207,938		5,128,655
EXPENSES			
Conference and seminar expenses	1,720,633		1,726,721
Publications and member services	2,129,754		2,026,864
Administrative expenses	872,259		857,518
TOTAL EXPENSES	4,722,646		4,611,103
CHANGE IN NET ASSETS	(514,708)		517,552
NET ASSETS, BEGINNING OF YEAR	5,033,777		4,516,225
NET ASSETS, END OF YEAR	\$ 4,519,069		\$ 5,033,777

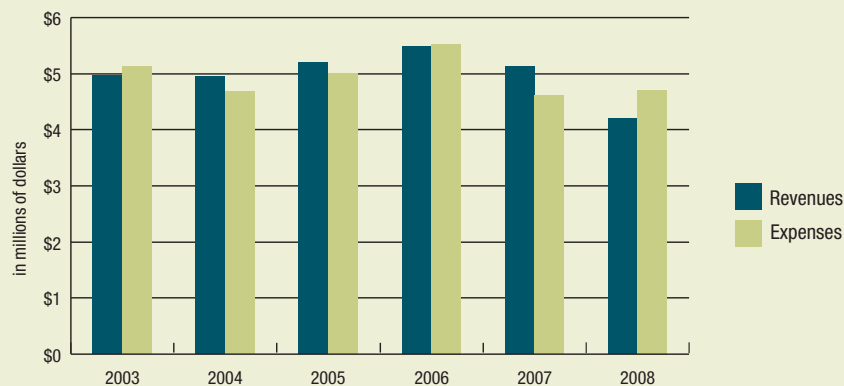
2008 Budget Revenues



2008 Budget Expenses



Operating Revenue and Expense Trend



Balance Sheet

December 31, 2008 and 2007

ASSETS	2008	2007
CURRENT ASSETS		
Cash and cash equivalents	\$ 562,885	\$ 3,533,244
Short-term investments	500,000	1,175,825
Accounts receivable	17,596	29,027
Inventory	8,227	6,052
Prepaid expenses	103,045	90,880
TOTAL CURRENT ASSETS	1,191,753	4,835,028
PROPERTY AND EQUIPMENT		
Office furniture and equipment	270,403	237,884
Accumulated depreciation	204,462	185,138
NET PROPERTY AND EQUIPMENT	65,941	52,746
OTHER ASSETS		
Due from NIRI		
Education Foundation	19,902	19,902
Software & database development in progress	198,889	9,520
Long-term investments	3,652,969	833,233
Trademark	35	35
Deposits	32,970	32,970
TOTAL OTHER ASSETS	3,904,765	895,660
TOTAL ASSETS	\$ 5,162,459	\$ 5,783,434
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 90,326	\$ 40,458
Due to affiliated chapters	33,625	76,660
Accrued expenses	252,754	394,884
Deferred income	266,685	237,655
TOTAL CURRENT LIABILITIES	643,390	749,657
NET ASSETS		
Unrestricted	4,519,069	5,033,777
TOTAL LIABILITIES AND NET ASSETS	\$ 5,162,459	\$ 5,783,434

NIRI 2009 Board of Directors

Chair
Bina Thompson
Vice President, Investor Relations
Colgate-Palmolive Company
New York, NY

K. Blair Christie
Senior Vice President, Corporate
Communications and IR
Cisco Systems, Inc.
San Jose, CA

Derek Cole
Vice President, Investor Relations
and Corporate Communications
ARCA biopharma, Inc.
Broomfield, CO

Sally Curley
Senior Vice President,
Investor Relations
Cardinal Health, Inc.
Dublin, OH

Don De Laria
Vice President, Investor Relations
Regal Entertainment Group
Knoxville, TN

Carol DiRaimo
Vice President of Investor Relations
and Corporate Communications
Jack in the Box, Inc.
San Diego, CA

Jeff Galow
Vice President, Investor Relations
Quanex Building Products
Corporation
Houston, TX

Barbara Gasper
Group Executive, Investor Relations
MasterCard Incorporated
Purchase, NY

Jenny Kobin
Vice President, Investor Relations
and Corporate Communications
Inspire Pharmaceuticals, Inc.
Durham, NC

Catherine Mathis
Senior Vice President, Corporate
Communications
The New York Times Company
New York, NY

Nicole McIntosh
Director of Investor Relations
Waddell & Reed Financial, Inc.
Overland Park, KS

Jeffrey Morgan
President and CEO
National Investor Relations Institute
Vienna, VA

David Prichard
Vice President, Investor Relations
and Corporate Communications
Corn Products International, Inc.
Westchester, IL

Elizabeth Saunders
Managing Director
FD Ashton Partners
Chicago, IL

Douglas Wilburne, CFA
Vice President, Investor Relations
Textron Inc.
Providence, RI

Bradley Wilks
Chicago CEO and Managing Director
Sard Verbinen & Co.
Chicago, IL

Mona Zeehandelaar
Principal Investor Relations
Towers Perrin
Philadelphia, PA

CIRI Representative
Tom Enright
President and CEO
Canadian Investor Relations
Institute
Mississauga, Ontario, Canada



National Investor Relations Institute

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