

## NIRI ISSUES 2006 SURVEY RESULTS ON EARNINGS GUIDANCE PRACTICES

The National Investor Relations Institute (NIRI) surveyed 654 corporate members on current earnings guidance practices. NIRI found a shift from quarterly guidance to annual guidance as compared with March 2005 results, as well as identified continuing changes in the types of information supplied by companies that provide guidance.

### **Notable Findings:**

- 95% of companies say that providing some form of financial guidance contributes to better communication between the company and the investment community
- 86% of respondents say they are not considering dropping earnings guidance, which increased from 64% in 2005

### **NIRI Survey Summary of Results Compared to Last Year:**

Percent of Companies	Description	Result	Mar-05	Mar-06
•	Providing Earnings Guidance	Decline	71%	66%
•	Providing Revenue Guidance	Decline	60%	56%
•	Furnishing Annual Earnings Guidance	Increase	61%	82%
•	Providing Quarterly Earnings Guidance	Decline	61%	52%
•	Providing Only Annual Earnings Guidance	Increase	28%	43%
•	Providing Only Quarterly Earnings Guidance	Decline	28%	13%
•	Providing Qualitative Statements About Market Conditions	N/A	N/A	77%

Data also demonstrated the following (Respondents could check more than one option):

- 92% of companies providing guidance update guidance to reflect a material change
- 87% use a quarterly news release to deliver guidance
- 62% use a fully accessible conference call to deliver guidance
- 49% furnish guidance in a Form 8-K filing

### **Surveyed Company Demographics**

#### 1. Company market cap sizes:

- 3% Under \$100M
- 13% \$100 - \$500M
- 23% \$500 - \$1.5B
- 60% \$1.5 and over

#### 2. Company exchanges:

- 62% NYSE
- 33% Nasdaq
- 2% AMEX
- 3% Other

#### 3. Number of sell-side analysts covering the companies:

- 2% None
- 12% 1 – 3
- 16% 4 – 6
- 21% 7 – 10
- 50% 11 and more

## Guidance Context

### 4. Revenue guidance context - a range or point estimate:

- 4% A revenue point estimate
- 37% A revenue range
- 13% Quarterly revenue guidance
- 29% Annual revenue guidance
- 16% Both quarterly and annual revenue guidance
- 44% No, does not provide guidance

66% of respondents provided earnings guidance in either a range of EPS, an EPS point estimate and/or an earnings model. Details of types of earnings guidance provided follow:

### 5. Type of disclosure:

- 5% An earnings per share point estimate
- 83% A range of earnings per share
- 7% An earnings model

### 6. Timing of types of earnings guidance provided:

- 13% Quarterly only
- 43% Annually only
- 39% Both
- 1% Mid-quarter update
- 4% As needed

If you would like a complete copy of the survey, please let us know.

### **About the Survey**

This survey, which was launched on March 23, 2006 and closed on March 31, 2006, was sent to 3,143 NIRI corporate members. Please note that the 654 respondents closely reflect NIRI's corporate membership profile. The survey was conducted via Zoomerang, an online survey tool owned by MarketTools, Inc.

### **About The National Investor Relations Institute (NIRI)**

NIRI is the professional association of corporate officers and investor relations consultants responsible for communications among corporate management, shareholders, security analysts and other financial publics. NIRI's 4,200 members represent over 2,100 publicly held companies in the United States.