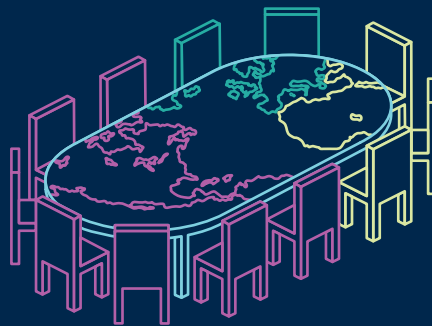


Global Board Index™



2008

Business today is inescapably interconnected and global. Companies that don't apply that lesson to the composition of their boards will be increasingly at a competitive disadvantage.

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Introduction:

Building Boards that are an Asset to Global Companies

As the role of boards has evolved over the past couple of decades, their composition has changed accordingly. In times past, when serving on a board was akin to being a member of an exclusive club, boards had few defined responsibilities, and fewer demands and expectations were placed upon them.

Fast forward to a few high-profile corporate crises in the mid-'90s and the heated questions: Where was the Board? Why did they not see this coming and take action to protect the shareholders? In addition to the outside pressure exerted on boards, which resulted in greater regulations and overall scrutiny, an epiphany came from within: assembling the right assortment of skills and experience in directors around the boardroom table – one geared to complementing a company's strategy – could prove a valuable resource.

Particularly in companies where international business plays a significant and growing role, international directors are an important part of this director recruitment equation. This wider view of the input required for board conversations and deliberations, including input from a range of customers and markets – diversity writ large – is not just good politics, it is good business. In fact, our survey of S&P 500 companies makes a clear business case for the importance of international directors on boards.

Consider the following data from our top-line findings:

- Among the S&P 500 companies in our *Global Board Index*, 76% disclosed international revenues in their latest fiscal year.
- International revenues represent an average of 36.9% of total revenues and are growing at almost twice the rate of overall revenue in the past three years (24.6% vs. 13.5%).
- Less than half of these companies comprising the S&P 500 index have foreign nationals serving on their boards.
- Increased international representation on boards seems to correlate positively with increased international revenues: over the past three years, S&P 500 companies where foreign nationals represent 30% or more of the board performed better, on average, than the overall S&P 500 on key financial metrics. While we are still exploring the causal links, this finding is intriguing.

Today, most large companies have significant global businesses and even larger global aspirations. Companies that established a foothold in non-U.S. markets a generation or more ago have made greater investments in what are increasingly local operations, rather than those run from afar by the CEO and a few senior executives. Moreover, these newer markets are key to steady long-term growth.

It appears, however, that the boards of these companies are not keeping pace with global expansion. This is a problem when it comes to avoiding pitfalls in foreign markets as well as leveraging opportunities. Directors with deep, insider knowledge of these markets can act as a source of key intelligence and guidance, enhancing the odds of success.

There is a compelling argument to be made for greater international representation on boards. But, if that is the case, why aren't boards doing more to close the gap between their global aspirations and the international directors who represent such an apparent advantage? The answer is that while these directors can provide great value to boards and their companies, identifying and attracting them is a difficult and daunting process. It can be done, but success requires a global mindset and a proven process.

Based on anecdotal evidence from our client work and broader observations about global companies and their boards, we have long believed that global boards can be a valuable resource to companies pursuing a global strategy. We set out to quantify the current state of the "globalness" of boards of large companies, beyond what we experience day-to-day with our clients, and to determine if and how board composition links to business success.

The results of the study confirmed our belief that there is a gap between companies' global activity and longer-term plans, on the one hand, and the board resources that help to shape and guide that strategy, on the other. The troubling news is that this gap is large. The good news is that once companies are aware of the extent of the gap between their global strategy and their director resources, they can work toward closing it. In light of the positive correlation we are seeing between companies that perform better on key business metrics and those with international representation on their boards, we suspect many companies will take steps to ameliorate this deficit on their boards.

It is important to note that this survey represents a snapshot in time, specifically the summer of 2008. There have undoubtedly been changes since then that are not reflected in the data. We adhered to a rigorous methodology, where data on the S&P 500 companies included in the survey were gathered from publicly available sources. Data were then sent to individual companies for sign-off to ensure the accuracy of what we had collected. Despite the best practices we followed and our best efforts, we recognize that errors may occur. We are determined to produce work of the utmost quality, and we welcome any feedback that will contribute to our next *Global Board Index* report.

We hope you find the results of the Egon Zehnder International *Global Board Index* report thought provoking and of relevance to your company.

The Analysis

In this, our first Egon Zehnder International *Global Board Index*, we sound the call and make a case for the boards of U.S. companies to augment the international resources represented by their current team of directors. While we have undertaken a rigorous statistical analysis, which we present in detail in this report, the argument — which we believe is a compelling one — is quite simple:

- In an undeniably global marketplace, international revenue is a critically important and relatively rapidly growing stream of business for U.S. companies;
- Directors who serve as guides and key advisors are still overwhelmingly American: there is a gap between international revenue and global board resources;
- Boards need to include greater diversity of thought, perspective, and knowledge by including non-U.S. directors who will provide valuable insights as global markets become increasingly important;
- It is a challenge to recruit these directors, but the potential value they represent to boards, and to the increasingly global companies of which they are stewards, far outweighs the challenge.

We hope readers will keep this overarching story in mind as we delve more deeply into the data that support this case for action on the part of the board.

The Global Board Capabilities Gap

As globalization of the marketplace continues to accelerate, U.S. companies are increasingly looking abroad to find new sources of revenue. In fact, the S&P 500 companies we studied disclose that nearly one-third of their revenues are derived from international sources. And the trend shows no sign of abating; quite the reverse. A recent survey of executives found that three out of four companies plan to expand their operations beyond North America, and 71% believe that their companies' non-U.S. revenues will continue to experience growth.¹

But the growing emphasis on foreign markets is not necessarily reflected at the board level. Despite the growing importance of non-U.S. markets as sources of revenue, S&P 500 boards themselves have not been transformed to reflect this new reality. That is not to say that the composition of boards has remained static — it's just that the boards of the early twenty-first century remain predominantly bastions of American culture, outlook, and business practices, and they have not kept up with the evolving reality of a truly globalized business environment.

This gap in the global aspirations of the company versus the global capabilities on its board, represented by its international directors, should be a matter of concern. For one thing, companies — and the boards that serve as their stewards — must be positioned for success in an increasingly global business environment. We address this issue further in the thought pieces woven into this report that represent the perspectives of our firm on this crucial issue. And, interestingly, there appears to be a correlation between companies with international representation on their boards and better business performance. We also explore this thesis later on in our analysis.

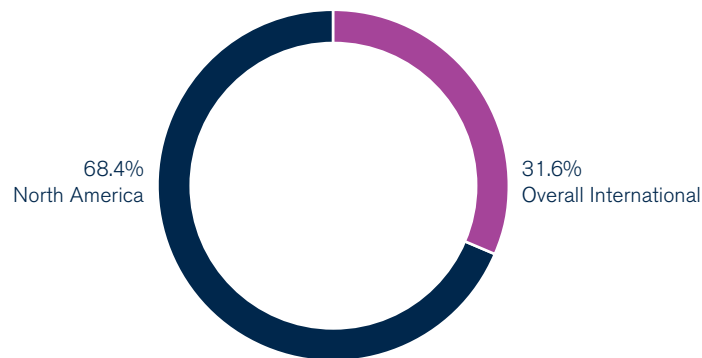
¹ "2008 Multinational Risk Survey," Chubb Group, <http://www.chubb.com/corporate/chubb8401.html> [accessed November 6, 2008].

Large American companies are increasingly global enterprises

As large, publicly listed American companies transform into increasingly global enterprises, shifting their focus to new markets for their products and services, the significance of non-U.S. revenues has risen dramatically.

Companies comprising the S&P 500 index are at the forefront of this shift to a more global outlook. In the latest fiscal year, for example, almost 76% of S&P 500 companies reported revenues originating outside the United States.² For these companies, over one-third (36.9%) of revenues originated abroad, while for the S&P 500 as a whole, international revenues accounted for 31.6% of total revenue.

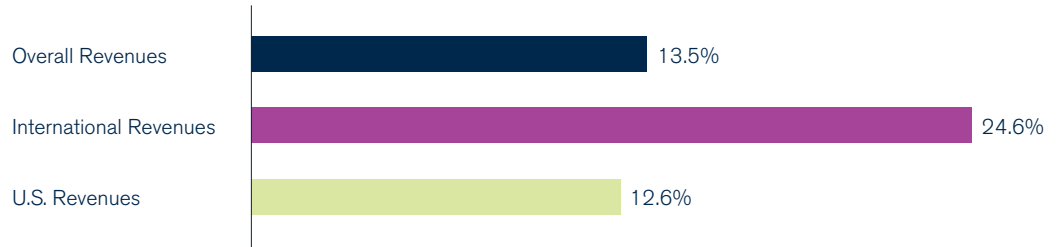
Percent of S&P 500 company revenues from international markets



The importance of international revenues is reflected in other ways, as well. For companies with non-U.S. sources of revenues, international revenues have grown by 24.6% annually over the last three fiscal years, compared to an overall revenue growth rate of 13.5% and a U.S. growth rate of 12.6%. At the same time, non-U.S. sources of income now represent a larger portion of overall S&P 500 revenue.

² Public companies generally disclose international revenues when they are considered material. The Financial Accounting Standards Board provision SFAS #131 encourages companies to provide disclosure concerning the geographic origin of revenues for "material" markets. It also allows "immaterial" countries to be classified together under "other foreign" or simply "other." While materiality is not formally defined, companies typically report geographic segments that are the source of at least 10% of total revenues.

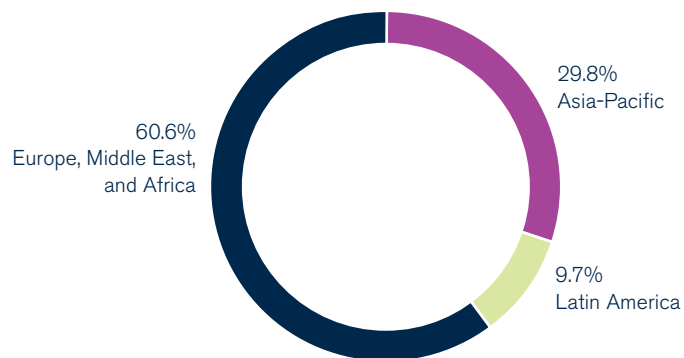
Average annual growth rates for S&P 500 companies (latest three years)



A number of markets are contributing to the growing stream of income from abroad. The EMEA region – Europe, Middle East, and Africa – takes the lead with almost 62.9% of companies (of those reporting international revenues) disclosing it as a source of income. Asia-Pacific (43.9%) and Latin America (20.8%) are other important contributors to non-U.S. revenues.

For companies that disclose the breakdown in international revenues, the EMEA region takes the lead at 60.6% of non-North American revenues, most of which is derived from Europe. The Asia-Pacific region contributes 29.8%, followed by Latin America at 9.7%. Canada is not included since many companies do not disclose revenues originating from the Canadian market separately from U.S. revenues.

Disclosed non-North American revenues by geography for S&P 500 companies



International revenues have grown by 24.6% annually over the last three fiscal years, compared to an overall revenue growth rate of 13.5% and a U.S. growth rate of 12.6%.

Slightly over one-quarter of S&P 500 companies have one foreign national on their board, and only 17% have two or more.

The global capabilities of U.S. boards remain limited

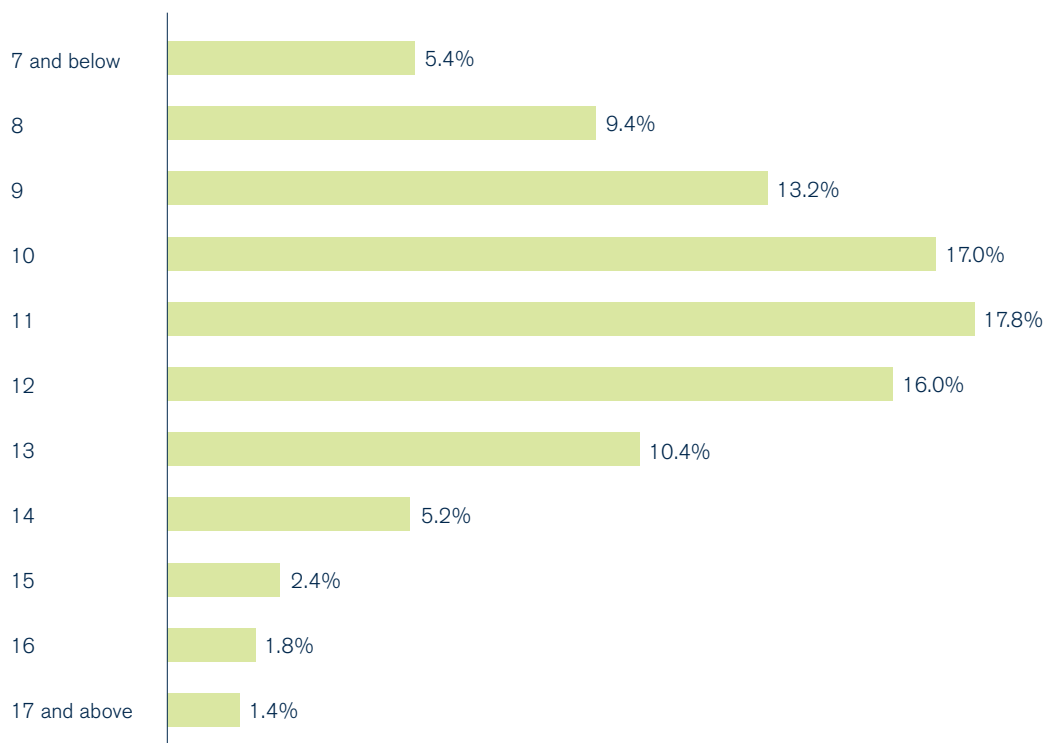
The growing importance of international revenues, however, is not fully reflected in the global capabilities of U.S. boards. In order to understand the international capabilities of S&P 500 company boards, we examined three dimensions of international board experience to determine the percentage of directors who:

- 1. Are foreign nationals (non-U.S. citizens)**
- 2. Have at least one international educational degree**
- 3. Have disclosed meaningful international work experience**

We gathered this information through an extensive review of publicly available information, including company financial disclosure documents, company websites, director biographies, and news articles (more information on our research process is included in the Methodology section). The results confirm that the global capabilities of U.S. public company boards remain quite limited.

Overall, 5,444 directors currently serve on S&P 500 company boards. The average company has 11 directors, with the smallest board comprising five members and the largest comprising 33 directors.

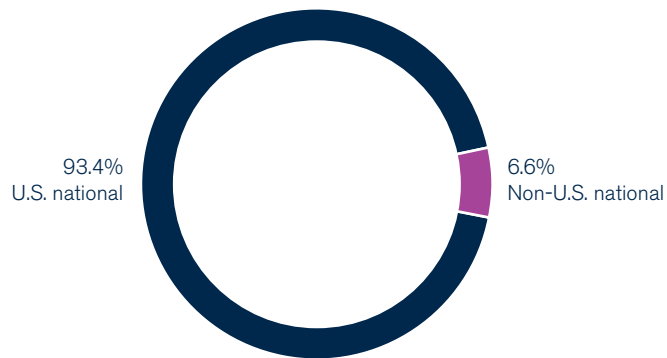
Number of directors on S&P 500 boards



Dimension 1: Foreign nationals

The vast majority of directors serving on these boards are U.S. citizens. Indeed, foreign nationals represent only 6.6% of S&P 500 directors, or 359 out of the 5,444 total directors. While this figure rises slightly to 8% for the 380 companies that disclosed non-U.S. revenues in their latest fiscal year, foreign nationals still represent fewer than one in 10 board members for companies with significant international revenues.

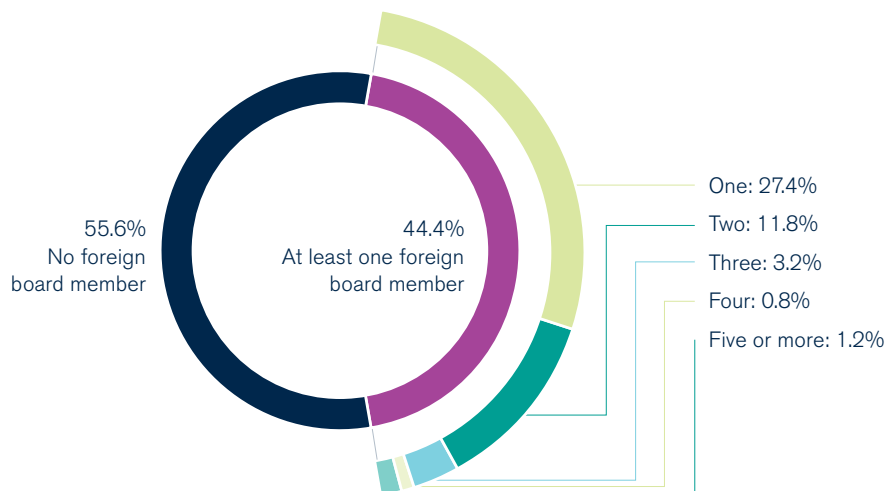
Percent of foreign nationals on S&P 500 company boards



Less than half of S&P 500 companies – only 44.4% – have foreign nationals serving on their boards. While slightly over one-quarter of companies have one non-U.S. director, only 17% of these companies have two or more foreign national board members. In fact, only one in 20 (5.2%) S&P 500 companies have three or more foreign board members.

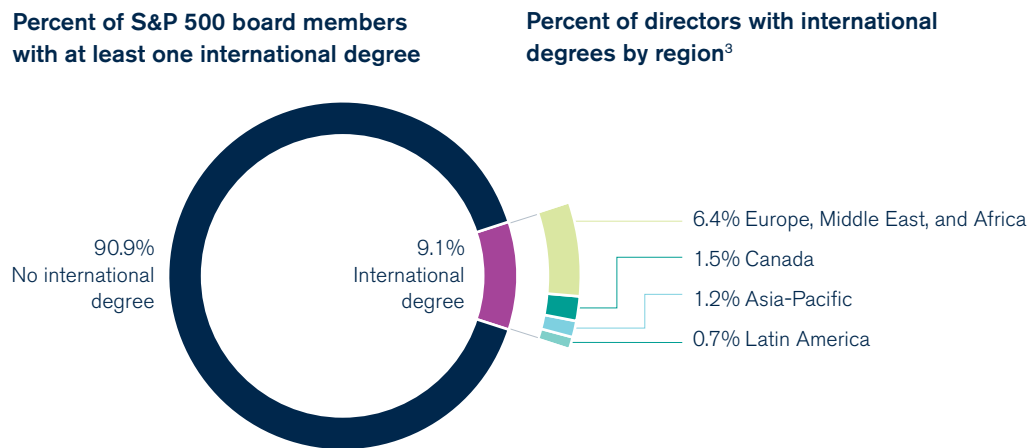
Percent of S&P 500 companies with at least one foreign national board member

Percent of S&P 500 companies by number of foreign national board members



Dimension 2: International education

Our research also found boards lacking in the second dimension we defined for global board experience, international education. Fewer than one in 10 S&P 500 directors (9.1%), for instance, have obtained an undergraduate or graduate degree from a non-U.S. educational institution. Degrees from Europe, the Middle East, and Africa (again, primarily Europe) are the most common, held by 6.4% of S&P 500 directors. Only 1.5% of directors hold a degree from a Canadian educational institution, followed by 1.2% from Asia-Pacific universities and 0.7% from Latin American schools.



Dimension 3: International work experience

The global board capability picture improves slightly when taking into account meaningful international work experience, our third dimension for global board experience.⁴ Nearly 27% of S&P 500 directors have disclosed such international work experience.⁵ This means, however, that almost three-fourths of all board members do not have international employment experience. Europe represents by far the largest region for international work experience (18.6% of all directors have gained professional experience in the European market), with Asia a distant second (7.9% of all directors). Smaller percentages of directors have experience working in the Latin America, Middle East and Africa, and Australia-Pacific regions.

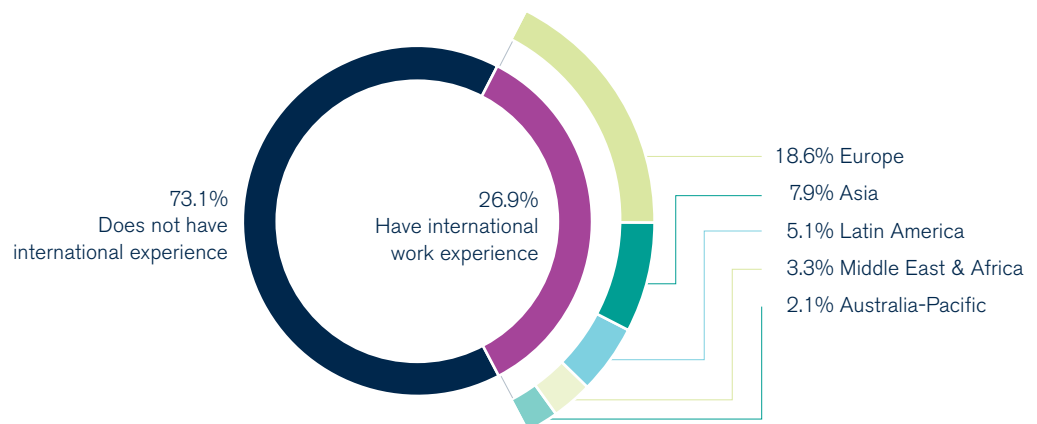
³ A small percentage of S&P 500 directors (approximately 0.6%) have multiple degrees from non-U.S. educational institutions. This fact is reflected in the regional breakdown portion of the international education chart that details the geographic origin of non-U.S. degrees.

⁴ Meaningful international employment experience refers to either work experience based in a non-U.S. market, or U.S.-based employment involving significant oversight of a particular aspect of a company's overseas operations.

⁵ Slightly over 10% of S&P 500 directors (553 directors out of a total of 5,444) have had work experience in more than one non-U.S. market. This fact is reflected in the regional breakdown portion of the international work experience chart that details the geographic origin of employment.

Percent of S&P 500 board members with international work experience

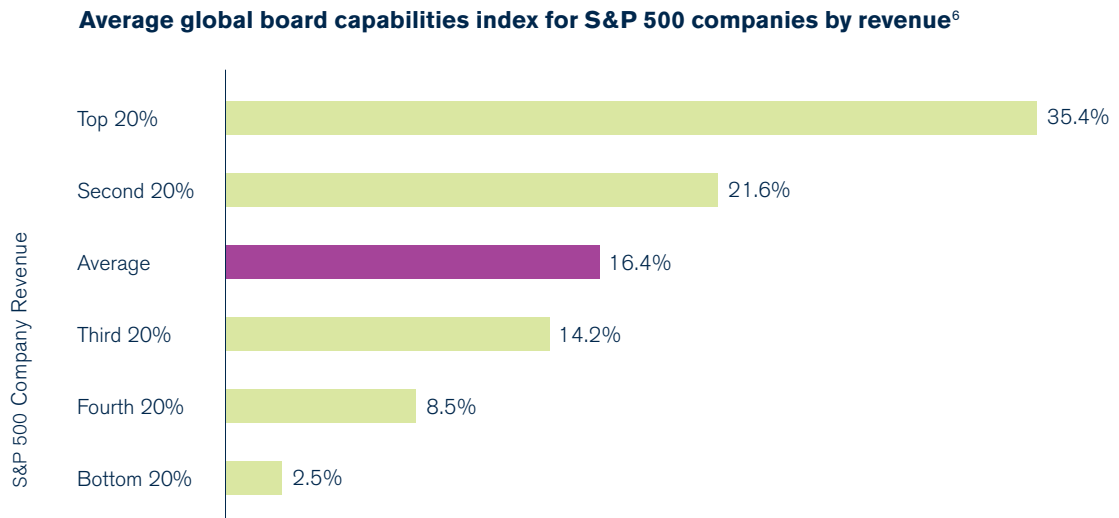
Percent of S&P 500 board members with international work experience by region



A significant gap exists between global board capabilities and market realities

A significant gap exists between the global capabilities of S&P 500 boards and the increasing importance of the international marketplace. In order to illustrate this disparity, we've created a simple method for estimating each board's overall global capabilities and the gap, if any, that exists between these capabilities and each company's international business.

We believe a board's global capabilities are determined primarily by the presence of foreign nationals and board members with significant international work experience. The **Global Board Capabilities Index** is calculated by taking a simple average of these two data points for each company: the percentage of foreign nationals serving on a given board and the percentage of directors with international work experience. In order to minimize subjectivity, we chose to weight each data point equally, rather than determine different degrees of importance for each. While we recognize that there are other valid ways of approaching the weighting and calculation of this Index, we believe our approach provides a simple yet effective solution for understanding each company's global board capabilities.



Based on the Study's results, the average S&P 500 company has a Global Board Capabilities Index score of 16.4%. In other words, the simple average of percentages of foreign directors and directors with meaningful international work experience is 16.4% for all S&P 500 companies. The range in Global Board Capabilities Index scores, however, is quite wide, with the top 20% of companies having an average Global Board Capabilities Index score of 35.4%, and the bottom 20% having a score of a mere 2.5%. In fact, 9.4% of S&P 500 companies have Global Board Capabilities Index scores of 0%, meaning we were unable to find any disclosure about foreign national directors or international work experience.

The **Global Board Capabilities Gap**, which is calculated by subtracting the percent of international revenues from each company's Global Board Capabilities Index score, provides a useful tool for understanding the relationship between global board capabilities and the relative importance of non-U.S. sources of revenue. For example, a negative Global Board Capabilities Gap indicates that a board's global capabilities are less than the relative importance of the company's international markets. In contrast, a positive Global Board Capabilities Gap suggests that a company has placed an emphasis on building up the global capabilities of its board in line with the importance of its non-U.S. sources of revenue. While the Global Board Capabilities Gap is not a perfect instrument, it provides a good indication of where each company's board is positioned relative to the importance of its international business.

⁶ The top 20% of S&P 500 companies had revenues of \$9.7 billion or more in their latest fiscal year; the second 20% had revenues ranging from \$5 billion to \$9.6 billion; the third 20% had revenues from \$2.2 billion to \$4.9 billion; the fourth 20% had revenues from \$1.2 billion to \$2.1 billion; and the bottom 20% had revenues of \$1.1 billion or less.

Comment

Is your board as global as your strategy? Why it really matters now.



George L. Davis
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New York

What a difference a few months make. We decided to undertake our *Global Board Index* survey long before the current economic crisis. But if we ever needed something to underscore and add an exclamation point to our long-held view of the necessity of a global board, we now have it. Our study confirms that the boards of large, public companies — the vast majority of which derive a significant percentage of their revenues from international markets — still have boards that are not nearly as global as their current business or aspirations. This deficit matters.

It's not just that business is increasingly global and that boards need directors with the background, experience, and knowledge in these markets they have targeted. While this all still holds true, there is now far greater urgency to getting the board right. It is the growing realization that everything is interrelated and interconnected, as we have witnessed most recently with the volatility in the financial markets. And the dramatic change we have been experiencing will likely alter many assumptions about doing business forever.

One lesson driven home by the current economic situation is that business today is inescapably global, and if more companies don't begin to recognize that reality and apply it to the composition of their boards, they may be left in the dust. As a global firm ourselves, for years Egon Zehnder

International has been sounding the call for aligning boards with a company's global strategy, and it has only made sense to ensure that important markets and customer segments are represented on the board.

There is now far greater awareness and pressure to ensuring that the board comprises the diverse views required to serve as a company's advisor and source of local intelligence around the world. We see dramatic current cases in point illustrating that geographic boundaries are increasingly meaningless when it comes to business. Change in one part of the globe creates ripple effects, consequences that are felt everywhere, and you are shortchanging your company's future if you are still only viewing the world through a U.S. lens. Without international directors on your board to expand your vision and provide essential input into discussion and decision making, you risk becoming myopic. And that means losing sight of the land mines as well as the opportunities ahead in the rapidly changing landscape of global business.

Determining what international resources you require on your board is part of a rigorous process that should be carefully tailored to your company and its unique strategy. The board should start by assessing the skills and experience of your current directors, then evaluating that talent against your current strategy. How does the board measure up? If there is a

significant gap, you are not alone, according to the companies we surveyed, as well as the anecdotal evidence we see every day in our work with clients. But boards that want to build the most capable resources possible, to enhance their competitive advantage in a fiercely competitive global marketplace, will focus on closing this gap by identifying and recruiting the international directors who are the best match for their board.

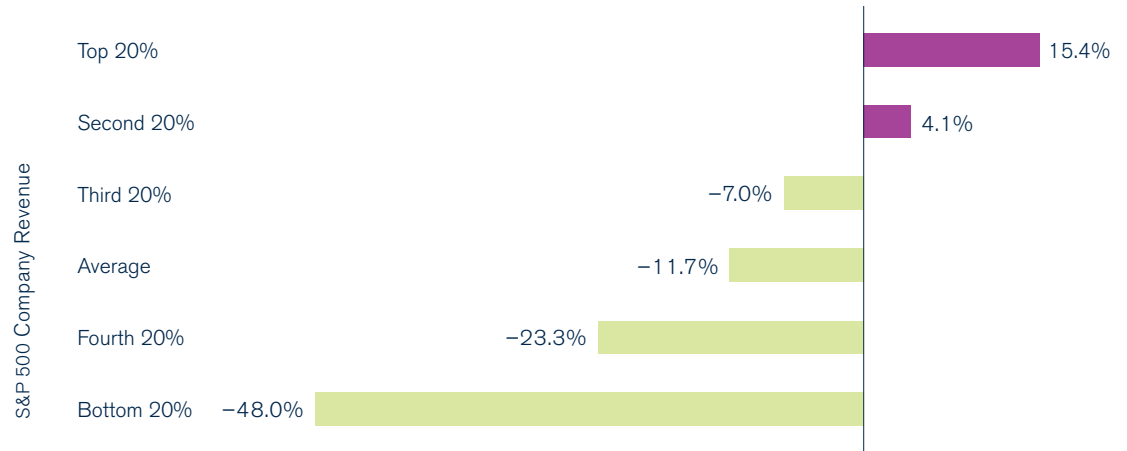
It's important to recognize that the very definition of what it means to have international representation on a board has evolved in recent years. It used to be sufficient to have a director representing a market of interest to a company who had been educated or done a work stint in that market. But we now realize that the true value of the international shade of diversity — or of any other shade — is the contribution to diversity of thinking on the board. That entails going beyond simple, surface criteria in director recruitment to identify directors with a global mindset, who can help the board expand its view of the world. And this global mindset is a result of having been steeped in a culture, rather than something acquired living as an expat or participating in a program at a foreign university. In fact, the international directors we analyze in our study appear to be a different breed of foreign national, with far deeper and wider international experience than their U.S. director counterparts. These are the sorts of directors who, while not easy to attract, add tremendous value.

But perhaps the most compelling argument for diversity, specifically in the case of international directors, is a quantifiable business reason: while we cannot yet pinpoint the causal links, there is a correlation between companies with international representation on their boards and better business performance. We tread carefully, until more research explains the “whys” and the “hows,” but we can observe that those S&P 500 companies where foreign nationals represent 30% or more of the board appear, on average, to have performed better on key business indicators over the past three years than the overall S&P 500.

Boards must seize the opportunity to build the team of directors required to confront the challenges, opportunities, and turbulent waters ahead. During the course of this process, boards should be brutally honest with themselves about the resources they have and what they will need to ensure the success of their global strategy. If various Asian markets, for example, are crucial to your strategy, don't assume that the Asian “base” on your board is covered because you have a director who spent two years working for a global company in Hong Kong. That experience won't necessarily count when it matters. You need on-the-ground, homegrown expertise in these markets, specialized to align with your strategy. And be careful to acknowledge distinctions among the many diverse Asian cultures: that experience in Hong Kong may not be all that useful if you are focusing on India.

Boards must position themselves for what promises to be a bumpy ride ahead. This is a time for some soul-searching, honest evaluations, and specific plans to realign key resources, like those on the board, to ensure that you are in fighting shape to compete. At its best and most effective, this is an “evergreen” process: repeated and refined on a regular basis, much like the strategy that serves as a backdrop.

Average global board capabilities gap by S&P 500 company revenue



The average S&P 500 company has a Global Board Capabilities Gap of -11.7%, meaning that their international revenues as a percent of total revenues are 11.7% greater than their Global Board Capabilities Index score. Only the top two tiers, representing 40% of S&P 500 companies, have average Global Board Capabilities Gaps that are positive. The lowest 20% of companies have a dismal Global Board Capabilities Gap of -48.0%, on average. These results display a tangible disconnect between the growing importance of international revenues and the failure of companies to build commensurate global board capabilities.

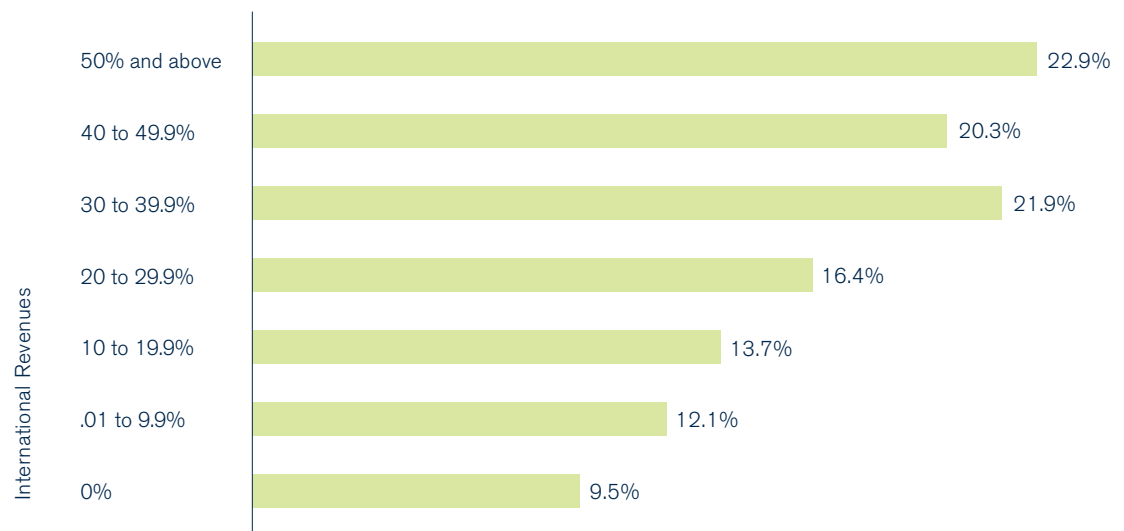
Global Board Capabilities Differences by International Revenues, Industry Sector, and Business Performance

The Global Board Capabilities Index and Gap are tools that can further distinguish important differences in the global capabilities of boards by the degree of internationalization, industry sector, company size, and business performance, and provide a simple mechanism for comparing global board capabilities with the importance of international markets. And there are significant differences in both Global Board Capabilities Index scores and Gaps based upon the importance of international revenues and the sector in which each company operates. Moreover, there appears to be some relationship between Global Board Capabilities and business performance, which we examine below.

Global capabilities and gaps both increase with international revenues

At a broad level, Global Board Capabilities Index scores and Gaps for the companies comprising the S&P 500 index show a positive relationship between global board capabilities, gaps, and the proportion of companies' non-U.S. revenues. This stands to reason: the greater the importance placed on a company's international revenues, the more pronounced the global capabilities of that company's board of directors. Indeed, companies that did not have material international revenues had an average Global Board Capabilities Index score of only 9.5%. In sharp contrast, companies with non-U.S. revenues that exceeded 50% of total revenue posted a score of 22.9%. On average, as the importance of international markets increases, companies tend to build boards with greater global capabilities.

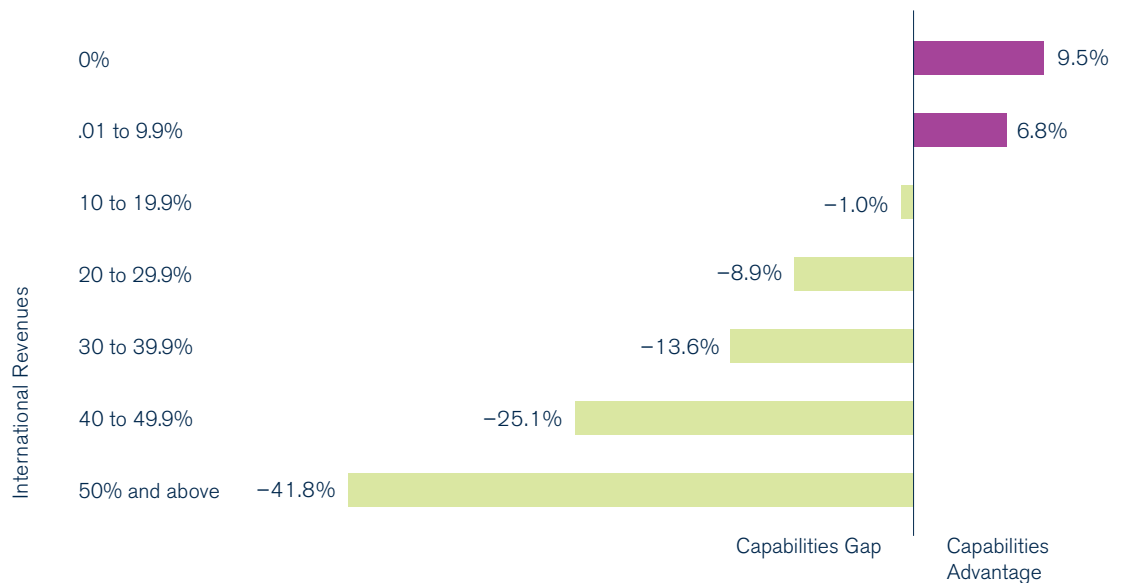
Global board capabilities index by percent of international revenues



Nevertheless, there still remains a salient disconnect – as measured by the Global Board Capabilities Gap – between the relative importance of non-U.S. revenues and the international capabilities of boards, especially for companies that have significant international revenues. Surprisingly, companies with the highest proportions of international revenue have the worst Global Board Capabilities Gaps. The tranche of companies with non-U.S. revenues of 50% and above, for example, posted a Global Board Capabilities Gap of –41.8%. These results indicate that even though non-U.S. income formed a crucial component of total revenue, the global focus of these companies has failed to keep pace and reflect this market reality.

At the same time, companies with little or no international revenues actually posted positive *Global Board Index* Gap scores on average. The likelihood that these companies are focused primarily, if not exclusively, on the domestic U.S. market contributed to this result, as many of these companies already have board members with some global capabilities.

Global board capabilities gap by percent of international revenue



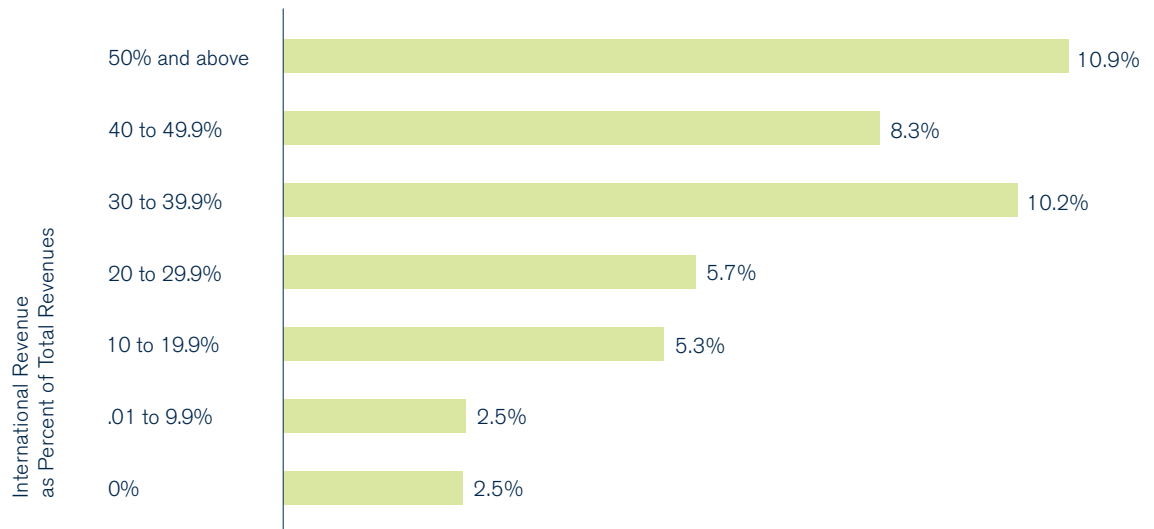
There is a salient disconnect between the relative importance of international revenues and the international capabilities of boards:

For the S&P 500 as a whole, international revenues accounted for 31.6% of total revenue.

Foreign nationals represent only 6.6% of S&P 500 directors.

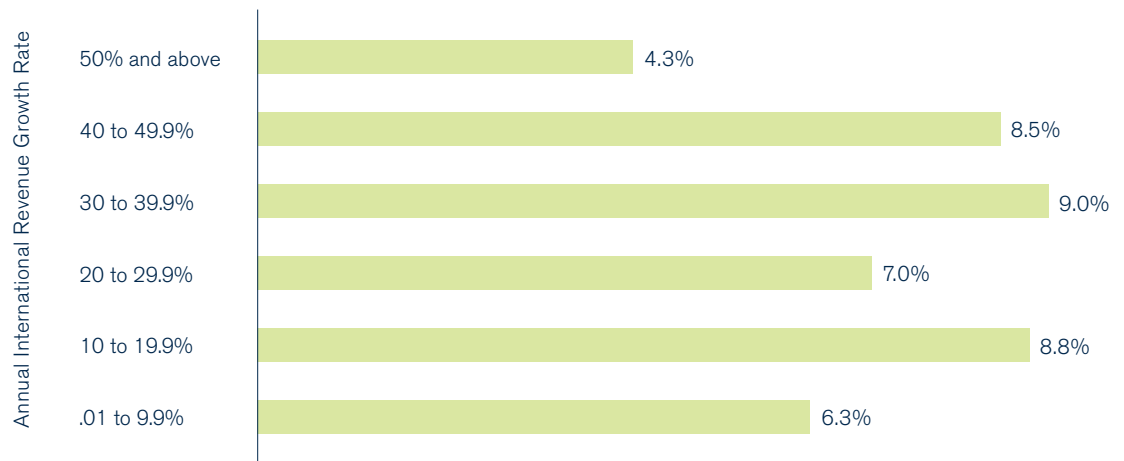
The relationship between international revenues and global board capabilities is even more pronounced when looking solely at the percentage of foreign nationals on company boards. While the Global Board Capabilities Index and Gap are useful tools, an even more straightforward examination of the linkages between foreign directors and companies' international revenues reveals that companies generally do increase the number of foreign national board members as international revenues increase; however, the numbers are much smaller than one would expect. For example, companies who derive 50% or more of their revenues from international markets have, on average, slightly more than one out of 10 board members (10.9%) who are foreign nationals. This isn't much greater than companies with no disclosed international revenues, who have, on average, 2.5% of their board as foreign nationals.

Foreign national board members by international revenue range



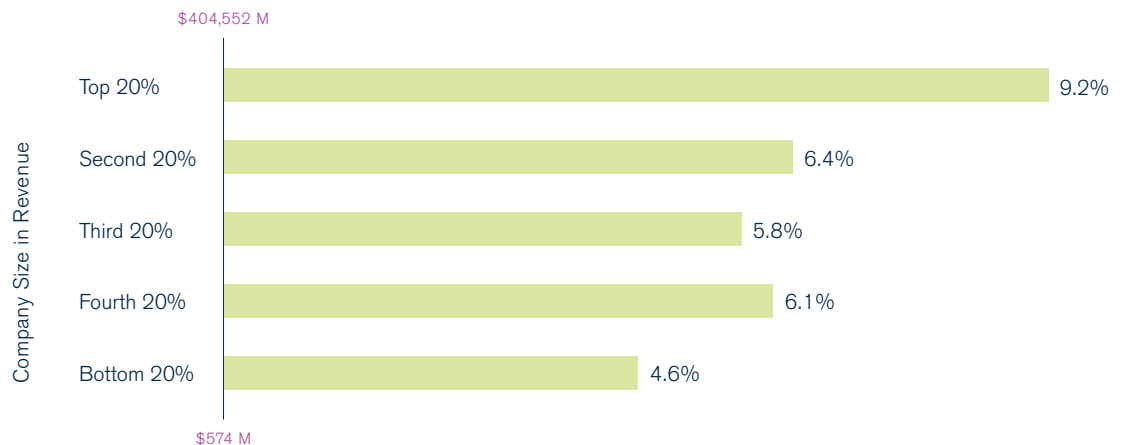
An examination of the percentage of foreign national board members by the annual average growth rate of international revenues shows that companies with the highest levels of international growth, rates of 50% and above annually, have only 4.3% of foreign nationals on their boards, the lowest among all companies. This suggests that companies with relatively new and small international businesses that are growing rapidly are much farther behind where they need to be in assembling boards with global capabilities.

Percentage of foreign national board members by annual growth in international revenues



Finally, analyzing the percentage of foreign national board members by company size shows that larger companies typically do a slightly better job of recruiting foreign nationals to their boards. The largest 20% of S&P 500 companies, measured by revenue, have an average of 9.2% foreign nationals on their boards. The smallest 20% of companies, on the other hand, have an average of just 4.6% foreign national board members.

Percentage of foreign national board members by company revenue



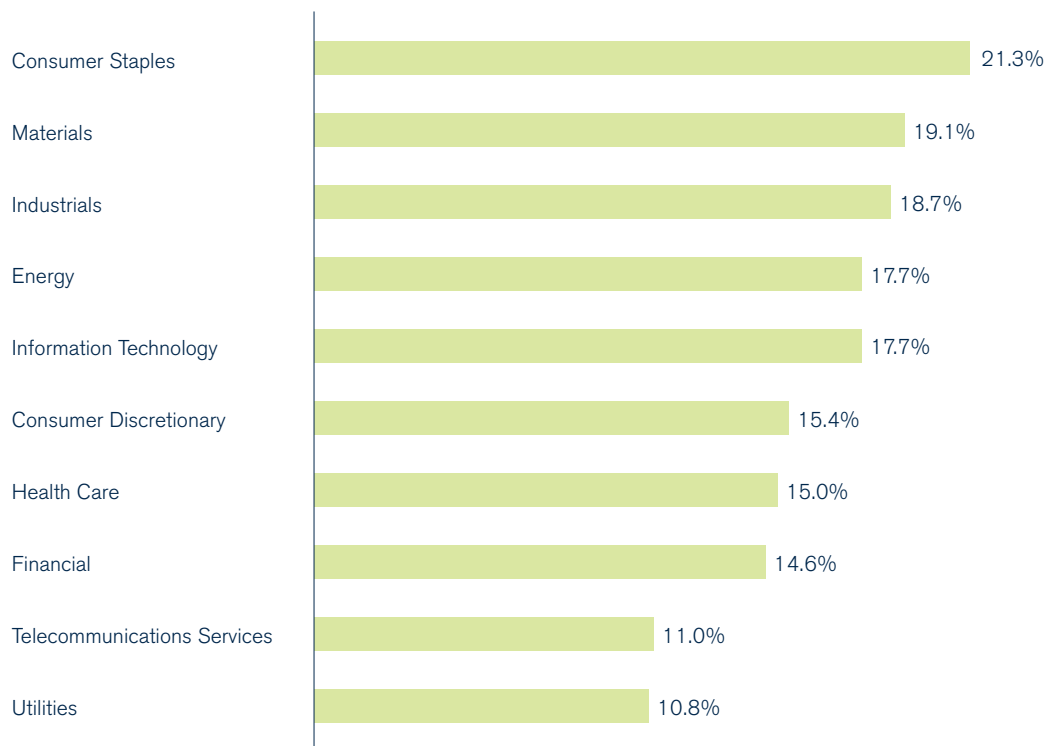
Global board capabilities and gaps differ by industry sector

There are also distinct sector-level differences in terms of Global Board Capabilities Index and Gap results. At the macro level, S&P 500 sectors with the most significant percentages of international revenues posted the highest scores on both fronts.

With an average Global Board Capabilities Index score of 21.3%, the boards of companies in the consumer staples sector possess the highest level of global board capabilities. A closer look at boards in this sector reveals that foreign nationals comprise 11% of board members on average, and 32% have disclosed meaningful international work experience. Companies comprising the materials and industrials sectors also score comparatively highly with Global Board Capabilities Index scores of 19.1% and 18.7% respectively. International revenues for all three sectors exceed 30% of total revenue on average.

Other sectors, however, do not score highly in terms of the average Global Board Capabilities Index. Utilities and telecommunications companies, for instance, score 10.8% and 11.0% respectively. But this makes intuitive sense: with international revenues below 5% for both sectors, companies operating in these sectors are overwhelmingly focused on the U.S. marketplace.

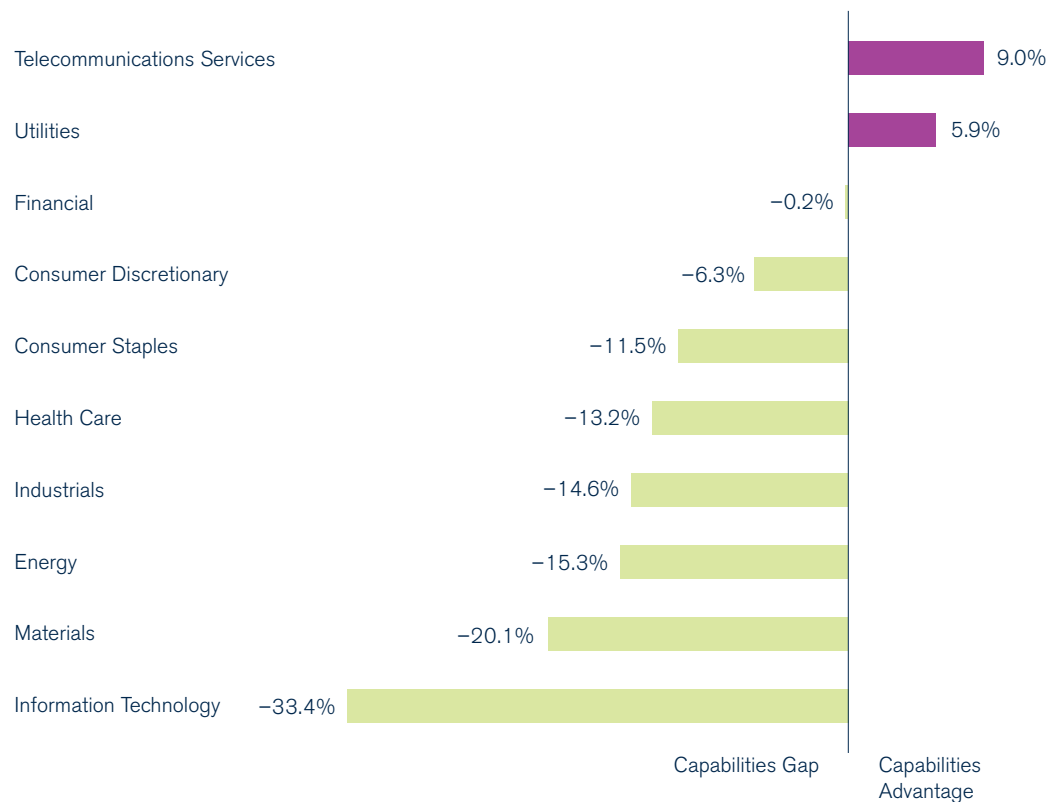
Global board capabilities index by industry sector



The Global Board Capabilities Gap results also manifest clear sector-based differences. The telecommunications and utilities sectors, because they are active primarily in the U.S. market, have positive average Gap scores. It's important to note, however, that these positive scores don't necessarily reflect boards that are highly internationalized; rather, the scores are typically the result of boards that are internationally oriented relative to small percentages of non-U.S. revenue. Given that international income is such a minor component of overall revenue for these companies, any global board characteristics resonate more strongly. Further, the global capabilities of boards in the telecommunications and utilities sectors are chiefly the result of U.S. directors' international work experience and not due to the presence of non-U.S. national directors (these sectors have the lowest percentages of international directors).

At the other end of the spectrum, the information technology, materials, energy and industrials sectors, all with salient international revenues, display the largest negative Global Board Capability Gaps. For example, information technology firms, on average, have a Global Board Capability Gap of -33.4%, due in large part to the significant emphasis on international markets for these businesses. In eight out of the 10 sectors, international board capabilities fail to keep pace with the increasing relevance of non-U.S. sources of revenues.

Global board capabilities gap by industry sector

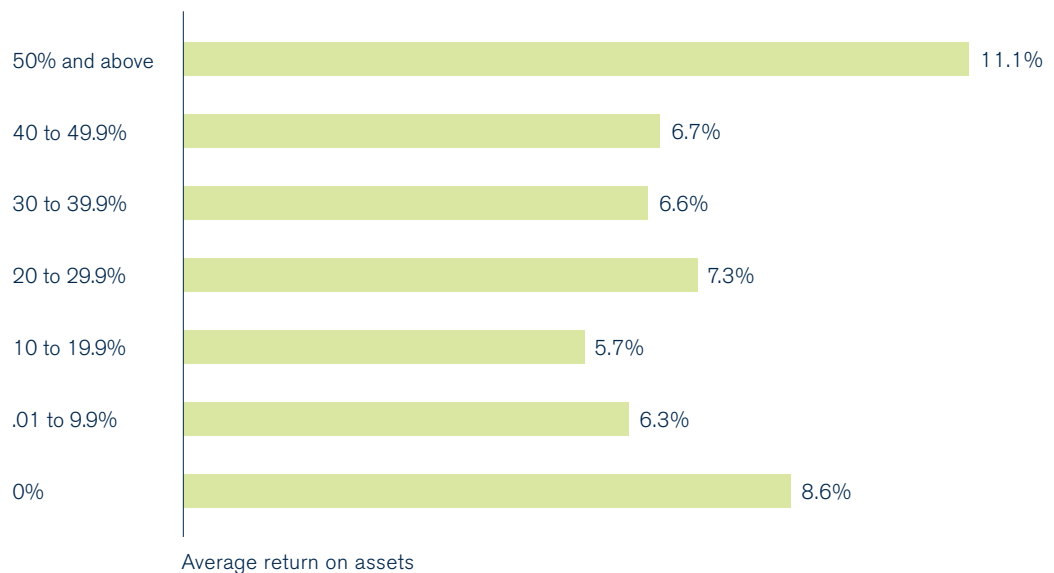


Companies with the highest global board capabilities scores may perform better

S&P 500 companies with the highest Global Board Capabilities Index scores appear to perform better than the overall S&P 500 index on a number of financial metrics; however, we are not suggesting a causal relationship between global board capabilities and business performance. There may be other variables, including the possibility that companies with higher Global Board Capabilities Index scores have better management teams, more effective strategies, differentiated capabilities, or other characteristics that lead to performance differences.

We do observe, however, that companies with the highest Global Board Capabilities Index scores tend to have the highest average return on assets. Those firms with an Index score of 50% and up show an average return on assets of 11.1%. All other companies have an average return on assets of less than 10%.

Global board capabilities index by average return on assets (latest year)



Comment

Enhancing the odds of success in global markets



Damien O'Brien
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Paris

Expanding into global markets represents substantial opportunities — and not insignificant risks. Whether investment abroad currently figures prominently in a company's strategy or it is being seriously contemplated, it is crucial to mitigate the risks and increase the odds of success. An important place to start is by assessing alignment between the array of skills, talent, and experience seated around the boardroom table, and the global aspirations of the company.

Companies that do engage in this self-reflection often conclude that the international bench strength of their board is woefully lacking. They understand that as the world grows ever more global and more complicated, U.S. companies going abroad require access to local knowledge and local relationships. Directors who can provide this kind of input to a board are a source of huge value to companies seeking to internationalize their business.

While boards might recognize the necessity of augmenting their board with such resources, they often do not know how to find and attract them. This challenging task is made more difficult by the critical role of personal fit in successful board appointments. As boards have grown smaller and less clubby over the last couple of decades, directors increasingly are counted on to contribute their perspectives, judgment, and expertise to

boardroom conversations and decision making in an atmosphere that requires higher levels of trust and personal engagement.

Finding an individual from another country and culture, and often another language, who clears the personal fit and trust hurdle, is considerably more complicated than making a local appointment. This is particularly true when one considers the impact on the group dynamic. A board is ultimately a team that must tolerate differences of opinion and perspective to arrive at the best solutions. To achieve this, mutual respect, a high comfort level, and confidentiality are paramount, but need not be achieved at the cost of diversity.

Boards seeking to add international directors will need the assistance of an advisor who understands these sensitivities. The advisor must be able to bridge the cultural divide between the board and a prospective candidate. This requires cultural insight and sensitivity that is born of extensive, long-term local business involvement combined with a finely tuned international perspective. This will ensure that the advisor has the judgment required to evaluate candidates from within the local business environment, to anticipate potential but unseen conflicts with some candidates, and to determine who will be a good fit for a board, particularly in terms of business knowledge, relationships, values, and personal style.

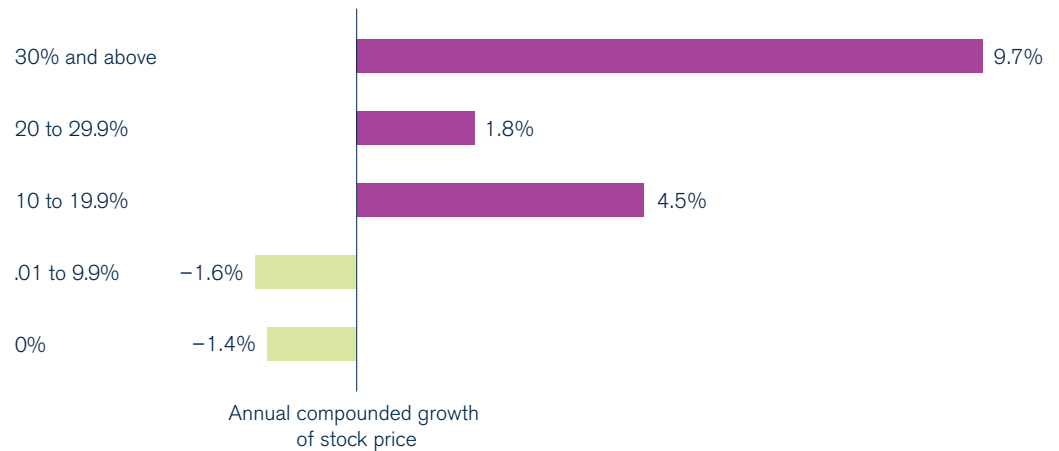
But insight into what is required for the success of an international board appointment is of little use if it is not paired with the advisor's access to the best possible candidates. To gain access, the advisor must be viewed as credible and trusted in the local business community. Only advisors who have "earned their stripes" locally will be able to engage and convince the most highly sought-after candidates. In many environments, like China and India, where preferred candidates are regularly being approached, this is particularly critical. The likelihood of a candidate seriously considering an international board appointment will, to a large extent, depend on who puts the proposition to him or her and how it is presented.

The importance of retaining an advisor with access to the right candidates when making such an appointment cannot be overstated. In the U.S., a board appointment is considered the capstone to a successful executive's career, a signal to the rest of society of one's achievements and status. For Chinese executives, by contrast, the prospect of board service is not necessarily compelling or something they aspire to. They are more likely to be interested in board service to enhance their "guanxi" (business connections) rather than status, and an appeal to such candidates on the basis of service might fall on deaf ears. Understanding what will motivate a particular executive — and presenting a board opportunity in that context — can be the key step in the process.

With fewer directors but more at stake, each seat on a board represents great potential value to the effectiveness of the entire board as it executes its core responsibilities on behalf of the company. This is why it is now so important for board appointments to be guided by an objective and systematic director selection process. This is particularly the case when making international board appointments. As a key partner in that process, the right advisor contributes both insight and access to the best candidates in a particular international business community. The right advisor makes it possible to navigate potential cultural sensitivities seamlessly and to identify as well as attract directors who will help American companies maximize their global opportunities.

Similarly, there appears to be a relationship between Global Capability Index scores and the annual average compounded increase in stock prices for the three-year period from the beginning of 2005 through the end of 2007.⁷ In general, as global board capabilities increased, so did the annual average stock price growth.

Growth in annual stock price by global board capabilities index (latest three years)



We recognize that more work needs to be done to better understand the nature of these relationships. While this Study does not attempt to claim causality between the global capabilities of directors serving on the boards of S&P 500 companies and the financial performance of these companies, the existence of apparent correlations is grounds for further study.

⁷ Measured as total shareholder return, which includes stock appreciation plus dividends, for the three-year period ending January 3, 2008.

Profile of Foreign National Directors

Foreign national directors are predominantly Europeans

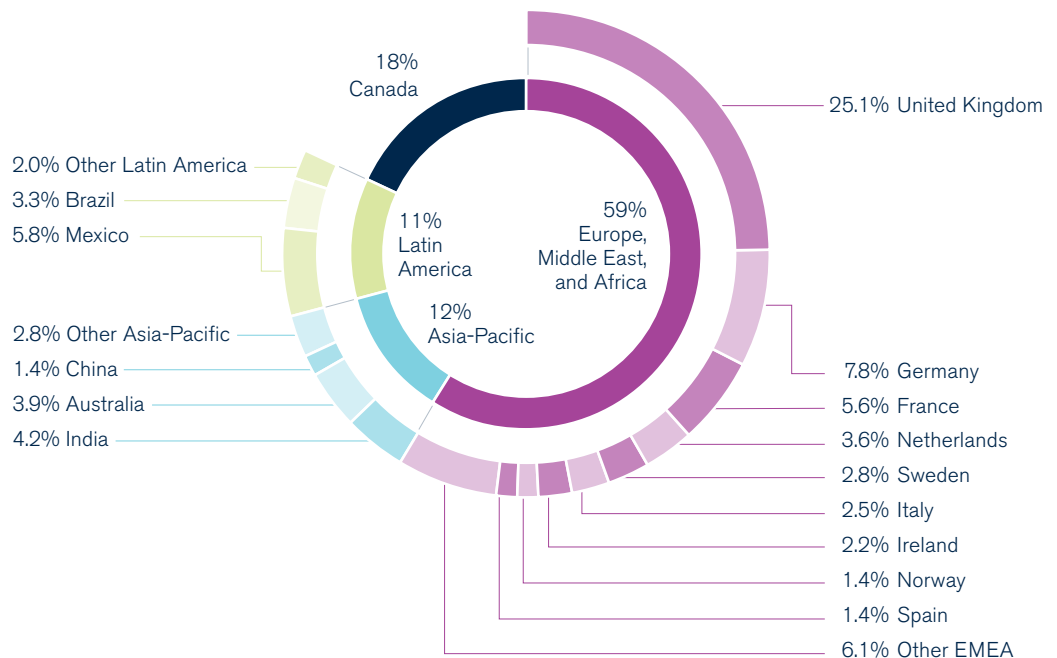
Of the 359 S&P 500 directors classified as non-U.S. nationals, approximately 59% hail from the EMEA region (mainly Western Europe). Logically, given a shared Anglo-Saxon business culture and other cultural affinities, the largest single European contingent is composed of board members from the United Kingdom (representing 25.1% of total non-U.S. board members). Directors from Germany (7.8% of all foreign nationals) and France (5.6% of all foreign nationals) make up the next largest groupings, with the remainder of European directors originating from 13 countries concentrated mainly in northern Europe (Netherlands, Belgium) and Scandinavia (Sweden, Finland, Norway and Denmark). Only four directors come from Africa (South Africa) or the Middle East (Israel and Lebanon).

Canadian directors represent the second largest category of foreign nationals, constituting almost one in five, or 18%, of non-U.S. board members. Despite similarities between Canadian and U.S. directors in terms of cultural and business outlooks, adding a Canadian national to a directorship may sometimes represent the first step in building global capability on a board.

Directors from the Asia-Pacific region comprise 12.3% of non-U.S. national board members. Indians (4.2% of all foreign nationals) and Australians (3.9%) are the largest contingents from this diverse and economically vibrant area. Chinese (1.4%) and Japanese (1.1%) directors are also represented.

Despite regional proximity to the United States, Latin American directors comprise only 11.1% of foreign national board members. The overwhelming majority of these directors come from Mexico (5.8%), a country with extensive economic ties to the U.S., and Brazil (3.3%), Latin America's largest economy.

International directors of S&P 500 companies by region and country of nationality

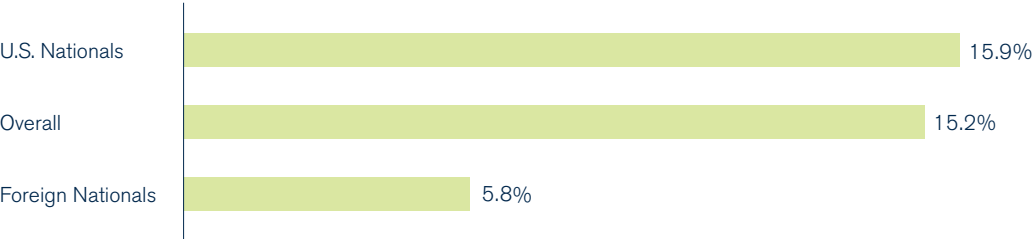


Differences between foreign national and American directors

While there are differences in some characteristics between foreign national and American directors of S&P 500 companies, for the most part they are not significant, with the exception of gender.

American directors are far more likely to be female than their foreign counterparts: 15.9% of American S&P 500 directors are women, while the average for all directors is 15.2%. In contrast, only 5.8% of foreign national directors are women.

Percent of S&P 500 board members who are women, by nationality



Despite the importance of the Asia-Pacific market to many companies, there are practically no directors from this region serving on U.S. boards — only 12.3% of the overall 6.6% of foreign nationals on S&P 500 boards.

Nearly 82% of non-U.S. national directors have significant international employment histories, but only 23% of American directors have comparable international work experiences.

From an employment perspective, slightly more U.S. board members are classified as retired compared to non-U.S. national directors. Foreign national directors are slightly less likely to be retired (27.3%) when compared to American directors (28.6%), while they are far more likely to have the title of Chairman or Vice Chairman than American directors (18.4% versus 10.3% respectively). Foreign national board members are slightly more likely to be CEOs (28.4%) compared to U.S. board members (26.5%). Americans, on the other hand, are more likely to be employed as Presidents (7.9% versus 4.2%), Owners/Founders (3.9% versus 1.7%), Professors/Deans (3.4% versus 1.7%), Chief Financial Officers (1.5% versus 0.3%), and Attorneys/General Counsels (1.2% versus 0.0%).

S&P 500 board members by position

Current position	Foreign nationals	U.S. nationals
Retired	27.3%	28.6%
CEO	28.4	26.5
Chairman/Vice Chairman	18.4	10.3
President	4.2	7.9
Partner	5.0	4.4
Owner/Founder	1.7	3.9
Other	2.8	3.5
Professor/Dean	1.7	3.4
Consultant	2.8	2.6
Executive Vice President/VP	2.8	2.4
Managing Director	1.9	1.8
CFO	0.3	1.5
Division President/GM	1.9	1.0
Attorney/General Counsel	0.0	1.2
COO	0.8	0.9

Foreign national board members and U.S. directors share a similar age distribution pattern. With an average age of 61.2, U.S. board members are slightly older than their foreign counterparts, who have an average age of 60.3.

International education

Not surprisingly, foreign nationals are far more likely to have at least one international degree compared with American directors. With only 4.1% of U.S. board members possessing degrees from international colleges and universities, the American contingent is notably under-represented in this category. In sharp contrast, 76.6% of foreign directors have obtained at least one degree from non-U.S. institutions (the remaining foreign directors have either been educated in the United States or information concerning educational status was not disclosed).

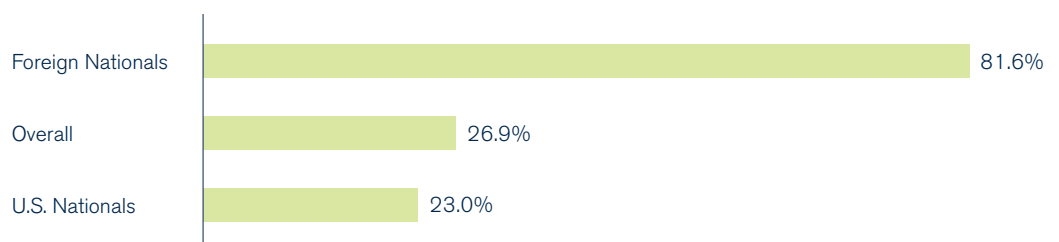
Percent of board members with at least one international degree, by nationality



International work experience

A huge disparity also separates American and foreign board members in terms of international work experience, although the gap is not as pronounced as the one that exists in the international education sector. Almost 82% of non-U.S. nationals have significant international employment histories, but only 23% of American directors have comparable international work experiences. And once again, the connections between the U.S. and Europe come to the fore with fully 18.6% of all S&P 500 directors having gained professional experience in the European market. Almost 8% of all board members have had employment experience in Asia, while the Middle East/African markets (3.3% of all directors) and the Australian-Pacific zone (2.1%) have also served as sources of non-U.S. employment experiences.

Percent of board members with international work experience, by nationality



Conclusion

As U.S. companies continue to seek growth opportunities, global markets will become increasingly attractive. As our report demonstrates, revenues in markets outside the U.S. are growing at a considerably faster rate than domestic ones, and will in all likelihood continue to do so. While there are abundant opportunities abroad, a strategy that includes developing international markets is not without risk, and it only makes sense to minimize that risk whenever possible.

One way of doing that is to build representation of target markets into the composition of the board, but, as we have seen, too few companies have ensured that their board resources accurately reflect the global strategy of the company. In our view, it is not only prudent to broaden and enhance the board's resources in this way, it is good business. A diverse board, which includes international directors, greatly expands the board's vision. Boards benefit from viewing the challenges they face from many perspectives, and consequently, discussions are richer and decision making wiser.

Flip side: Global representation on European boards



David Kidd
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London

While our *Global Board Index* report focuses on the representation of international directors on the boards of U.S. companies and implications for successfully implementing global strategies, it may be helpful to view these trends within a broader context. In an increasingly interconnected world, developments and practices in one market are likely to have an impact on others, and there are lessons to be shared.

Thanks partly to the prescience of Sir Adrian Cadbury, whom many view as the architect of the corporate governance movement, the U.K. has long focused on improving the oversight of corporate boards and how well they function. The Cadbury Report, which included a code of best practices, was issued in 1992 — nearly a decade before the collapse of Enron helped to focus the attention of the U.S. authorities on the need to define and codify similar practices for their boards.

Since we are fortunate to be relatively advanced on the governance curve, we have had a longer period to assess the significance of various trends and the issues arising when it comes to recruiting directors who will add value to boards. From that vantage point, it's safe to say that greater diversity on U.K. boards, including the addition of foreign nationals, is a trend that is likely to continue.

In the U.K., certain economic and cultural conditions have made our boards particularly receptive to including foreign nationals as directors. Because we are a small country, with a contained small market — and partly due to the legacy of the British Empire and our position in world trade — companies of any size have had to expand beyond the U.K.. We, therefore, have a very open attitude to appointing the most appropriate people to senior roles irrespective of their nationality. This has led to an established tradition of foreign nationals heading U.K. companies as well as serving as directors.

Like the U.K., several other Western European countries — most notably Belgium, Holland, Switzerland, and Sweden — also have a high proportion of large companies relative to the size of their population and economy, and long ago recognized the need to seek markets and talent beyond their borders. These countries also share a cultural openness and facility for other languages that have encouraged them to think and act globally. Many other European countries lag a bit behind in globalizing the leadership of their companies and their boards for an assortment of historical, cultural, and political reasons that have served to limit the recruitment of foreign nationals.

For years, market importance and cultural affinity between Britain and the U.S. have made American directors desirable additions to U.K. boards, as well as to the boards of companies in Holland, Sweden and Switzerland, where English has more frequently become the language of business, including at board meetings. Representation of directors from other key markets has also been growing, including Asian nationals, for whom there is great demand in Europe. Under the overarching diversity umbrella, women directors are highly sought after, although there is a smaller pool of experienced women executives from which to choose than in the U.S., for example.

The BRIC (Brazil, Russia, India, and China) economies are increasingly being targeted for directorships in European countries, although there are additional hurdles in recruiting executives from these countries: it is not easy to identify prospective directors who have both the quality of relevant experience and can devote the time that serving on a board requires. We are finding a gap currently in the attention paid and value attached to corporate governance in these rapidly emerging economies, although there are signs that more attention is being paid to this today. Success in recruiting these executives for boards requires understanding their values and priorities, and defining the benefits that serving on an international board can mean to them.

While U.K. boards, and the boards of some other European countries, have been recruiting foreign nationals for some time, identifying exceptional board members with the time and enthusiasm to serve will be an ongoing challenge. Clearly, companies stand to benefit significantly from having this background and experience on their boards, and since this is indisputably the direction in which global business is moving, there is no turning back.

The Data

	Summary Financial Performance					International Capabilities of Boards ⁵			
	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
Energy Sector									
Anadarko Petroleum	\$ 11,232	18.7%	34.6%	13.6%	7.8%	11	0%	0%	0%
Apache Corp.	9,978	56.7%	14.7%	10.5%	9.8%	12	0%	0%	17%
Baker Hughes	10,428	63.5%	20.5%	19.9%	15.4%	12	8%	8%	17%
BJ Services	4,802	40.3%	21.7%	16.6%	16.0%	7	0%	0%	29%
Cabot Oil & Gas	732	3.0%	3.5%	65.8%	7.6%	7	0%	0%	14%
Cameron International Corp.	4,666	62.7%	36.1%	46.0%	10.6%	9	0%	11%	0%
Chesapeake Energy	7,800	NA	29.3%	NA	4.0%	8	0%	13%	13%
Chevron Corp.	220,904	54.4%	5.6%	9.7%	12.6%	15	13%	13%	60%
ConocoPhillips	194,495	28.8%	3.0%	7.4%	6.7%	13	15%	15%	38%
CONSOL Energy Inc.	3,762	13.0%	-0.6%	34.2%	4.3%	10	10%	20%	40%
Devon Energy Corp.	11,362	33.8%	6.4%	17.7%	8.7%	9	22%	22%	44%
El Paso Corp.	4,648	4.9%	17.6%	88.7%	4.4%	14	7%	7%	14%
ENSCO International	2,144	73.9%	44.0%	60.4%	20.0%	9	0%	11%	11%
EOG Resources	4,191	23.7%	7.4%	-2.1%	9.0%	7	0%	0%	29%
Exxon Mobil Corp.	404,552	66.5%	4.5%	4.1%	16.8%	11	0%	9%	27%
Halliburton Co.	15,264	56.3%	22.9%	21.9%	26.6%	10	0%	0%	10%
Hess Corporation	31,924	19.4%	17.2%	38.1%	7.0%	13	8%	8%	62%
Marathon Oil Corp.	64,552	8.1%	1.2%	38.3%	9.3%	12	0%	0%	25%
Massey Energy Company	2,413	NA	4.6%	NA	3.3%	10	0%	10%	30%
Murphy Oil	18,439	16.2%	24.6%	16.2%	7.3%	10	20%	10%	30%
Nabors Industries Ltd.	4,940	35.8%	19.1%	22.9%	9.2%	8	13%	13%	50%
National Oilwell Varco Inc.	9,789	43.2%	45.2%	45.6%	11.0%	8	0%	0%	0%
Noble Corporation	2,995	77.6%	47.2%	47.6%	20.5%	8	0%	0%	0%
Noble Energy Inc.	3,272	40.3%	22.3%	27.5%	8.7%	8	0%	0%	38%
Occidental Petroleum	20,013	32.4%	14.7%	29.6%	14.8%	12	17%	25%	33%
Peabody Energy	4,575	25.4%	11.7%	39.3%	2.7%	10	0%	0%	20%
Range Resources Corp.	862	NA	30.1%	NA	5.7%	8	0%	0%	0%
Rowan Cos.	2,095	38.0%	40.1%	135.9%	12.5%	10	20%	10%	30%
Schlumberger Ltd.	23,276	77.0%	27.5%	30.4%	18.6%	11	64%	36%	64%
Smith International	8,764	54.7%	25.3%	25.2%	10.7%	7	29%	29%	43%
Southwestern Energy	1,255	NA	36.3%	NA	6.1%	6	0%	0%	33%
Spectra Energy Corp.	4,742	70.6%	-29.2%	10.4%	4.2%	12	17%	17%	50%
Sunoco Inc.	44,470	NA	14.8%	NA	7.2%	13	0%	0%	23%
Tesoro Petroleum Co.	21,915	NA	15.0%	NA	7.0%	9	0%	11%	33%
Transocean Inc.	6,377	80.3%	48.5%	51.0%	9.1%	14	14%	7%	57%
Valero Energy	95,327	13.8%	8.7%	13.1%	12.3%	10	0%	0%	20%
Weatherford International Ltd.	7,832	49.7%	34.4%	42.0%	8.1%	7	14%	0%	57%
Williams Cos.	10,558	4.0%	3.9%	15.6%	4.0%	13	8%	8%	23%
XTO Energy Inc.	5,513	NA	25.2%	NA	8.9%	11	0%	0%	0%
Energy Sector Averages⁶	\$33,509	33.0%	19.5%	32.6%	10.0%	10.1	7.7%	8.0%	27.8%

Source: Egon Zehnder International *Global Board Index* database, developed by MangoStrategy, LLC.

¹ Total revenues and return on assets for the latest fiscal year in which financials were available as of September 15, 2008.

² International revenues as percent of total revenues as of the latest fiscal year, for those companies disclosing international revenues.

³ Compounded annual growth rate (CAGR) for the last three fiscal years.

⁴ For companies who disclose international revenues, compounded annual growth rate (CAGR) for the last three fiscal years.

⁵ International board capability information disclosed publicly by companies and individual directors.

⁶ International revenues as percent of total revenues includes companies with no disclosed international revenues. International revenue annual growth rate excludes companies for which international revenues are not available

	Summary Financial Performance					International Capabilities of Boards ⁵			
	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
Materials Sector									
Air Products & Chemicals	\$10,038	48.8%	14.4%	20.8%	8.2%	11	9%	0%	36%
AK Steel Holding Corp.	7,003	13.1%	11.4%	18.9%	7.5%	11	0%	0%	9%
Alcoa Inc.	30,715	44.9%	8.4%	13.8%	6.6%	13	38%	31%	62%
Allegheny Technologies Inc.	5,452	26.9%	24.1%	29.8%	18.2%	8	0%	0%	13%
Ashland Inc.	7,834	33.9%	3.6%	22.2%	4.0%	11	0%	0%	18%
Ball Corp.	7,389	28.7%	13.3%	14.5%	4.7%	10	10%	20%	20%
Bemis Company	3,649	35.5%	2.5%	4.3%	15.9%	13	0%	0%	15%
CF Industries Holdings Inc.	2,757	15.6%	18.4%	13.8%	18.5%	8	0%	0%	25%
Dow Chemical	53,513	65.9%	7.5%	10.7%	5.9%	12	8%	17%	58%
Du Pont (E.I.)	30,653	59.1%	3.7%	8.0%	8.8%	11	9%	9%	45%
Eastman Chemical	6,830	42.0%	2.8%	5.6%	5.0%	11	0%	0%	9%
Ecolab Inc.	5,470	46.1%	9.8%	6.0%	9.0%	10	0%	0%	10%
Freeport-McMoran Cp & Gld	16,939	61.7%	101.3%	60.0%	6.8%	16	0%	0%	50%
Hercules Inc.	2,136	58.1%	2.0%	2.4%	6.7%	10	10%	0%	10%
International Flav/Frag	2,277	72.3%	6.9%	7.7%	9.1%	11	9%	27%	45%
International Paper	21,890	21.9%	0.4%	12.8%	4.8%	12	8%	17%	67%
MeadWestvaco Corporation	6,906	30.9%	5.8%	10.5%	2.9%	12	0%	0%	17%
Monsanto Co.	8,563	43.4%	16.8%	11.7%	7.6%	10	20%	20%	30%
Newmont Mining Corp. (Hldg. Co.)	5,526	71.0%	13.8%	14.0%	-12.1%	11	27%	18%	55%
Nucor Corp.	16,593	1.4%	14.3%	NA	15.0%	8	13%	13%	13%
Pactiv Corp.	3,253	9.4%	8.6%	5.9%	6.5%	8	0%	13%	50%
PPG Industries	11,206	44.4%	11.4%	21.3%	6.6%	10	20%	20%	30%
Praxair Inc.	9,402	44.9%	10.8%	14.3%	8.8%	10	0%	10%	10%
Rohm & Haas	8,897	56.2%	6.2%	10.2%	6.5%	12	8%	17%	17%
Sealed Air Corp.	4,651	54.5%	6.7%	9.5%	6.5%	9	0%	11%	44%
Sigma-Aldrich	2,039	62.9%	10.6%	14.1%	11.8%	10	20%	40%	70%
Titanium Metals Corp.	1,279	36.8%	30.6%	23.7%	18.5%	7	0%	0%	0%
United States Steel Corp.	16,873	27.7%	9.6%	18.1%	5.6%	13	15%	8%	15%
Vulcan Materials	3,327	NA	7.2%	NA	5.0%	11	0%	9%	18%
Weyerhaeuser Corp.	16,308	19.1%	-7.0%	-11.8%	3.3%	13	23%	23%	38%
Materials Sector Averages⁶	\$10,979	39.2%	12.5%	14.0%	7.7%	10.7	8.3%	10.7%	30.0%
Industrials Sector									
3M Company	\$24,462	63.3%	7.5%	9.5%	16.6%	10	10%	10%	30%
Allied Waste Industries	6,068	NA	4.0%	NA	1.7%	10	0%	0%	20%
Avery Dennison Corp.	6,308	63.0%	7.4%	12.7%	4.9%	10	20%	20%	40%
Boeing Company	66,387	40.7%	11.3%	31.5%	6.9%	11	0%	9%	27%
Burlington Northern Santa Fe	15,802	NA	10.3%	NA	5.4%	11	0%	0%	18%
C.H. Robinson Worldwide	7,316	8.0%	13.4%	18.2%	17.9%	9	0%	0%	0%
Caterpillar Inc.	44,958	56.2%	11.2%	18.4%	6.3%	14	14%	14%	50%
Cintas Corporation	3,938	4.7%	7.6%	32.4%	8.8%	10	0%	10%	10%
Cooper Industries Ltd.	5,903	28.6%	11.7%	15.3%	11.3%	11	9%	9%	45%

Source: Egon Zehnder International *Global Board Index* database, developed by MangoStrategy, LLC.

¹ Total revenues and return on assets for the latest fiscal year in which financials were available as of September 15, 2008.

² International revenues as percent of total revenues as of the latest fiscal year, for those companies disclosing international revenues.

³ Compounded annual growth rate (CAGR) for the last three fiscal years.

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	Summary Financial Performance					International Capabilities of Boards ⁵			
	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
CSX Corp.	\$10,030	NA	7.9%	NA	5.2%	12	8%	8%	17%
Cummins Inc.	13,048	54.0%	14.7%	17.7%	9.0%	9	0%	0%	22%
Danaher Corp.	11,026	46.2%	18.4%	22.9%	7.8%	9	0%	0%	33%
Deere & Co.	24,082	34.6%	6.6%	16.9%	4.7%	13	15%	31%	62%
Donnelley (R.R.) & Sons	11,587	23.3%	17.2%	32.2%	-0.4%	9	0%	0%	33%
Dover Corp.	7,226	45.0%	18.6%	23.9%	8.2%	12	17%	8%	25%
Eaton Corp.	13,033	34.4%	9.5%	17.7%	7.4%	11	0%	0%	9%
Emerson Electric	22,572	51.6%	14.2%	19.3%	10.9%	15	20%	13%	60%
Equifax Inc.	1,843	27.1%	13.0%	14.6%	7.7%	9	0%	0%	11%
Expeditors International	5,235	79.6%	15.8%	15.2%	13.0%	9	11%	11%	44%
Fastenal	2,062	7.8%	16.4%	29.1%	19.9%	9	0%	0%	11%
FedEx Corporation	37,953	28.1%	8.4%	14.5%	4.4%	14	7%	14%	43%
Fluor Corp.	16,691	56.2%	12.6%	9.4%	9.2%	11	0%	0%	45%
General Dynamics	27,240	17.4%	14.0%	18.7%	16.8%	13	8%	8%	15%
General Electric	172,738	50.1%	12.5%	19.2%	2.8%	16	19%	6%	88%
Goodrich Corporation	6,392	49.2%	10.8%	12.3%	6.4%	11	0%	0%	82%
Grainger (W.W.) Inc.	6,418	12.1%	7.8%	10.9%	13.6%	13	0%	8%	38%
Honeywell International Inc.	34,589	39.0%	11.8%	17.9%	7.2%	10	20%	20%	60%
Illinois Tool Works	16,171	55.3%	13.6%	24.3%	12.0%	10	0%	0%	30%
Ingersoll-Rand Co. Ltd.	8,763	45.7%	9.8%	14.8%	27.6%	13	8%	8%	46%
ITT Corporation	9,003	35.4%	13.1%	10.1%	6.4%	10	30%	40%	70%
Jacobs Engineering Group	8,474	40.8%	22.6%	35.1%	8.5%	11	9%	9%	55%
L-3 Communications Holdings	13,961	15.0%	21.6%	29.2%	5.3%	9	0%	0%	22%
Lockheed Martin Corp.	41,862	15.0%	6.1%	11.1%	10.5%	13	0%	0%	38%
Manitowoc Co.	4,005	51.3%	33.3%	38.2%	11.7%	10	0%	0%	0%
Masco Corp.	11,770	21.2%	-3.0%	10.1%	3.5%	10	10%	10%	0%
Monster Worldwide	1,351	37.8%	28.5%	61.9%	7.0%	9	0%	0%	11%
Norfolk Southern Corp.	9,432	NA	5.2%	NA	5.6%	10	0%	0%	20%
Northrop Grumman Corp.	32,018	5.6%	3.3%	2.9%	5.4%	12	0%	0%	17%
PACCAR Inc.	15,222	63.8%	4.1%	18.6%	7.1%	10	10%	20%	40%
Pall Corp.	2,249	65.5%	8.7%	10.2%	4.7%	11	0%	0%	0%
Parker-Hannifin	12,146	44.5%	13.8%	30.7%	9.1%	10	20%	30%	30%
Pitney-Bowes	6,130	28.3%	6.9%	11.2%	3.8%	14	21%	14%	29%
Precision Castparts	6,852	20.1%	40.3%	63.3%	16.3%	8	0%	0%	13%
Raytheon Co.	21,301	19.6%	7.3%	11.2%	11.1%	8	0%	0%	13%
Robert Half International	4,646	24.5%	18.0%	33.6%	20.4%	7	0%	0%	0%
Rockwell Automation Inc.	5,004	46.3%	10.3%	13.4%	32.7%	9	0%	0%	11%
Rockwell Collins	4,415	32.3%	13.2%	12.3%	15.6%	8	0%	0%	0%
Ryder System	6,566	20.1%	6.9%	13.9%	3.7%	12	0%	0%	25%
Southwest Airlines	9,861	NA	14.0%	NA	3.8%	8	0%	0%	25%
Terex Corp.	9,137	69.6%	21.8%	28.9%	9.7%	11	9%	9%	45%
Textron Inc.	13,225	39.2%	14.8%	19.1%	4.6%	12	25%	25%	17%
Tyco International	18,781	52.7%	6.2%	7.9%	-5.3%	11	9%	27%	64%

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	Summary Financial Performance					International Capabilities of Boards ⁵			
	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
Union Pacific	\$16,283	NA	9.5%	NA	4.9%	10	0%	0%	30%
United Parcel Service	49,692	24.1%	8.0%	17.9%	1.0%	9	22%	22%	56%
United Technologies	54,759	62.4%	13.2%	14.5%	7.7%	12	25%	25%	58%
Waste Management Inc.	13,310	5.6%	0.9%	7.5%	5.8%	9	0%	0%	11%
Industrials Sector Averages⁶	\$18,416	33.2%	12.3%	20.0%	8.8%	10.7	6.7%	7.9%	30.6%
Consumer Discretionary Sector									
Abercrombie & Fitch Co.	\$ 3,750	NA	16.0%	NA	18.5%	8	0%	0%	0%
Amazon Corp.	14,835	45.4%	32.2%	33.5%	7.3%	8	0%	13%	0%
Apollo Group	2,724	NA	10.0%	NA	28.2%	10	0%	0%	0%
AutoNation, Inc.	17,692	NA	-1.7%	NA	3.2%	8	0%	13%	13%
AutoZone Inc.	6,170	4.9%	3.9%	24.2%	12.4%	11	0%	18%	9%
Bed Bath & Beyond	7,049	NA	10.2%	NA	14.6%	11	0%	0%	9%
Best Buy Co., Inc.	40,023	16.7%	13.9%	38.9%	11.0%	11	9%	18%	27%
Big Lots, Inc.	4,656	NA	2.5%	NA	10.9%	9	0%	0%	11%
Black & Decker Corp.	6,563	40.1%	0.3%	9.3%	9.6%	11	9%	9%	27%
Carnival Corp.	13,033	40.1%	8.4%	17.1%	7.0%	13	23%	15%	38%
CBS Corp.	14,073	12.2%	-0.1%	2.8%	3.1%	14	0%	0%	29%
Centex Corp.	8,276	NA	-19.4%	NA	-32.7%	10	10%	10%	20%
Coach Inc.	3,181	25.1%	25.0%	21.9%	34.4%	8	0%	25%	75%
Comcast Corp.	30,895	NA	21.1%	NA	2.3%	13	0%	8%	8%
D.R. Horton	11,296	NA	-9.7%	NA	-6.2%	8	0%	0%	0%
Darden Restaurants	6,626	NA	11.3%	NA	8.0%	12	0%	0%	8%
Dillard Inc.	7,371	NA	-2.1%	NA	1.0%	12	0%	8%	17%
DIRECTV Group Inc.	17,246	10.0%	14.5%	52.2%	9.6%	11	0%	0%	27%
Eastman Kodak	10,301	57.3%	-4.9%	-3.3%	4.9%	12	8%	0%	42%
Expedia Inc.	2,665	32.0%	12.1%	30.6%	3.6%	10	10%	10%	10%
Family Dollar Stores	6,834	NA	8.3%	NA	9.3%	9	0%	0%	0%
Ford Motor	172,455	53.1%	-1.2%	6.9%	-1.0%	13	15%	15%	69%
Fortune Brands Inc.	8,563	27.5%	11.5%	34.1%	5.5%	10	20%	20%	50%
GameStop Corp.	7,094	23.3%	51.5%	108.1%	7.6%	11	0%	0%	0%
Gannett Co.	7,439	5.4%	0.0%	2.6%	6.6%	8	0%	0%	13%
Gap (The)	15,763	16.4%	-0.8%	3.7%	10.6%	13	38%	31%	38%
General Motors	181,122	44.5%	-3.1%	7.4%	-26.0%	14	21%	21%	71%
Genuine Parts	10,843	11.4%	5.3%	10.3%	10.6%	13	8%	8%	8%
Goodyear Tire & Rubber	19,644	62.3%	4.2%	9.6%	3.5%	11	0%	0%	45%
H&R Block	4,404	3.9%	11.0%	19.0%	-5.5%	10	0%	0%	20%
Harley-Davidson	6,143	25.3%	4.1%	23.1%	16.5%	12	17%	8%	58%
Harman Int'l Industries	4,112	76.8%	12.5%	11.5%	3.8%	9	22%	44%	56%
Hasbro Inc.	3,838	42.4%	11.5%	14.5%	10.3%	14	7%	14%	50%
Home Depot	77,349	9.6%	0.2%	19.3%	9.9%	10	10%	10%	40%
International Game Technology	2,621	22.9%	5.0%	9.5%	12.2%	8	0%	0%	25%
Interpublic Group	6,554	44.3%	2.2%	1.6%	1.1%	10	10%	20%	50%

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	Summary Financial Performance					International Capabilities of Boards ⁵			
	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
Johnson Controls	\$34,624	60.3%	12.3%	12.5%	5.2%	12	8%	8%	8%
Jones Apparel Group	3,848	8.4%	-7.9%	9.9%	9.6%	8	0%	0%	38%
KB Home	6,416	NA	-11.3%	NA	-16.3%	11	0%	9%	9%
Kohl's Corp.	16,474	NA	10.7%	NA	10.3%	12	0%	0%	0%
Leggett & Platt	4,306	25.7%	0.6%	6.2%	-0.3%	10	0%	0%	0%
Lennar Corp.	10,186	NA	-14.3%	NA	-21.3%	8	0%	0%	13%
Limited Brands Inc.	10,134	6.0%	2.2%	185.4%	9.7%	11	0%	0%	9%
Liz Claiborne Inc.	4,577	32.4%	-0.1%	8.4%	-11.4%	10	0%	10%	10%
Lowe's Cos.	48,283	NA	5.7%	NA	9.1%	11	0%	0%	18%
Macy's Inc.	26,313	NA	8.4%	NA	3.2%	11	0%	18%	9%
Marriott International	12,990	17.6%	8.0%	28.4%	7.8%	10	0%	0%	0%
Mattel Inc.	5,970	48.6%	7.4%	13.1%	12.5%	12	0%	8%	42%
McDonald's Corp.	22,787	65.3%	9.2%	10.6%	8.1%	13	8%	8%	23%
McGraw-Hill	6,772	26.0%	6.2%	14.8%	16.0%	13	31%	46%	54%
Meredith Corp.	1,586	NA	0.8%	NA	6.5%	12	8%	17%	50%
New York Times	3,195	NA	-0.6%	NA	6.0%	15	7%	13%	20%
Newell Rubbermaid Co.	6,407	27.8%	5.9%	13.7%	7.0%	11	9%	9%	36%
News Corporation	32,996	50.3%	14.1%	19.0%	8.6%	16	44%	38%	75%
NIKE Inc.	18,627	65.8%	11.6%	15.2%	15.1%	12	0%	8%	33%
Nordstrom	8,828	0.7%	6.9%	-18.8%	12.8%	9	0%	0%	11%
Office Depot	15,527	28.1%	4.3%	10.0%	5.5%	12	0%	0%	17%
Omnicom Group	12,694	41.8%	10.1%	12.1%	5.1%	11	0%	0%	18%
Penney (J.C.)	19,860	NA	2.8%	NA	7.8%	12	8%	8%	17%
Polo Ralph Lauren Corp.	4,880	25.1%	14.1%	29.5%	9.6%	11	0%	18%	18%
Pulte Homes Inc.	9,263	NA	-20.6%	NA	-22.1%	12	8%	8%	8%
RadioShack Corp.	4,252	7.5%	-8.5%	-3.2%	11.9%	9	11%	11%	11%
Scripps (E.W.)	2,517	5.8%	8.1%	5.1%	-40.5%	10	10%	10%	30%
Sears Holdings Corporation	50,703	11.0%	1.3%	11.7%	3.0%	8	0%	13%	38%
Sherwin-Williams	8,005	12.1%	5.5%	13.7%	12.7%	11	0%	0%	9%
Snap-On Inc.	2,904	43.0%	11.5%	12.3%	6.5%	12	0%	0%	42%
Stanley Works	4,484	41.5%	16.8%	35.8%	7.1%	8	0%	0%	44%
Staples Inc.	19,372	26.9%	9.8%	12.6%	11.0%	13	8%	15%	23%
Starbucks Corp.	9,411	18.4%	21.6%	30.2%	12.6%	9	11%	11%	22%
Starwood Hotels & Resorts	6,153	25.8%	1.5%	9.7%	5.6%	10	0%	10%	30%
Target Corp.	63,367	NA	9.7%	NA	6.4%	13	0%	0%	31%
Tiffany & Co.	2,938	49.8%	12.7%	15.8%	10.4%	10	0%	0%	22%
Time Warner Inc.	46,482	17.7%	5.4%	-4.7%	3.3%	13	8%	8%	15%
TJX Companies Inc.	18,647	22.8%	8.1%	19.6%	11.7%	12	0%	8%	17%
V.F. Corp.	7,219	27.9%	13.0%	18.8%	9.2%	12	8%	0%	17%
Viacom Inc.	13,423	27.4%	18.7%	32.3%	7.1%	11	0%	0%	27%
Walt Disney Co.	35,510	23.2%	6.4%	7.3%	7.7%	12	8%	0%	25%
Washington Post	4,180	12.0%	8.5%	42.1%	4.8%	10	0%	20%	40%
Wendy's International	2,450	10.4%	-0.1%	4.6%	4.9%	13	0%	0%	15%

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	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
Whirlpool Corp.	\$19,408	39.5%	16.4%	16.4%	4.6%	12	8%	33%	58%
Wyndham Worldwide	4,360	22.2%	12.1%	13.2%	3.9%	7	14%	14%	0%
Yum! Brands Inc.	10,416	50.1%	5.6%	23.5%	12.6%	13	8%	0%	38%
Consumer Discretionary									
Sector Averages⁶	\$17,646	21.7%	6.5%	19.6%	5.4%	11.0	5.7%	8.8%	25.1%
Consumer Staples Sector									
Altria Group, Inc.	\$73,801	71.3%	7.6%	12.1%	17.1%	8	0%	13%	13%
Anheuser-Busch	16,685	6.6%	5.3%	8.5%	12.3%	13	0%	8%	54%
Archer-Daniels-Midland	69,816	46.3%	38.1%	41.1%	7.2%	10	30%	30%	40%
Avon Products	9,939	77.9%	10.4%	13.5%	9.3%	10	10%	0%	20%
Brown-Forman Corp.	3,282	52.3%	16.6%	30.6%	30.2%	13	0%	15%	23%
Campbell Soup	7,867	31.0%	5.5%	4.5%	13.3%	15	0%	13%	13%
Clorox Co.	5,273	15.8%	6.6%	14.2%	9.8%	11	0%	0%	9%
Coca Cola Co.	28,857	73.8%	11.8%	12.6%	13.8%	14	14%	14%	36%
Coca-Cola Enterprises	20,936	29.8%	5.7%	9.1%	3.0%	12	17%	17%	50%
Colgate-Palmolive	13,790	75.9%	10.0%	11.4%	17.2%	10	30%	40%	70%
ConAgra Foods Inc.	11,606	10.3%	6.4%	9.5%	6.8%	10	10%	10%	10%
Constellation Brands	3,773	46.2%	-9.5%	-1.1%	-6.1%	10	0%	0%	20%
Costco Co.	64,400	20.0%	10.3%	14.1%	5.5%	13	0%	0%	15%
CVS Caremark Corp.	76,329	NA	43.6%	NA	4.8%	12	0%	8%	17%
Dean Foods	11,822	NA	7.8%	NA	1.9%	11	0%	0%	27%
Estee Lauder Cos.	7,911	53.1%	10.6%	18.0%	9.5%	12	0%	17%	17%
General Mills	13,652	19.2%	8.0%	17.3%	6.8%	14	0%	21%	29%
Heinz (H.J.)	10,071	60.6%	7.9%	11.0%	8.0%	12	0%	0%	58%
Kellogg Co.	11,776	33.9%	7.6%	8.8%	9.7%	12	17%	33%	42%
Kimberly-Clark	18,266	47.2%	7.2%	12.6%	9.9%	12	8%	8%	17%
Kraft Foods Inc.	37,241	42.2%	4.5%	9.6%	3.8%	12	17%	17%	25%
Kroger Co.	70,235	NA	7.7%	NA	5.3%	15	7%	0%	20%
Lorillard Inc.	3,969	NA	5.5%	NA	34.5%	7	29%	29%	29%
McCormick & Co.	2,916	40.9%	6.1%	8.7%	8.3%	11	9%	0%	18%
Molson Coors Brewing Company	6,191	55.3%	6.0%	6.3%	3.7%	14	29%	43%	29%
Pepsi Bottling Group	13,591	32.3%	6.9%	12.8%	4.1%	10	20%	30%	50%
PepsiCo Inc.	39,474	44.3%	10.1%	17.7%	16.3%	12	17%	42%	67%
Philip Morris International	55,096	100.0%	10.3%	10.3%	18.8%	8	50%	50%	88%
Procter & Gamble	83,503	60.5%	10.6%	14.2%	8.4%	12	17%	17%	42%
Reynolds American Inc.	9,023	7.1%	4.5%	7.9%	7.0%	11	9%	27%	36%
Safeway Inc.	42,286	14.2%	4.9%	11.4%	5.0%	11	0%	0%	36%
Sara Lee Corp.	13,212	48.1%	8.7%	14.9%	-0.7%	11	0%	18%	45%
Supervalu Inc.	44,048	NA	48.9%	NA	2.8%	14	7%	0%	36%
Sysco Corp.	37,522	9.8%	7.2%	12.1%	10.0%	12	17%	8%	25%
The Hershey Company	4,946	13.8%	1.3%	14.1%	5.0%	10	10%	10%	10%
Tyson Foods	26,900	10.0%	1.7%	13.4%	2.6%	9	0%	0%	11%

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⁶ International revenues as percent of total revenues includes companies with no disclosed international revenues. International revenue annual growth rate excludes companies for which international revenues are not available

	Summary Financial Performance					International Capabilities of Boards ⁵			
	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
UST Inc.	\$ 1,951	2.6%	2.6%	9.1%	35.0%	9	22%	22%	33%
Walgreen Co.	53,762	NA	12.9%	NA	10.6%	10	10%	20%	30%
Wal-Mart Stores	378,799	23.9%	10.2%	23.7%	7.8%	15	13%	13%	40%
Whole Foods Market	6,592	NA	18.4%	NA	5.7%	6	17%	17%	33%
Wrigley (Wm) Jr.	5,389	67.4%	13.8%	17.7%	12.1%	10	10%	0%	20%
Consumer Staples Sector Averages⁶	\$34,549	32.8%	10.3%	13.3%	9.7%	11.3	10.8%	14.9%	31.7%
Health Care Sector									
Abbott Labs	\$25,914	48.7%	7.7%	14.5%	9.1%	13	8%	8%	15%
Aetna Inc.	27,599	0.0%	10.8%	8.0%	3.6%	12	0%	0%	25%
Allergan, Inc.	3,938	35.4%	29.7%	32.3%	7.6%	12	17%	25%	33%
AmerisourceBergen Corp.	66,074	NA	10.0%	NA	3.8%	8	0%	13%	38%
Amgen	14,771	19.5%	9.0%	16.3%	9.1%	11	0%	0%	18%
Applera Corp.-Applied Biosys. Grp.	2,361	56.6%	10.1%	12.3%	7.0%	9	0%	0%	33%
Bard (C.R.) Inc.	2,202	30.9%	11.6%	11.6%	16.4%	10	10%	10%	30%
Barr Pharmaceuticals, Inc.	2,500	26.8%	98.3%	879.1%	2.7%	6	0%	0%	0%
Baxter International Inc.	11,263	57.2%	6.9%	8.6%	11.2%	13	8%	15%	23%
Becton, Dickinson	6,359	52.3%	9.1%	8.6%	12.1%	14	0%	14%	21%
BIOGEN IDEC Inc.	3,172	38.3%	14.4%	23.3%	7.4%	13	8%	8%	31%
Boston Scientific	8,357	41.1%	15.3%	18.9%	-8.4%	15	7%	20%	53%
Bristol-Myers Squibb	19,348	44.1%	2.0%	-0.8%	8.3%	10	10%	10%	30%
Cardinal Health, Inc.	91,091	1.9%	6.9%	21.4%	5.5%	14	7%	7%	43%
Celgene Corp.	1,406	14.5%	61.8%	174.9%	6.3%	9	0%	0%	11%
CIGNA Corp.	17,623	11.0%	2.8%	52.5%	2.8%	11	0%	9%	36%
Coventry Health Care Inc.	9,879	NA	22.2%	NA	8.7%	10	10%	20%	10%
Covidien Ltd.	10,170	39.7%	3.3%	7.5%	-1.9%	11	0%	0%	0%
DaVita Inc.	5,264	NA	33.0%	NA	5.5%	9	0%	0%	0%
Express Scripts	18,274	0.2%	6.2%	61.7%	10.8%	11	0%	0%	18%
Forest Laboratories	3,836	1.8%	13.8%	12.0%	21.4%	8	0%	0%	0%
Genzyme Corp.	3,813	47.6%	18.1%	22.1%	5.8%	8	0%	25%	38%
Gilead Sciences	4,230	48.8%	44.4%	41.1%	27.7%	11	0%	0%	55%
Hospira Inc.	3,436	30.9%	14.4%	55.5%	2.7%	9	0%	0%	22%
Humana Inc.	25,290	NA	32.4%	NA	6.5%	9	11%	11%	33%
IMS Health Inc.	2,192	63.5%	11.8%	11.4%	10.4%	9	0%	0%	44%
Intuitive Surgical Inc.	601	22.0%	62.7%	86.4%	13.9%	9	0%	0%	22%
Johnson & Johnson	61,095	46.9%	10.0%	13.8%	13.1%	11	9%	9%	36%
King Pharmaceuticals	2,137	NA	9.8%	NA	5.3%	8	13%	13%	13%
Laboratory Corp.of America Holding	4,068	NA	10.6%	NA	10.9%	10	20%	20%	20%
Lilly (Eli) & Co.	18,633	45.6%	12.8%	11.3%	11.0%	12	8%	33%	50%
McKesson Corp.	101,703	8.2%	8.1%	16.6%	4.0%	10	0%	10%	30%
Medco Health Solutions Inc.	44,506	NA	8.4%	NA	5.6%	9	0%	0%	0%
Medtronic Inc.	13,515	38.3%	9.4%	18.9%	30.5%	12	8%	17%	50%

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Merck & Co.	\$24,198	39.3%	4.8%	1.4%	6.8%	14	0%	7%	36%
Millipore Corp.	1,531	63.4%	24.3%	23.4%	4.9%	10	30%	40%	60%
Mylan Inc.	1,612	5.0%	13.4%	NA	1.9%	10	10%	10%	20%
Patterson Cos. Inc.	2,999	9.7%	7.1%	14.2%	10.8%	8	0%	0%	0%
PerkinElmer	1,787	63.1%	10.1%	11.7%	4.5%	10	0%	0%	20%
Pfizer Inc.	48,418	52.2%	1.1%	5.6%	7.1%	14	0%	0%	14%
Quest Diagnostics	6,705	NA	10.8%	NA	4.0%	9	11%	11%	11%
Schering-Plough	12,690	63.8%	15.5%	16.9%	-5.5%	13	15%	0%	38%
St Jude Medical	3,779	44.2%	13.9%	17.8%	10.5%	9	11%	11%	11%
Stryker Corp.	6,000	35.8%	14.1%	12.3%	13.8%	7	0%	0%	14%
Tenet Healthcare Corp.	8,852	NA	3.1%	NA	-1.1%	10	0%	0%	20%
Thermo Fisher Scientific	9,746	39.5%	92.4%	60.9%	3.6%	11	9%	9%	55%
UnitedHealth Group Inc.	75,431	NA	27.5%	NA	9.1%	8	13%	25%	13%
Varian Medical Systems	1,777	51.1%	13.4%	17.9%	14.2%	9	0%	22%	11%
Waters Corporation	1,473	67.9%	12.8%	14.2%	14.2%	9	0%	0%	22%
Watson Pharmaceuticals	2,497	NA	23.2%	NA	4.1%	9	0%	11%	11%
WellPoint Inc.	61,134	NA	17.1%	NA	6.4%	17	0%	0%	12%
Wyeth	22,400	48.0%	9.3%	13.1%	10.8%	11	0%	9%	45%
Zimmer Holdings	3,898	41.6%	8.9%	9.8%	11.7%	7	14%	29%	29%
Health Care Sector Averages⁶	\$17,614	28.2%	18.1%	46.5%	8.1%	10.4	5.0%	9.1%	25.0%

Financial Sector

AFLAC Inc.	\$15,393	71.1%	3.5%	1.2%	2.5%	17	6%	0%	24%
Allstate Corp.	36,769	1.8%	1.9%	7.5%	3.0%	10	0%	0%	30%
American Capital Strategies Ltd.	1,240	5.7%	49.6%	33.2%	6.0%	7	0%	14%	0%
American Express	27,731	30.2%	11.2%	10.0%	2.7%	12	8%	25%	25%
American International Group	110,064	57.8%	0.6%	14.1%	0.6%	12	17%	17%	33%
Ameriprise Financial, Inc.	8,909	7.0%	8.0%	8.0%	0.7%	10	0%	0%	30%
Aon Corp.	7,471	61.8%	6.0%	8.4%	3.5%	14	14%	14%	36%
Apartment Investments & Mgmt.	1,721	NA	13.1%	NA	-0.3%	8	0%	0%	25%
Assurant Inc.	8,454	8.4%	6.2%	27.3%	12.1%	10	0%	0%	30%
AvalonBay Communities	813	NA	11.4%	NA	5.2%	9	0%	0%	11%
Bank of America Corp.	124,321	9.5%	21.7%	37.1%	0.9%	16	0%	0%	13%
Bank of New York Mellon Corp.	11,331	32.5%	36.8%	42.5%	1.0%	15	13%	20%	13%
BB&T Corporation	10,668	NA	16.7%	NA	1.3%	16	0%	6%	13%
Boston Properties	1,482	NA	3.5%	NA	11.8%	9	0%	11%	0%
Capital One Financial	19,132	8.7%	25.8%	7.2%	1.0%	10	0%	0%	30%
CB Richard Ellis Group	6,034	37.2%	37.4%	45.6%	6.2%	12	0%	0%	42%
Charles Schwab	4,994	NA	17.5%	NA	5.7%	10	0%	0%	20%
Chubb Corp.	14,107	20.9%	0.1%	8.6%	5.6%	12	15%	15%	31%
Cincinnati Financial	4,259	NA	6.3%	NA	5.1%	13	0%	0%	0%
CIT Group	8,605	23.5%	23.4%	38.4%	-0.1%	11	0%	0%	9%
Citigroup Inc.	159,229	54.0%	15.0%	33.7%	0.2%	15	27%	33%	53%

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CME Group Inc.	\$ 1,756	NA	40.5%	NA	3.2%	33	0%	0%	3%
Comerica Inc.	4,618	2.6%	14.1%	5.0%	1.1%	14	0%	7%	7%
Developers Diversified Realty	945	NA	18.1%	NA	2.5%	9	0%	11%	22%
Discover Financial Services	6,434	7.4%	12.2%	35.9%	1.6%	12	0%	0%	25%
E*Trade Financial Corp.	3,569	31.0%	47.1%	134.6%	-2.5%	11	9%	18%	27%
Equity Residential	2,038	NA	16.8%	NA	6.1%	11	0%	0%	18%
Federated Investors Inc.	1,128	3.8%	12.2%	12.5%	25.8%	7	0%	0%	0%
Fifth Third Bancorp	6,027	NA	9.8%	NA	1.0%	14	0%	0%	14%
First Horizon National	3,173	NA	0.4%	NA	-0.5%	13	8%	8%	15%
Franklin Resources	6,206	34.9%	20.0%	23.8%	17.8%	13	0%	8%	38%
General Growth Properties	3,262	NA	3.0%	NA	1.0%	9	0%	11%	0%
Genworth Financial Inc.	11,125	24.2%	6.6%	13.1%	1.1%	10	0%	0%	40%
Goldman Sachs Group	45,987	49.1%	35.0%	45.9%	1.0%	14	21%	14%	29%
Hartford Financial Service Group	25,916	4.1%	-2.2%	-52.9%	0.8%	10	10%	20%	60%
HCP Inc.	982	NA	64.0%	NA	4.5%	11	0%	0%	36%
Host Hotels & Resorts	5,426	3.2%	21.2%	20.4%	6.1%	7	0%	29%	57%
Hudson City Bancorp	2,134	NA	34.1%	NA	0.7%	9	0%	0%	22%
Huntington Bancshares	3,418	NA	22.6%	NA	0.1%	14	0%	0%	14%
IntercontinentalExchange Inc.	574	34.5%	92.4%	74.5%	8.6%	10	20%	0%	60%
Invesco Ltd.	3,879	57.5%	16.2%	27.2%	5.2%	9	33%	33%	44%
Janus Capital Group	1,117	10.5%	13.4%	17.3%	3.3%	14	7%	14%	36%
JPMorgan Chase & Co.	116,353	27.0%	20.8%	11.4%	1.0%	12	0%	0%	50%
KeyCorp	7,925	NA	8.8%	NA	0.9%	12	8%	8%	25%
Kimco Realty	750	NA	19.9%	NA	4.6%	9	0%	0%	11%
Legg Mason	4,634	28.7%	32.4%	75.1%	2.3%	15	0%	7%	0%
Lehman Bros.	19,257	50.0%	14.7%	34.0%	0.6%	11	18%	0%	18%
Leucadia National Corp.	1,154	NA	29.4%	NA	6.0%	8	0%	0%	50%
Lincoln National	10,594	3.5%	39.1%	7.9%	0.6%	12	0%	0%	25%
Loews Corp.	18,380	8.4%	7.7%	26.4%	3.3%	11	0%	0%	9%
M&T Bank Corp.	4,604	NA	10.6%	NA	1.0%	20	15%	10%	15%
Marsh & McLennan	11,444	51.5%	5.6%	9.5%	14.3%	12	17%	8%	33%
Marshall & Ilsley Corp.	4,398	NA	23.9%	NA	1.9%	16	0%	0%	0%
MBIA Inc.	3,122	7.8%	16.5%	1.3%	-4.1%	9	0%	0%	11%
Merrill Lynch	62,675	77.0%	15.7%	67.1%	-0.8%	10	10%	10%	40%
MetLife Inc.	53,007	14.4%	8.8%	21.8%	0.7%	13	8%	8%	8%
MGIC Investment	1,693	NA	5.3%	NA	-21.6%	11	0%	0%	9%
Moody's Corp.	2,259	39.7%	14.2%	17.8%	40.9%	8	25%	38%	63%
Morgan Stanley	85,328	56.9%	34.6%	72.1%	0.3%	11	9%	18%	36%
National City Corp.	11,829	NA	3.5%	NA	0.2%	11	0%	0%	18%
Northern Trust Corp.	5,395	21.9%	23.2%	31.2%	1.1%	14	0%	7%	21%
NYSE Euronext	4,158	33.9%	59.6%	NA	3.9%	18	50%	28%	78%
Plum Creek Timber Co.	1,675	2.6%	3.1%	-1.1%	6.0%	9	0%	0%	11%
PNC Financial Services	10,088	NA	12.7%	NA	1.1%	18	6%	11%	22%

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Principal Financial Group	\$10,906	7.3%	9.8%	14.8%	0.5%	13	8%	23%	31%
Progressive Corp.	14,687	NA	1.3%	NA	6.3%	12	0%	8%	0%
ProLogis	6,204	39.6%	84.8%	69.8%	5.4%	10	10%	0%	70%
Prudential Financial	34,401	27.7%	4.8%	2.7%	0.8%	13	0%	0%	38%
Public Storage	1,816	11.7%	30.9%	NA	4.3%	10	10%	10%	10%
Regions Financial Corp.	10,939	NA	35.3%	NA	0.9%	13	0%	0%	8%
SAFECO Corp.	6,209	NA	-1.1%	NA	5.6%	12	0%	0%	17%
Simon Property Group Inc.	3,651	NA	7.4%	NA	1.8%	13	8%	0%	15%
SLM Corporation	10,627	NA	27.1%	NA	-0.6%	16	0%	6%	38%
Sovereign Bancorp	5,274	NA	21.6%	NA	-1.6%	12	17%	17%	42%
State Street Corp.	11,811	29.0%	25.7%	26.7%	0.9%	12	8%	8%	50%
SunTrust Banks	13,463	NA	11.2%	NA	0.9%	14	0%	0%	14%
T. Rowe Price Group	2,233	NA	21.4%	NA	21.1%	9	0%	11%	11%
The Travelers Companies Inc.	26,017	6.2%	3.3%	4.9%	4.0%	13	0%	0%	31%
Torchmark Corp.	3,487	NA	5.6%	NA	3.5%	10	0%	10%	0%
U.S. Bancorp	20,308	NA	10.3%	NA	1.8%	13	0%	8%	15%
Unum Group	10,520	9.2%	1.3%	11.0%	1.3%	12	0%	0%	0%
Vornado Realty Trust	3,270	NA	13.9%	NA	2.3%	11	0%	0%	0%
Wachovia Corp.	55,528	2.2%	24.2%	110.8%	0.8%	16	0%	6%	31%
Washington Mutual	25,531	NA	10.2%	NA	0.0%	13	0%	0%	23%
Wells Fargo	53,593	NA	15.2%	NA	1.4%	16	0%	0%	31%
XL Capital	9,136	43.6%	-10.0%	-19.4%	0.4%	12	17%	17%	17%
Zions Bancorp	3,776	NA	26.8%	NA	0.9%	10	0%	10%	10%
Financial Sector Averages⁶	\$ 17,317	14.9%	18.4%	26.6%	3.3%	12.1	5.2%	7.1%	24.1%

Information Technology Sector

Adobe Systems	\$3,158	52.2%	26.7%	26.8%	12.7%	11	9%	9%	0%
Advanced Micro Devices	6,013	87.4%	1.4%	6.4%	-29.3%	9	22%	22%	33%
Affiliated Computer	5,772	7.0%	15.2%	75.8%	4.2%	7	0%	0%	0%
Agilent Technologies	5,420	65.6%	7.6%	8.6%	8.4%	9	11%	11%	33%
Akamai Technologies Inc.	636	23.0%	49.9%	57.3%	6.1%	11	0%	9%	36%
Altera Corp.	1,263	77.6%	6.1%	7.5%	16.4%	7	0%	14%	14%
Analog Devices	2,511	74.4%	8.4%	9.6%	16.7%	10	0%	0%	10%
Apple Inc.	24,006	41.1%	31.3%	31.2%	11.5%	8	13%	0%	0%
Applied Materials	9,735	84.0%	18.0%	21.7%	16.1%	12	8%	17%	42%
Autodesk, Inc.	2,172	68.6%	18.9%	21.5%	16.1%	10	20%	10%	50%
Automatic Data Processing Inc.	8,776	19.4%	13.3%	21.4%	5.2%	12	0%	8%	42%
BMC Software	1,732	49.2%	7.5%	10.1%	9.4%	9	11%	11%	11%
Broadcom Corporation	3,776	35.5%	18.9%	39.5%	4.4%	8	0%	0%	38%
CA, Inc.	4,277	48.2%	6.5%	8.0%	4.3%	10	10%	0%	20%
Ciena Corp.	780	29.0%	35.2%	62.1%	3.4%	9	0%	11%	22%
Cisco Systems	34,922	47.9%	18.7%	17.6%	13.7%	12	0%	0%	42%
Citrix Systems	1,392	55.9%	23.7%	23.4%	8.4%	8	0%	25%	0%

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Cognizant Technology Solutions	\$ 2,136	17.2%	55.3%	80.2%	19.0%	7	14%	29%	29%
Computer Sciences Corp.	16,500	39.9%	6.1%	9.0%	3.5%	9	11%	22%	56%
Compuware Corp.	1,229	37.3%	1.0%	6.1%	6.6%	9	0%	0%	22%
Convergys Corp.	2,844	13.9%	5.0%	31.5%	6.6%	11	0%	0%	9%
Corning Inc.	5,860	72.2%	13.1%	14.3%	14.1%	13	8%	23%	38%
Dell Inc.	61,133	38.9%	4.7%	10.5%	10.7%	11	18%	9%	64%
eBay Inc.	7,672	51.2%	29.8%	37.4%	2.3%	12	8%	8%	25%
Electronic Arts	3,665	47.0%	11.4%	12.3%	-7.5%	8	13%	13%	38%
EMC Corp.	13,230	44.5%	17.0%	18.5%	7.5%	11	18%	18%	27%
Fidelity National Information Svcs.	4,758	11.2%	33.0%	70.0%	5.7%	7	0%	0%	0%
Fiserv Inc.	3,922	5.0%	10.0%	23.3%	3.7%	10	0%	10%	10%
Google Inc.	16,594	39.0%	64.4%	48.2%	16.6%	10	20%	30%	10%
Hewlett-Packard	104,286	66.6%	9.7%	11.2%	8.2%	10	10%	10%	30%
Intel Corp.	38,334	84.3%	-0.6%	-1.3%	12.5%	11	0%	18%	36%
IBM	98,786	58.4%	4.1%	1.3%	8.6%	12	8%	33%	58%
Intuit Inc.	3,071	NA	15.7%	NA	10.2%	11	0%	0%	0%
Jabil Circuit	12,290	78.8%	27.8%	23.9%	1.2%	9	11%	11%	22%
JDS Uniphase Corp.	1,530	57.7%	12.7%	37.4%	-0.8%	10	10%	20%	50%
Juniper Networks	2,836	57.1%	17.2%	16.9%	5.2%	8	0%	13%	38%
KLA-Tencor Corp.	2,522	79.4%	10.4%	10.0%	7.4%	11	9%	9%	27%
Lexmark International Inc.	4,973	57.0%	-2.4%	-0.5%	9.6%	11	9%	18%	45%
Linear Technology Corp.	1,175	70.5%	3.7%	4.4%	24.5%	5	20%	20%	20%
LSI Corporation	2,604	67.0%	16.5%	33.0%	-56.6%	9	11%	11%	11%
Mastercard Inc.	4,067	50.3%	17.7%	34.3%	17.3%	12	58%	42%	83%
MEMC Electronic Materials	1,922	76.0%	31.8%	38.3%	28.6%	9	11%	11%	11%
Microchip Technology	1,035	73.6%	5.7%	7.4%	11.9%	5	0%	20%	20%
Micron Technology	5,688	69.8%	8.0%	11.0%	-2.2%	7	14%	29%	14%
Microsoft Corp.	60,420	40.5%	16.8%	22.5%	24.3%	10	10%	20%	30%
Molex Inc.	3,328	37.7%	7.9%	8.5%	6.0%	13	15%	15%	23%
Motorola Inc.	36,622	49.4%	1.8%	-1.3%	-0.1%	15	7%	13%	27%
National Semiconductor	1,886	79.5%	-6.5%	-6.9%	15.4%	9	11%	22%	22%
NetApp Inc.	3,303	47.0%	26.4%	28.3%	7.6%	11	0%	0%	0%
Novell Inc.	932	49.9%	-2.8%	-5.1%	-1.5%	11	0%	0%	18%
Novellus Systems	1,570	68.9%	8.2%	74.7%	10.3%	9	22%	33%	22%
NVIDIA Corp.	4,098	89.0%	31.3%	33.9%	21.3%	8	0%	0%	13%
Oracle Corp.	22,430	49.5%	24.9%	28.4%	11.7%	13	8%	15%	23%
Paychex Inc.	2,066	NA	11.1%	NA	10.8%	8	0%	0%	13%
QLogic Corp.	598	49.0%	10.0%	14.9%	11.9%	6	0%	50%	67%
QUALCOMM Inc.	8,871	86.9%	25.0%	28.6%	17.9%	11	9%	9%	45%
Salesforce.com Inc.	749	25.5%	55.4%	74.1%	1.7%	9	0%	0%	11%
SanDisk Corporation	3,896	57.8%	30.0%	43.8%	3.0%	7	0%	14%	71%
Sun Microsystems	13,880	62.6%	3.1%	7.4%	2.8%	11	0%	0%	27%
Symantec Corp.	5,874	52.1%	19.1%	20.8%	2.6%	10	10%	10%	50%

Source: Egon Zehnder International *Global Board Index* database, developed by MangoStrategy, LLC.

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	Summary Financial Performance					International Capabilities of Boards ⁵			
	Total revenues ¹ (\$ millions)	International as percent of total revenues ²	Total revenue annual growth rate ³	International revenue annual growth rate ⁴	Return on assets ¹	No. of board memb.	Percent foreign nationals	Percent with international degrees	Percent with international work experience
Tellabs Inc.	\$ 1,913	26.9%	0.8%	3.3%	1.7%	10	10%	10%	30%
Teradata Corp.	1,702	48.1%	7.7%	11.0%	15.5%	9	11%	11%	44%
Teradyne Inc.	1,102	77.0%	2.7%	2.2%	5.0%	8	0%	0%	25%
Texas Instruments	13,835	87.3%	5.9%	6.5%	21.0%	11	0%	9%	18%
Total System Services	1,806	22.5%	6.1%	27.7%	16.0%	17	0%	0%	12%
Tyco Electronics Ltd.	13,460	67.2%	8.5%	10.7%	-2.3%	11	18%	27%	27%
Unisys Corp.	5,653	57.0%	-0.9%	1.8%	-1.9%	13	0%	0%	15%
Verisign Inc.	1,496	16.6%	-3.5%	-35.3%	-3.5%	7	14%	0%	29%
Western Union Co.	4,900	62.8%	10.9%	19.7%	14.8%	9	22%	33%	56%
Xerox Corp.	17,228	47.3%	4.7%	5.6%	4.8%	11	0%	0%	36%
Xilinx Inc.	1,841	61.0%	3.3%	5.4%	11.9%	9	11%	22%	11%
Yahoo Inc.	6,969	32.2%	15.1%	18.7%	5.4%	11	0%	9%	27%
Information Technology Sector Averages⁶	\$10,881	51.1%	14.7%	21.2%	7.4%	9.8	7.9%	12.5%	27.5%
Telecommunications Services Sector									
American Tower Corp.	\$1,456	12.9%	24.1%	13.1%	0.7%	9	0%	0%	11%
AT&T Inc.	118,928	NA	64.8%	NA	4.3%	14	0%	0%	43%
Century Telephone	2,656	NA	3.5%	NA	8.7%	12	0%	0%	8%
Embarq Corporation	6,365	NA	0.9%	NA	7.7%	8	0%	13%	38%
Frontier Communications Corp.	2,288	NA	6.5%	NA	2.9%	12	0%	0%	25%
Qwest Communications Int'l	13,778	NA	-0.5%	NA	12.9%	13	0%	8%	8%
Sprint Nextel Corp.	40,146	0.3%	18.1%	121.1%	-46.1%	10	0%	0%	40%
Verizon Communications	93,469	4.2%	16.0%	355.6%	2.9%	12	0%	0%	25%
Windstream Corporation	3,261	NA	5.6%	NA	11.2%	9	0%	0%	0%
Telecommunications Sector Averages⁶	\$31,372	1.9%	15.5%	163.3%	0.6%	11.0	0.0%	2.2%	21.9%
Utilities Sector									
AES Corp.	\$13,588	80.6%	15.2%	17.2%	-0.3%	8	13%	25%	38%
Allegheny Energy	3,307	NA	4.4%	NA	4.2%	10	0%	0%	10%
Ameren Corporation	7,546	NA	5.5%	NA	3.0%	11	0%	0%	27%
American Electric Power	13,380	NA	5.1%	NA	2.7%	12	0%	25%	17%
CenterPoint Energy	9,623	NA	-0.5%	NA	2.2%	13	0%	0%	8%
CMS Energy	6,464	0.0%	4.9%	0.0%	-1.6%	11	0%	18%	9%
Consolidated Edison	13,120	NA	7.5%	NA	3.3%	12	0%	0%	17%
Constellation Energy Group	21,193	NA	11.8%	NA	3.7%	12	17%	8%	33%
Dominion Resources	15,674	0.5%	-6.2%	-23.5%	6.5%	10	0%	0%	10%
DTE Energy Co.	8,506	NA	2.5%	NA	4.1%	13	0%	0%	31%
Duke Energy	12,720	8.5%	35.7%	18.1%	3.0%	11	0%	9%	9%
Dynegy Inc.	3,103	NA	24.0%	NA	2.0%	11	9%	9%	27%
Edison International	13,113	0.4%	5.2%	-9.1%	2.9%	11	0%	9%	36%
Entergy Corp.	11,484	NA	6.6%	NA	3.4%	12	8%	8%	33%

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Exelon Corp.	\$ 18,916	NA	11.0%	NA	6.0%	15	0%	0%	7%
FirstEnergy Corp.	12,802	NA	6.2%	NA	4.1%	11	0%	0%	0%
FPL Group	15,263	NA	13.5%	NA	3.3%	12	0%	0%	17%
Integrus Energy Group Inc.	10,292	21.6%	22.8%	1.4%	2.2%	14	0%	0%	14%
NICOR Inc.	3,176	12.7%	-2.7%	3.4%	3.2%	12	0%	0%	8%
NiSource Inc.	7,940	NA	0.3%	NA	1.8%	11	0%	0%	9%
Pepco Holdings Inc.	9,366	NA	7.8%	NA	2.2%	12	0%	0%	0%
PG&E Corp.	13,237	NA	6.4%	NA	2.7%	8	0%	0%	25%
Pinnacle West Capital	3,524	NA	8.6%	NA	2.7%	13	0%	0%	0%
PPL Corp.	6,498	13.9%	8.3%	9.3%	6.4%	11	18%	9%	45%
Progress Energy Inc.	9,153	NA	7.3%	NA	1.9%	12	0%	0%	42%
Public Serv. Enterprise Inc.	12,853	1.8%	4.2%	43.9%	4.7%	9	11%	11%	44%
Questar Corp.	2,727	NA	0.0%	NA	8.5%	12	0%	8%	17%
Sempra Energy	11,438	11.1%	-0.3%	-3.1%	3.7%	12	8%	8%	17%
Southern Co.	15,353	NA	6.4%	NA	3.8%	11	0%	0%	9%
TECO Energy	3,536	NA	8.4%	NA	6.1%	11	0%	0%	18%
Xcel Energy Inc.	10,034	NA	2.1%	NA	2.5%	13	8%	15%	0%
Utilities Sector Averages⁶	\$ 10,288	4.9%	7.5%	5.7%	3.4%	11.5	3.0%	5.3%	18.6%

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Methodology

Our Study on the internationalization of U.S. boards of directors is focused on the universe of publicly listed companies comprising the S&P 500 index as of September 15, 2008. The Study examines the degree to which company boards have become globalized by seeking to gauge the international backgrounds of the 5,444 directors serving on the S&P 500. To that end, a research team spent six months compiling information on the professional and educational credentials of each director in order to determine what, if any, international experience board members bring to the table. Most importantly, our research seeks to quantify the presence of non-U.S. nationals serving on company boards by creating a comprehensive record of board members' nationality. Finally, this Study also examines the increasingly important contribution of international revenues and how they compare with overall S&P 500 revenue streams. Determining the geographic origin of company revenues was one of our primary objectives in this regard.

Sources of information

The information contained in our board and company profiles was drawn primarily from publicly available Internet-based sources. Company websites and annual reports were reliable sources of information on board composition and financial results. SEC filings, including 10-Ks and 14-Defs, provided additional key financial and board-related details. The creation of individual sketches of each director serving on the S&P 500 typically involved the utilization of numerous websites containing biographical information, including director biographies, news articles, and other sources.

In the course of preparing profiles on the companies comprising the S&P 500 index, we gathered a number of financial data points. Information included: overall revenues for the last three fiscal years, international revenues for the last three fiscal years, geographic breakdowns (when available) of international revenues, latest year net income, earnings per share (EPS) for the last three fiscal years, stock price for the last three fiscal years, latest year equity, latest year total shareholder assets, and latest year EBITDA.

Companies' international revenues were obtained from their latest annual reports and SEC filings (primarily 10-Ks). There is not currently a standardized approach for conveying certain types of this information; some companies provided detailed breakdowns of international revenues on a geographic basis while other companies simply published information comparing U.S. revenues with international revenues (minus a geographic breakdown).

Definitions

We defined international work experience in one of two ways: (1) executive-level employment in a non-U.S. market for a minimum period of time; and (2) responsibility for a particular facet of a company's international operations, even if said responsibility was exercised from a U.S.-based location.

We defined international educational experience to include any degree conferred by a non-U.S. institution of higher learning. In the process, we took into consideration both undergraduate and graduate degrees. In order for directors to have been given credit for international educational experience, they had to complete the program and receive a formal degree.

Company verification process

Upon completion of secondary research, each board profile containing director information was submitted to the appropriate company for verification purposes. Companies were asked to review the information contained in the profiles, make corrections as needed and resubmit the modified profiles for subsequent updating in our database.

We have made significant efforts to create the most detailed and complete overview of the international capabilities of S&P 500 board members available. Due to restrictions on the information that companies disclose about board members' nationalities and international backgrounds, however, we recognize that there are limitations to the completeness of individual director profiles. Nevertheless, we believe that our information is both accurate and timely considering these limitations.

About Us

Egon Zehnder International

Founded in 1964, Egon Zehnder International is one of the world's largest privately held executive search firms, with 370 consultants in 63 wholly owned offices in 37 countries.

We are industry leaders, specializing in senior-level executive search, board consulting and director search, management appraisal and talent management.

Since our inception, our unique structure has supported our enduring vision: to place our clients' interests first, and to lead our profession in creating value for our clients.

Board Consulting

Egon Zehnder International has a dedicated global practice specializing in Board Consulting. By recruiting directors whose independence, intellect, integrity, and courage strengthen the board, we create sustained competitive advantage for client companies. Focusing on the highest level of the organization, we work in collaboration with the chairman and board members, both to review overall board performance and to appraise individual board members' contributions. Our clients range in size from start-ups, to privately held family firms, to the world's largest international corporations.

Egon Zehnder International Worldwide Offices

Amsterdam	Chicago	Jeddah	Moscow	Seoul
Athens	Copenhagen	Kuala Lumpur	Mumbai	Shanghai
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Egon Zehnder International acknowledges the contribution of **MangoStrategy, LLC**, to the research and analysis for this report.

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