

NIRI ANNUAL REPORT 2009



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Definition of Investor Relations

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

About National Investor Relations Institute (NIRI)

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

Mission

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

Letter from the Chair

Dear NIRI Member,

On behalf of the National Investor Relations Institute, I want to thank you for your continuing membership in the world's largest organization of investor relations professionals. There is no doubt that the past few years have been stressful times for IROs, so it is reassuring to know that NIRI has remained steadfast in its commitment to supporting members through information, education, advocacy and networking opportunities.

I am pleased to report that despite the negative impact the economic downturn has had on NIRI's revenues, we have continued to deliver exceptionally high quality value-added services to our members while prudently managing operating expenses. Thanks to the efforts of a vigilant and active board and dedicated staff, we have enhanced our position as the preeminent organization serving the global IR community. The result is that after more than two years of the longest recession since the Great Depression, NIRI has successfully strengthened member benefits and value while maintaining financial strength.

Although the recession may not officially be over as of April, 2010, it seems clear that many leading indicators are pointing to better times ahead. With NIRI and its members well positioned to benefit from a strengthening business environment, I'd like to review some of my key priorities that NIRI has been working toward in 2010.

NIRI's mission remains to advance the practice of investor relations and the professional competency and stature of members. The board and I take very seriously our role in accomplishing this mission, relying heavily on NIRI's four core emphasis areas: information, education, community and advocacy. My priorities flow directly from that mission.

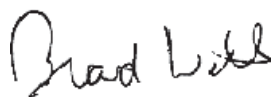
My first priority has been to continue enhancing the relevancy of a NIRI membership within the corporate executive suite and board room. Members look to NIRI to deliver high caliber, relevant and timely information and tools that can be shared with executive management teams and boards to educate them about emerging issues and best practices related to disclosure, governance and shareholder activism. In this time of rapid regulatory reform, public corporations must be increasingly sensitive and responsive to investors' demands for greater disclosure about risk mitigation strategies and governance issues.

Related is NIRI's expanding advocacy role. Beyond Congressional regulatory reform, we are witnessing one the most active SEC rulemaking agendas most of us have ever experienced. Through the efforts of NIRI president and CEO Jeff Morgan and a newly formed Advocacy Committee of the board, NIRI is playing a growing role in the regulatory arena. This committee evaluates advocacy issues and determines whether we should pursue advocacy alone or in concert with other groups like the Society of Corporate Secretaries and Governance Professionals or the Shareholder Communications Coalition. The SEC is now regularly reaching out to NIRI as a resource, and I look forward to continuing to foster the strong relationship we've developed in the past year. These activities enhance the reputation and value proposition of NIRI to our members.

Like my predecessor Bina Thompson, I agree that NIRI chapters are the lifeblood of the organization and indispensable to its future growth. Chapters provide an outstanding proving ground for future national leaders, bring to light compelling educational programming ideas and are a wonderful peer-to-peer network. Your board and I are committed to maintaining strong, active chapters across the nation (and the Virtual Chapter too). I hope you have an opportunity to meet CEO Jeff Morgan at one of your own chapter events; Jeff is a frequent presenter and visits many chapters each year.

Finally, I cannot overstate the importance of the NIRI Annual Conference to both NIRI members and the profession. This event continues to be the world's largest, most comprehensive investor relations education program, and remains a consistently superior and enjoyable event. It was nice seeing you at the 2010 Annual Conference in San Diego, and I look forward to seeing you in 2011 in Orlando. I wish you continued success in your career in the coming year.

Sincerely,



Brad Wilks
NIRI Chair and Chicago CEO and Managing Director
Sard Verbinnen & Co



Letter from the President and CEO

NIRI Members,

2009 was a year of dramatic contrasts and fluctuations, beginning with the inauguration of a new president elected on a platform of change. The year unfolded to include wild gyrations in the financial markets, and the seating of a new Democrat-

controlled Congress. We saw a very active regulatory environment and the development of proposed regulatory reforms intended to address the root cause of the painful recession. I suspect your year in IR for 2009 has had its own fluctuations and that is one of the reasons NIRI exists. NIRI has been through this stressful period with you providing you with insight, information and more to allow you to manage these ongoing changes in your professional life.



Like many of your own organizations, NIRI has not been immune to these changes, particularly the economic downturn. Although the prolonged recession led NIRI to experience a modest 2009 operating loss, interest and income from our conservative investment portfolio enabled a positive bottom line for the year. Your board and association staff managed the downturn, closely monitoring the situation and making adjustments throughout 2009 to operate NIRI in line with association financial best practices to ensure your association's ongoing financial strength.

The board and staff are also mindful that it is at times like these that members most need their professional association. In that spirit, NIRI maintained its Career Transition Program throughout 2009 to support the 100+ members that are between jobs by waiving their membership dues for one year.

We recognize that the investor relations profession is also undergoing change, and NIRI has evolved over the past year to provide members with an even greater value. Here are a few highlights.

- Continuously relevant **information** from publications, surveys and the NIRI web site:
 - A new NIRI web site launched in 2009 serves as an IR knowledge portal
 - The new member database provided increased connections and real-time updates and transactions
 - *IR Update* monthly magazine continued to provide current information with an improved focus on what is important to members now
 - *IR Weekly* newsletter provided critical news from additional sources, with frequent Washington updates
 - Regular *Executive Alerts* featured breaking news and details of SEC regulatory changes on a more timely basis
 - NIRI research covered crucial subjects such as Global Trends in IR, CSR, Coping with Economic Crisis, Short-Selling Advocacy, Guidance Practices, Non-Deal Roadshows, Proxy Access Advocacy, and Notice and Access
- Increased NIRI **advocacy** with a voice in regulatory matters that impact members:

- The NIRI Board Advocacy Committee proactively identified those emerging issues that will require NIRI advocacy and determined the appropriate advocacy approach
- The NIRI Board met with the SEC to provide education on the role of the IR profession, and to advocate for relevant issues such as an overhaul of the U.S. proxy system and increased disclosure of short and long positions by investors
- NIRI also advocated for these issues in partnership with industry organizations such as the Shareholder Communications Coalition and the Society of Corporate Secretaries and Governance Professionals
- Enhanced **education** opportunities in 2009:
 - A well received 2009 Annual Conference – in fact, 96% of attendees said they would recommend Conference to a well-respected peer. Highlights included:
 - Financial Crisis panel with two former SEC chairs and a former Chicago Federal Reserve President
 - IR Emerging Issues panel of experts
 - Updates and insights from renowned economists
 - More free member webinars, offered every few weeks and archived online
 - NIRI seminars offered a wider variety of learning and networking at special member rates
- More specialized **networking** opportunities for members:
 - NIRI Chapters offered award-winning programs and provided invaluable peer-to-peer community building
 - Developed NIRI's new eGroups member-only online communities available exclusively through the new NIRI web site

Looking ahead, it seems like all of us see increasingly brighter skies – most experts agree that the worst of the recession appears to be behind us and financial markets are strengthening. NIRI took advantage of the downturn to tighten operations and to increase member value in our four core areas of information, education, networking and advocacy. In fact, we invested approximately \$500,000 in capital improvements over the last two years like the new web site and new back office systems to serve you better. We haven't finished this important work, though, and I look forward to ensuring NIRI continues to meet and exceed your expectations.

Thank you for your membership, and I look forward to seeing you at the NIRI Annual Conference or your local chapter meeting.

Sincerely,

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

NIRI Membership Value

Continuing Return on Your Investment

NIRI Benefit/Service

Value/Non-Member Price

Information

<i>IR Update</i> monthly magazine	\$175
IR Weekly e-newsletter	Members only
Executive Alerts on breaking issues	\$325
eGroups online forum	Members only
NIRI research and surveys	\$825
NIRI archived body of knowledge	Members only
Standards of Practice	\$50
Sample documents	Members only
NIRI Bookstore	Numerous publication discounts
PR Week subscription discount	\$50
Compliance Week subscription discount	\$200
NIRI Ethics Council access	Members only

Professional Development

Member benefit webinars	\$1,700
Seminar registration — member discount	\$200 member discount
Annual Conference — member discount	\$300 member discount
Career Center and job postings	Members only
Career Transition Program	\$550 (if in position transition)

Community/Networking

Online member directory	Members only
Chapter membership	Access for national members
Industry Roundtables	Members only
Networking with NIRI members	Priceless

Advocacy

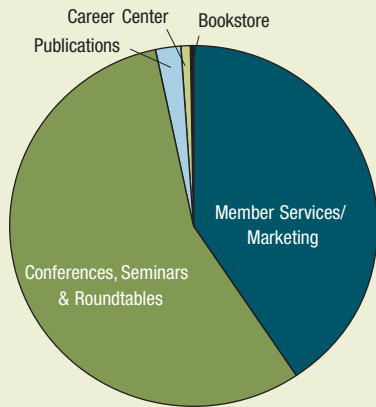
NIRI is the voice of IR	Invaluable
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Statement of Revenues and Expenses

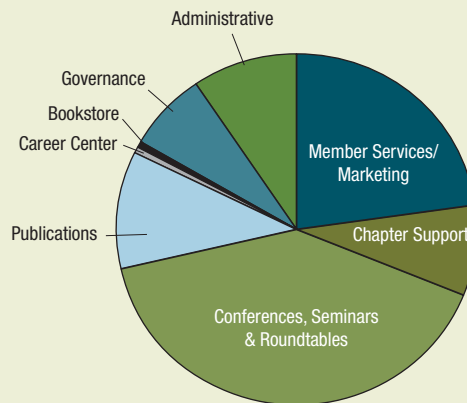
Years ended December 31, 2009 and 2008

	2009	Unrestricted	2008
REVENUES			
Membership dues	\$ 1,736,846		\$ 1,830,422
Conference and seminar fees	1,912,590		2,576,609
Publications and member services	166,276		192,136
Interest and investment income	679,945		(391,229)
TOTAL REVENUES	4,495,657		4,207,938
EXPENSES			
Conference and seminar expenses	1,714,108		1,720,633
Publications and member services	1,922,901		2,129,754
Administrative expenses	743,426		872,259
TOTAL EXPENSES	4,380,435		4,722,646
CHANGE IN NET ASSETS	115,222		(514,708)
NET ASSETS, BEGINNING OF YEAR	4,519,069		5,033,777
NET ASSETS, END OF YEAR	\$ 4,634,291		\$ 4,519,069

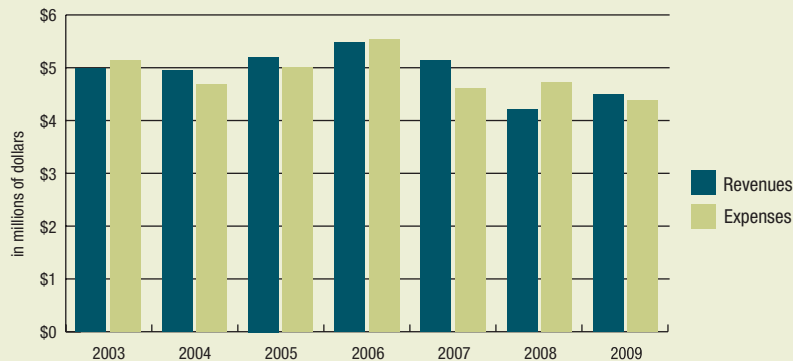
2010 Budget Revenues



2010 Budget Expenses



Operating Revenue and Expense Trend



Balance Sheet

December 31, 2009 and 2008

ASSETS	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$255,823	\$ 562,885
Short-term investments	500,000	500,000
Accounts receivable	24,300	17,596
Inventory	5,225	8,227
Prepaid expenses	51,563	103,045
TOTAL CURRENT ASSETS	<u>836,911</u>	<u>1,191,753</u>
PROPERTY AND EQUIPMENT		
Office furniture and equipment	216,450	270,403
Database software and web site	507,378	-
	723,828	270,403
Accumulated depreciation	(246,934)	(204,462)
Software & database development in progress		198,889
NET PROPERTY AND EQUIPMENT	<u>476,894</u>	<u>264,830</u>
OTHER ASSETS		
Long-term investments	3,833,962	3,652,969
Due from NIRI		
Education Foundation	19,902	19,902
Trademark	35	35
Deposits	32,970	32,970
TOTAL OTHER ASSETS	<u>3,886,869</u>	<u>3,705,876</u>
TOTAL ASSETS	<u>\$ 5,200,674</u>	<u>\$ 5,162,459</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 54,016	\$ 90,326
Due to affiliated chapters	27,625	33,625
Accrued expenses	277,047	252,754
Deferred income	207,695	266,685
TOTAL CURRENT LIABILITIES	<u>566,383</u>	<u>643,390</u>
NET ASSETS		
Unrestricted	4,634,291	4,519,069
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,200,674</u>	<u>\$ 5,162,459</u>

**NIRI 2010
Board of Directors**

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

Hulus Alpay
Investor Relations
Medidata Solutions Worldwide
New York, NY

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

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

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

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

Mary Beth Kissane, JD, MA
Principal
Walek & Associates
New York, NY

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

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

Andrew Kramer
Director of Investor Relations
Interactive Data Corporation
Bedford, MA

Nicole McIntosh
Assistant Vice President,
Investor Relations
Waddell & Reed Financial, Inc.
Overland Park, KS

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

David Prichard
Managing Director
Demakos Partners
Palatine, IL

Michelle Levine Schwartz
Senior Director, Investor Relations
JDSU
Milipitas, CA

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

Mona Zeehandelaar
Villanova, PA

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



National Investor Relations Institute

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