

White Paper

Why your ASX Announcements and Media Releases aren't working

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Executive Summary

Why your ASX announcements and media releases aren't working

If you're relying on your Stock Exchange (ASX) announcements and your media releases to fully inform "the market" it isn't working.

ASX announcements perform a very important task – meeting your regulatory disclosure obligations. Media releases are vital to ensure your story is communicated to and covered by the media. But they alone aren't enough to communicate your information to the entire market.

"The market" is big. It's composed of well over a million global investment professionals that each pay up to \$24,000 per year to access financial information through platforms like Bloomberg and Thomson Reuters. It includes 520,000 active Self Managed Superannuation Funds in Australia, controlling over \$520 billion in assets.

There's also the tens - or hundreds - of millions of international retail investors ; high net worth individuals buying securities through the OTC markets in the USA, the rapidly increasing numbers of middle class investors in China, in Brazil, in Russia, the Europeans attracted to Australian shares because of our economic record and relative political stability.

According to the ASX, in 2012 just under 50% of ASX shares by value were held offshore and this percentage is likely to increase as the economies of China, India and other nations grow. Companies that can access this massive pool of investors and funds will significantly improve their transactional liquidity, increase their share price and grow their market capitalisation.

Without outside help, ASX announcements and media releases simply don't reach a very significant proportion of "the market" – probably 90% plus, certainly well over 50%. They don't even reach all the Australian market.

Even when they do reach institutional investors using platforms like Bloomberg and Thomson Reuters they arrive in a format that makes them hard to notice and difficult to read and share.

If you want to induce people to invest, you have to gain their attention, make it easy for them to read or see your story and convince them of the value you offer. ASX announcements and media releases won't do this – they perform their specialized tasks very well, but they aren't up to the equally specialized task of attracting and informing investors and persuading them to invest in you.

Listed companies in the USA, in Canada, in the UK, in Europe have recognized and solved this problem. They use a secondary distribution channel for two key reasons - to fully meet their disclosure obligations by making sure their announcements reach as much of "the market" as possible and to communicate directly with "the market" without alteration, interpretation or truncation of their message by a third party.

In the USA, every single company on the New York Stock Exchange (NYSE) and the National Association of Securities Dealers Automated Quotations (NASDAQ) uses a newswire for these purposes. In Australia listed companies are slowly coming to the realization that by using a local financial newswire with wide global reach they can access a much greater share of "the market" and dramatically increase the pool of investors prepared to invest in their company.

And by speaking to global investors in their own language – Chinese, Spanish, Portuguese, Indonesian – on the financial web sites and via the search engines they habitually use - they can distinguish themselves from their competitors and attract even more investors.

Introduction

If you're relying on your ASX announcements to tell your story to "the market" you're backing the wrong horse. And if you're only sending your media releases to media you're only doing half the job.

The more "the market" knows about you the greater your transactional liquidity, the higher your share prices and the bigger your market capitalisation will be. But "the market" is made up of different kinds of investors. To attract them you need to tell them your story and share your news. The easier it is for them to see your story and the more they know about you the more likely they are to join your share registry. But you need to go to them, they won't come to you.

Many senior executives in listed companies don't fully appreciate how information flows to these investors, or in many cases doesn't flow. In order to understand this you need think about new potential investors – who they are, where they are and where they go for information.

These investors may be based in Australia or offshore – according to the Reserve Bank of Australia (RBA) 50% of Australian shares by value are held by foreign investors (*note 1*). They use different research resources depending upon where they are, who they are and what language they speak.

Until recently Australian retail investors only made up a relatively small part of "the market" but the rise of Self Managed Superannuation Funds (SMSFs) has changed this, with more than 520,000 SMSFs now controlling over \$520 billion in funds (*note 2*). Surprisingly ASX announcements don't reach a number of the places where they go looking for information.

Internationally, more than a million institutional investors pay up to \$24,000 per year each to access financial platforms like Bloomberg and Thomson Reuters – some of them in their own language as well as in English. A significant proportion of these people never receive ASX announcements - and those that do aren't attracted by headlines like "Market Update" hidden among dozens of other, often more interesting headlines from companies around the world. Even when they do notice a headline it's cumbersome, slow and annoying for them to access the actual announcement.

The importance of international retail investors is also growing due to the rise of the middle class in China, India and South America, plus the plethora of high net worth individuals in the USA and Europe. Every investor has their favourite place where they look for investments – financial web sites, search engines, brokers – and collectively they visit thousands of places to do research - often in their own language. If you aren't reaching these many sites – and your ASX announcements and media releases very rarely are – you are missing out on a large chunk of "the market".

These global institutional and retail investors are a potential goldmine for ASX listed companies. Interest in Australia is high and increasing due to our successful economy and political stability. But the ASX only composes 2% of global market capitalisation (*note 3*) so global investors have many other places where they can choose to invest their money

To access these huge new sources of capital you need to tell your story to as many of these potential investors as possible. You need to reach the thousands of places where they do their research – and this isn't happening. Because a large percentage of "the market" doesn't get, or can't easily see, your ASX announcements or media releases.

These are just some of the challenges that most people don't consider when distributing news to "the market". This White Paper describes where potential investors go for information, how your news reaches them (if indeed it does, which it often doesn't) and what to do about it.

ASX Announcements

Many companies believe their ASX announcements kill two birds with one stone – they help them meet their mandatory reporting requirements and they also provide “the market” with information that will induce investors to invest in their company.

Nothing could be further from the truth.

The primary purpose of ASX announcements is to meet regulatory requirements, which they do very well. But they fail dismally to persuade uncommitted investors to invest.

Here are 3 reasons why;

1. As we'll see, they don't even reach much of “the market” – they aren't visible to much of the global investment community and even many Australian retail investors don't see them in the places they go to look for information.
2. They are written as regulatory documents, often with numbingly boring headlines like “Company Update” and they are rarely designed as marketing documents. Investors who do see them are often given no compelling reason to read them.
3. The format they are presented in makes them hard to access and propagate.

ASX announcements do a great job of jumping through regulatory hoops. The same documents shouldn't also be expected to jump through a different set of marketing hoops.

Media Releases

Media releases are written in a specific format to entice media outlets to publish them. That's great when they do get published – but even then most global investors and many local retail investors never see them. Because the many different investors that comprise “the market” habitually use a large number of investment news web sites, financial web sites, chat rooms, blogs, search engines and even Twitter for research.

The reach of traditional media is diminishing rapidly and no matter how widespread a media outlet's distribution, it only covers a small proportion of “the market”. If a significant proportion of “the market” never sees ASX announcements and media releases where do they get their information from? In order to understand this we first need to consider what “the market” is.

What is “the market”?

“The market” is made up of the millions of retail and institutional investors around the world who invest in, or have the potential to invest in, ASX Listed companies.

Your current investors already know your company. You know who they are, where they are and how to communicate with them and aren't a problem. Potential investors are much harder to reach. There are millions of potential investors around the globe who can improve your transactional liquidity and boost your market capitalisation. They can be broken into four sectors – Australian and international ; institutional and retail investors. Most of them don't even know you exist – yet.

In Australia institutional investors can easily access your ASX announcements and media releases, along with a host of third party commentary about you. Australian retail investors – particularly the 520,000 Self Managed Super Funds (“SMSF”), controlling over \$500 billion (*note 2*) – are becoming increasingly important in providing liquidity and supporting share prices.

Why your ASX announcements and media releases aren't working

Global institutional investors are critical for maintaining liquidity in the Australian market and according to the RBA in 2010 around 50% (*note 1*) of the Australian share market by value was held by foreign investors. Global retail investors are also growing in importance, especially with the rapidly expanding Chinese middle class. More than 600 Million Chinese now have access to the Internet (*note 4*) – and the Chinese, with a strong tradition of hard work, saving and investment are increasingly attracted to investing in Australian property and Australian companies.

So to fully inform “the market” you need to reach global institutional investors, global retail investors, local retail investors, particularly SMSFs, and local institutional investors. ASX announcements only effectively reach one of these sectors, the only one that is diminishing in importance relative to the others – local institutional investors.

Reaching “the market”

To inform “the market” and attract new investors you have to;

- ✓ Get your news in front of them – in the places they usually go for information. Unless they are actively following you they won't come to you - so you have to go to them.
- ✓ Make it easy for them to find you.
- ✓ Attract their attention when they come across your news
- ✓ Make it easy to access, read and share.

ASX announcements are a less than optimal way of getting your news in front of them. You may not know that ***the ASX does not distribute ASX announcements.***

It does makes them available individually for retail investors on its web site (as a downloadable PDF) but it relies on 37 ASX Information Vendors to on-sell bulk ASX information to the market. Of these 37 vendors only 9 sell ASX announcements.

The limited number of ASX announcement vendors and the fact that they charge for distribute ASX announcements are two reasons for the limited distribution of these announcements.

Reaching global institutional investors with ASX announcements

Institutional investors primarily use equity research platforms for information. Between them Bloomberg and Thomson Reuters control more than 60% of the market, with more than 800,000 institutional and other investment professionals subscribing to them.

Bloomberg provides real time financial information to 315,000 (*note 5*) global subscribers while Thomson Reuters has close to 520,000 subscribers on its various platforms.

Bloomberg doesn't disclose its prices publicly but according to Quartz (qz.com) in May 2013 it charged a minimum of US\$24,000 for a single subscription (*note 6*), while a “fully loaded” Thomson Reuters Eikon terminal comes in at \$1,800 per month, as noted in a CFA Institute story of 10th December 2013 entitled “*The Secret Revolution in Finance*” (*note 7*).

What does “fully loaded” mean? It means they subscribe to additional news services from all the major stock exchanges around the world – which aren't included in the base cost. Each non-core stock exchange you add incurs an additional cost – **including the ASX.**

Why your ASX announcements and media releases aren't working

According to the same article, "On average Reuters users stay with a setup costing around \$800 and it starts at \$300 for the bare bones version." So **most Thomson Reuters subscribers outside Australia don't pay for ASX announcements – and don't get them.**

Many ASX listed companies don't realize that a significant proportion of the global investment community never receives their ASX announcements.

Even when a global institutional investor does receive ASX announcements, they are presented in a format that makes them unattractive to read and slow to access. Institutional investors spend a large part of their day viewing a news screen that displays a continuing stream of news and announcements about companies around the world, one line at a time. They move quickly, sometimes dozens per minute, so your announcement rapidly moves onto, down and off the screen.

All they see is the ticker code and the headline, so if you want investors who aren't actively following you to notice your announcement you need to stand out and catch their attention. If your headline is a fairly typical ASX announcement like **Market Release** the chances of this are low to nonexistent.

But assuming you have a headline compelling enough to catch the attention of a global financial investor and they click on to it, what do they see?

They see nothing! Well, not exactly nothing – but they don't see the announcement itself. Instead they see information *about* the announcement – which company it's about, the headline, when it was released, which exchange it's from, whether it's price sensitive and so on. But there's none of the information in the announcement. They have to work harder to get that.

The Bloomberg screen below shows what they see when they click an ASX announcement headline..



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As you can see, it tells you that there is a press release, it repeats the headline, tells you who it's from, when it was released by the ASX, the File ID and how to actually read it – “Enter 97 <GO> to view/print original announcement”. And if you follow those instructions you have to wait for the PDF to download – which typically takes 30 seconds, sometimes longer. This might not seem long, but in an industry where high frequency traders pay data centres massive sums to be microseconds ahead of their competitors - it's an eternity.

So even if global institutional investors pay for ASX announcements, even if they notice the headline and even if they interested in them, they need to make a big effort in order to read them - and unless they are already following you most of them don't bother.

The story is similar with Thomson Reuters – and every other financial platform and web site that provides raw ASX announcements. There's lots of metadata about the announcement but there's no actual content, you have to download it.

This creates another problem. Because ASX announcements are held in PDF files and they don't appear on the Bloomberg, Thomson Reuters and other screens in text, they aren't indexed and therefore searchable.

This means that if an institutional investor does a search on a particular topic – for example “iron ore sales to China” it won't find your ASX announcement, even if the entire announcement is about your increased iron ore sales to China.

The bottom line is that, unless global institutional investors are already actively following you the chances of them noticing you via your ASX announcements or finding you through searches on the areas you cover are slim to none.

Reaching global institutional investors via Media Releases

Media releases are designed to capture the attention of the media. They are a very effective component of any ASX listed company's communication strategy – but as a way of getting your story in front of global institutional investors they pose some problems;

- ✓ They are inconsistent – there's no guarantee that any media outlets will use them or that they will reach the Bloomberg or Thomson Reuters terminals
- ✓ They are subject to editorial interpretation – they can be misinterpreted, truncated and commented upon adversely
- ✓ The format that makes a media release attractive to the media isn't necessarily the same format that attracts investors

When they work, they work very well – but you're still relying on someone else deciding to use them, on someone else deciding which bits to use, on someone else's comments and conclusions they draw and on the length of article they publish.

Your PR advisers know exactly how to write an effective media release. They know it needs to follow a standard layout, with headline, lead, body, end, contact information and boiler plate information, with the core story being presented in diminishing order of importance (because journalists cut from the bottom when they are short on space).

Why your ASX announcements and media releases aren't working

They will tell you it needs to be short, because long media releases either don't get published or they get severely truncated. And they will be absolutely right, because your goal with a media release is to maximize the chances of journalists and media outlets picking it up.

But if you have another, parallel goal of telling the global investment community your story directly, in your own words, in the order and format you choose, with the detail and at the length you want, without editorial interference – a media release won't do the job.

If you want to be sure your story reaches the institutional research platforms and as many as possible of the financial web sites and social media used by global investors it won't do that either.

Reaching Australian retail investors

The 520,000 SMSFs in Australia, controlling over \$520 billion in funds are becoming a key source of funds to ASX listed companies. In total 38% of the population, about 5.9 million people, invested in ASX listed companies in 2010 (*note 8*).

Obviously all of these people speak English, don't they? In fact the 2011 census showed that 2.4 million Australians have an Asian ancestral background (*note 10*) with more than 600,000 speaking Mandarin or Cantonese as their main language. If that 38% participation rate holds true, that's more than 200,000 potential retail investors that probably aren't seeing your ASX announcements and media releases in a language they understand or are comfortable with.

ASX listed companies that can reach the Chinese language web sites and search engines these people use can draw upon an expanded pool of Australian retail investors.

What about the great majority of retail investors that do speak English? Where do they go to get information? The brief answer is – everywhere. According to the ASX's 2012 share owner survey (*note 10*) retail investors use multiple sources of information before buying shares. These include

- ✓ Friends & family, neighbours and work colleagues
- ✓ Newspapers, TV, radio and magazines
- ✓ Financial planners, advisors, accountants
- ✓ Company reports and prospectuses
- ✓ Investment newsletters and subscription services
- ✓ Online and full service brokers and their trading platform
- ✓ Social media & internet sites

The fastest growing category is "*Social media and other internet sites*" and ASX announcements and media releases rarely, if ever, make it onto many of the places that retail investors use – in particular some of the most visited sites like Yahoo Finance, Google Finance and Google News.

Obviously retail investors can easily find your ASX announcements if they really want to, but if they go to popular web portals and other financial websites all they see are third party commentators talking about you - for their own purposes. As you know, third party commentary is often sensational, provocative, subjective and sometimes it's quite inaccurate.

If you want to tell your story, provide the facts and correct misinformation for Australian Retail Investors, ASX announcements and media releases by themselves just aren't enough.

Countering third party commentators

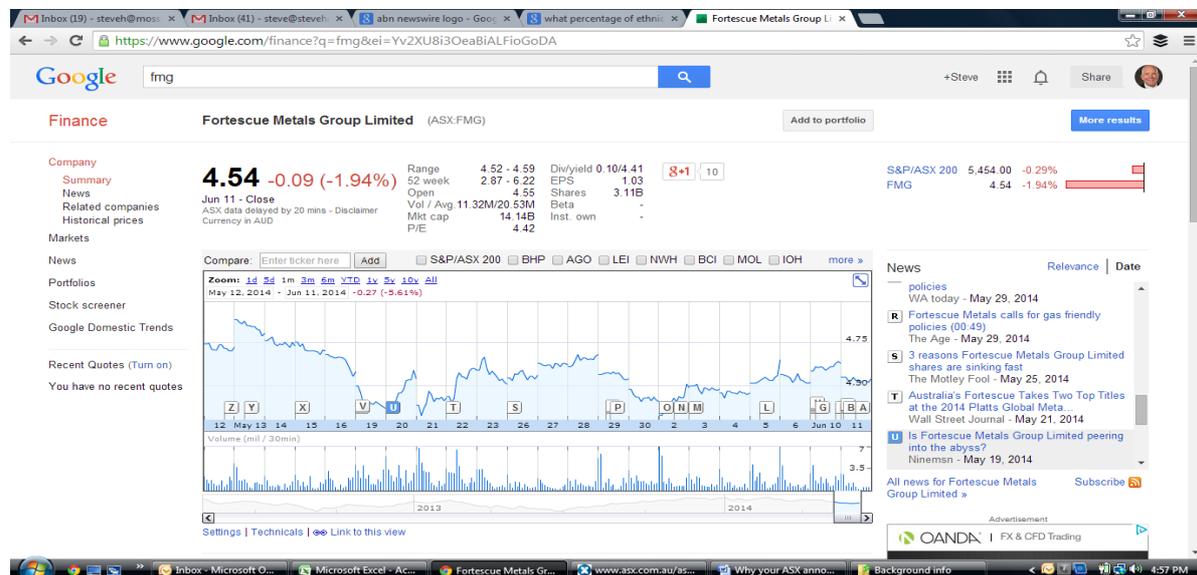
Third party commentators can easily harm your brand and deter potential investors. Let's look at a specific example on two popular financial web sites, Google Finance and Yahoo Finance.

On 20th May 2014 Fortescue (FMG) released a positive announcement to the ASX; **“Substantial Increase in Greater Solomon Mineral Resource”**. This should have been a drawcard for retail investors. What did they see on Yahoo Finance and Google Finance? FMG's news on Yahoo Finance that day was;

- ✓ Australian miners aim to avert iron ore port strike Reuters (Tue 20 May)
- ✓ Here's why Fortescue Metals Group skyrocketed today - Motley Fool (Tue 20 May)
- ✓ 5 reasons not to overreact to falls in iron ore spot price - Motley Fool (Tue 20 May)
- ✓ A 7.3% dividend yield that puts term deposits to shame - Motley Fool (Tue 20 May)
- ✓ Go bargain hunting with these 4 stocks - Motley Fool (Tue 20 May)
- ✓ Why BHP Billiton is a better buy than Rio Tinto Limited - Motley Fool (Tue 20 May)
- ✓ Get rich slowly with these 3 growing blue-chip stocks at Motley Fool (Tue 20 May)
- ✓ [\$\$] Iron-Ore Prices Sink at The Wall Street Journal (Tue 20 May)

There is no sign of the ASX announcement and only one “news” story mentions it. Six are trying to sell an investment advice service, many are negative, some only mention Fortescue in passing. There is nothing at all placed by Fortescue itself, on one of the biggest good news days for them in 2014.

It's the same on Google. The screen below shows FMG's Google Finance page that day.



The headlines on and around May 20th are;

- ✓ Fortescue Metals Group calls for gas friendly policies - The Age, (May 29th)
- ✓ 3 reasons Fortescue Metals Group shares are sinking fast - Motley Fool (May 25th)
- ✓ Fortescue takes top two titles at 2014 Platts Global Meta - Wall St. Journal (May 21st)
- ✓ Is Fortescue Metals Group peering into the Abyss – Ninemsn (May 19th)

Why your ASX announcements and media releases aren't working

All are from third parties, two are negative about Fortescue, the ASX announcement isn't there and there's nothing from Fortescue to counter the negative commentary.

As these examples show, there are a many people commenting on listed companies. They are often negative and even when announcements do appear they are often drowned out. These third parties are driving the narrative about your company and influencing your share price. They have their own agenda – to sell newspapers, sell subscriptions – and few of them are looking out for your interests.

Some of these third party commentators are skilled at getting their point of view in front of investors and are well indexed on financial websites. You can't stop but you can counter negative commentary by making sure you get your point of view in front of the market.

If you want to control the narrative about your company to the markets, you cannot rely on submission of your ASX announcements or media releases to do the job for you.

Reaching Global Retail Investors

The internet is making it easier than ever for global retail investors to invest in ASX listed companies. But ASX listed companies haven't yet caught up with this sector's thirst for information – in the places they go and in the language they speak. Those that do will reap a significant advantage in attracting new investors and accessing funds. The world is a big place so let's look at three specific examples – Chinese and US investors plus non-English speaking Investors.

Chinese investors

What's the most widely used search engine in the world? No, it isn't Google, it's Baidu, used by more than 300,000,000 people in China, with a 63% market share of all search engine traffic.

In order to reach the growing Chinese middle class you need to go to them where they look for information and you need to provide information in their language. If a Chinese retail investor wants to research Australian companies one of the first places they are likely to go is Baidu – especially if they don't speak, or aren't comfortable with, English. Of course there are hundreds of other Chinese investment sites but if it isn't on Baidu the chances are it won't be those other sites either.

If you want to reach Chinese investors – or consumers – you they have to be able to find you on Baidu, in both English and in Chinese.

While a small number of ASX listed companies can be found via a Baidu.com search, the information that is returned is usually from third parties, often years out of date and usually in English only. And of course ASX announcements are nowhere to be seen.

It's actually quite easy to distribute an announcement or article and ensure it appears on the page one results in Baidu in both English and Chinese (traditional and simplified) – but not via the distribution channels used by ASX announcements and media releases.

USA investors

It should be much easier in the USA. After all, they speak English (except for the 37.6 million people that speak Spanish at home, the 2.8 million Chinese speakers and so on).

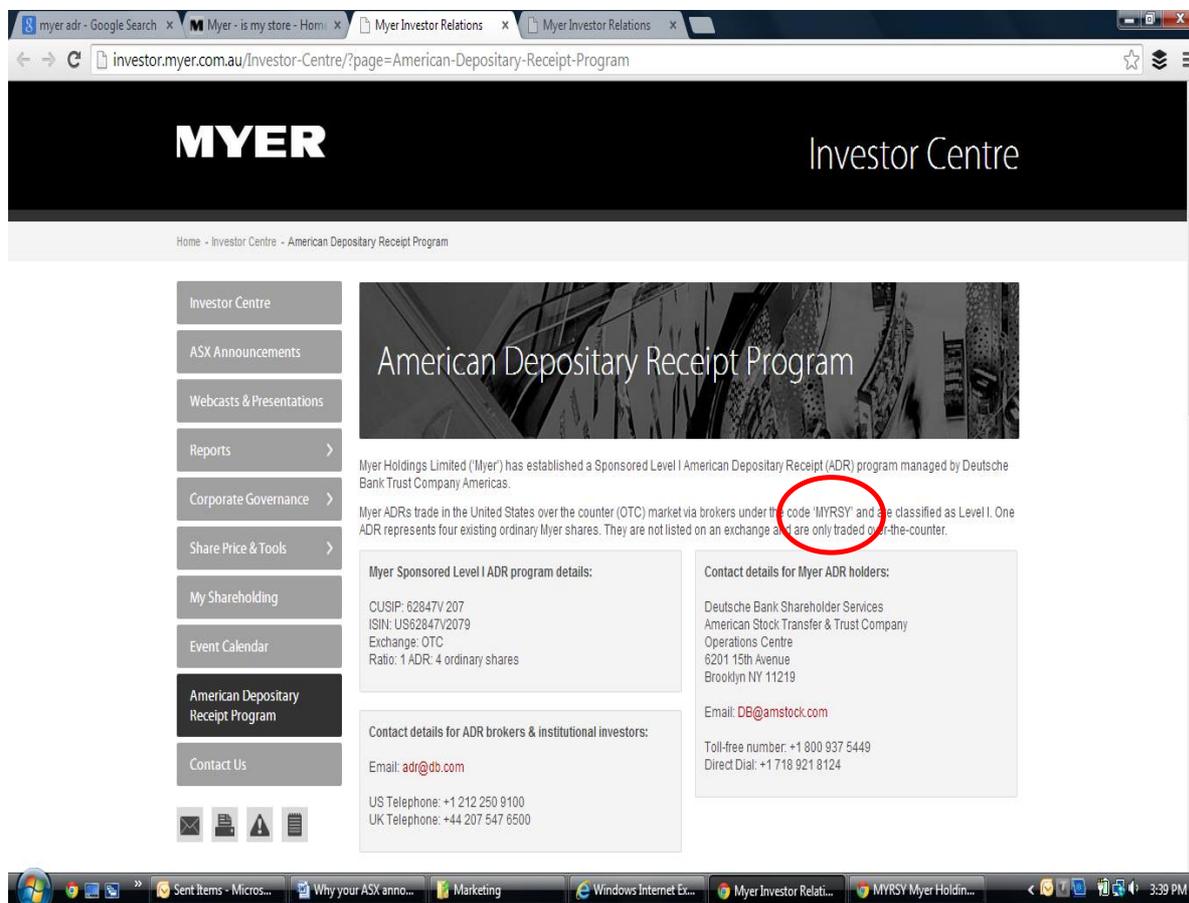
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And they have their own instrument, the American Depositary Receipt (ADR) to make it easy for US residents to invest in foreign companies, with specialized web sites that show details of all ADRs.

These are the first place US brokers and investors go for information on ASX companies that are listed on OTC Markets. Two key sites are www.otcmarkets.com and www.bnymellon.com (BNY Mellon is one of the largest ADR sponsors).

So one of the principal things you have to do in order to inform “the market” in the USA – and to show you’re meeting disclosure requirements – is to get your announcements and news onto those sites. It should be a no-brainer – at least in theory.

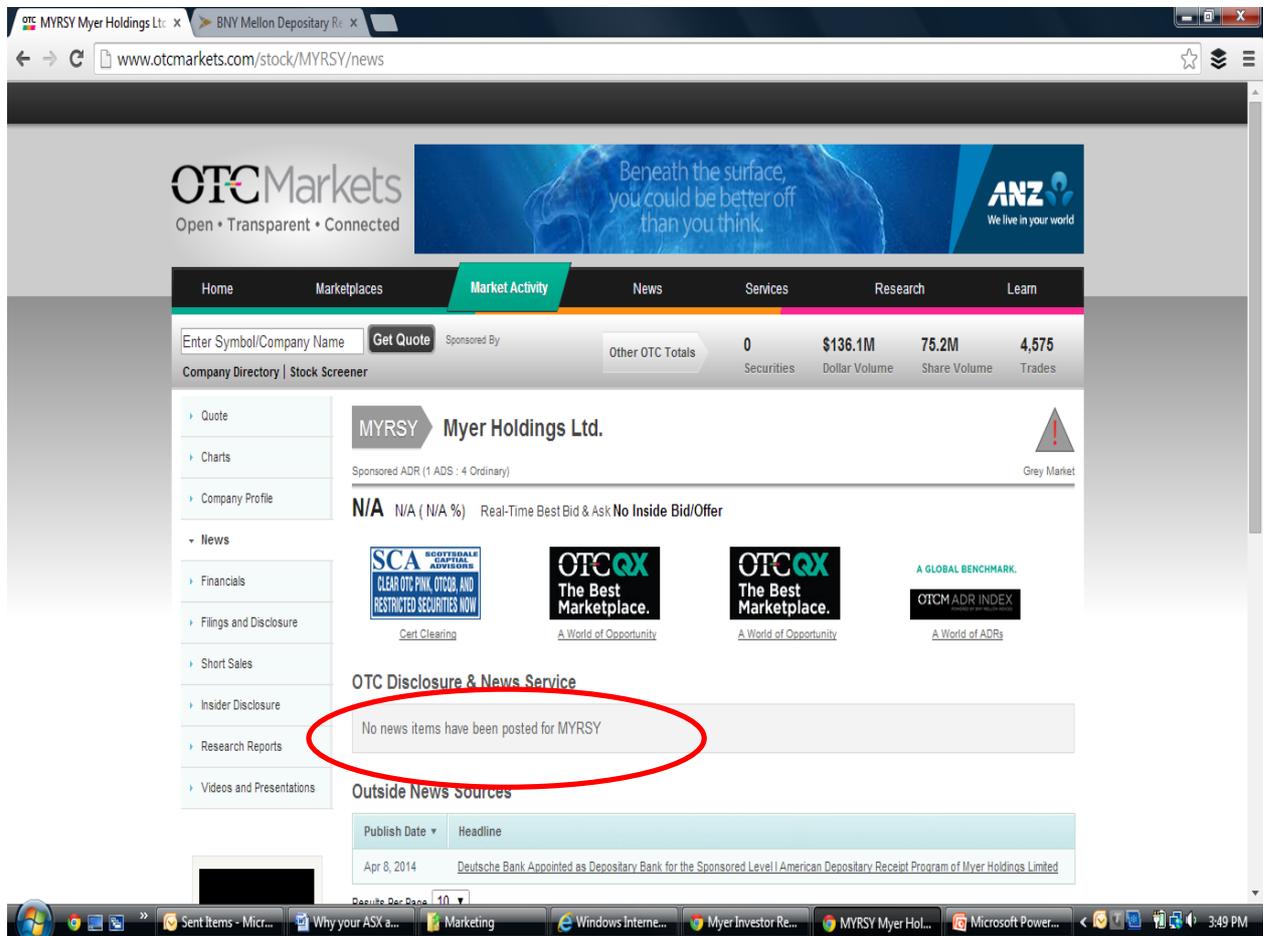
Let’s see how that works in practice. This time we’ll use Myer as an example. Myer commenced an ADR program on 8th April 2014 and announced it on its Investor Centre in the screen below. The code for Myer’s OTC markets instrument is MYRSY.



The screenshot shows a web browser window displaying the Myer Investor Centre page for the American Depositary Receipt Program. The URL is investor.myer.com.au/Investor-Centre/?page=American-Depositary-Receipt-Program. The page features a navigation menu on the left with items like 'Investor Centre', 'ASX Announcements', 'Webcasts & Presentations', 'Reports', 'Corporate Governance', 'Share Price & Tools', 'My Shareholding', 'Event Calendar', 'American Depositary Receipt Program', and 'Contact Us'. The main content area includes a header 'American Depositary Receipt Program' and a paragraph stating: 'Myer Holdings Limited (Myer) has established a Sponsored Level I American Depositary Receipt (ADR) program managed by Deutsche Bank Trust Company Americas. Myer ADRs trade in the United States over the counter (OTC) market via brokers under the code "MYRSY" and are classified as Level I. One ADR represents four existing ordinary Myer shares. They are not listed on an exchange and are only traded over-the-counter.' The code 'MYRSY' is circled in red. Below this, there are sections for 'Myer Sponsored Level I ADR program details' (CUSIP: 62847V 207, ISIN: US62847V2079, Exchange: OTC, Ratio: 1 ADR: 4 ordinary shares), 'Contact details for Myer ADR holders' (Deutsche Bank Shareholder Services, American Stock Transfer & Trust Company, Operations Centre, 6201 15th Avenue, Brooklyn NY 11219, Email: DB@amstock.com, Toll-free number: +1 800 937 5449, Direct Dial: +1 718 921 8124), and 'Contact details for ADR brokers & institutional investors' (Email: adr@db.com, US Telephone: +1 212 250 9100, UK Telephone: +44 207 547 6500).

Since that date, Myer has made 11 ASX announcements (up to 3rd July 2014) including the price sensitive Q3 FY2014 Sales Update.

How many of those ASX announcements are visible on the key ADR web sites? Let’s see. The screen on the next page shows the news for MYRSY (the Myer ADR) on OTC Markets web site.



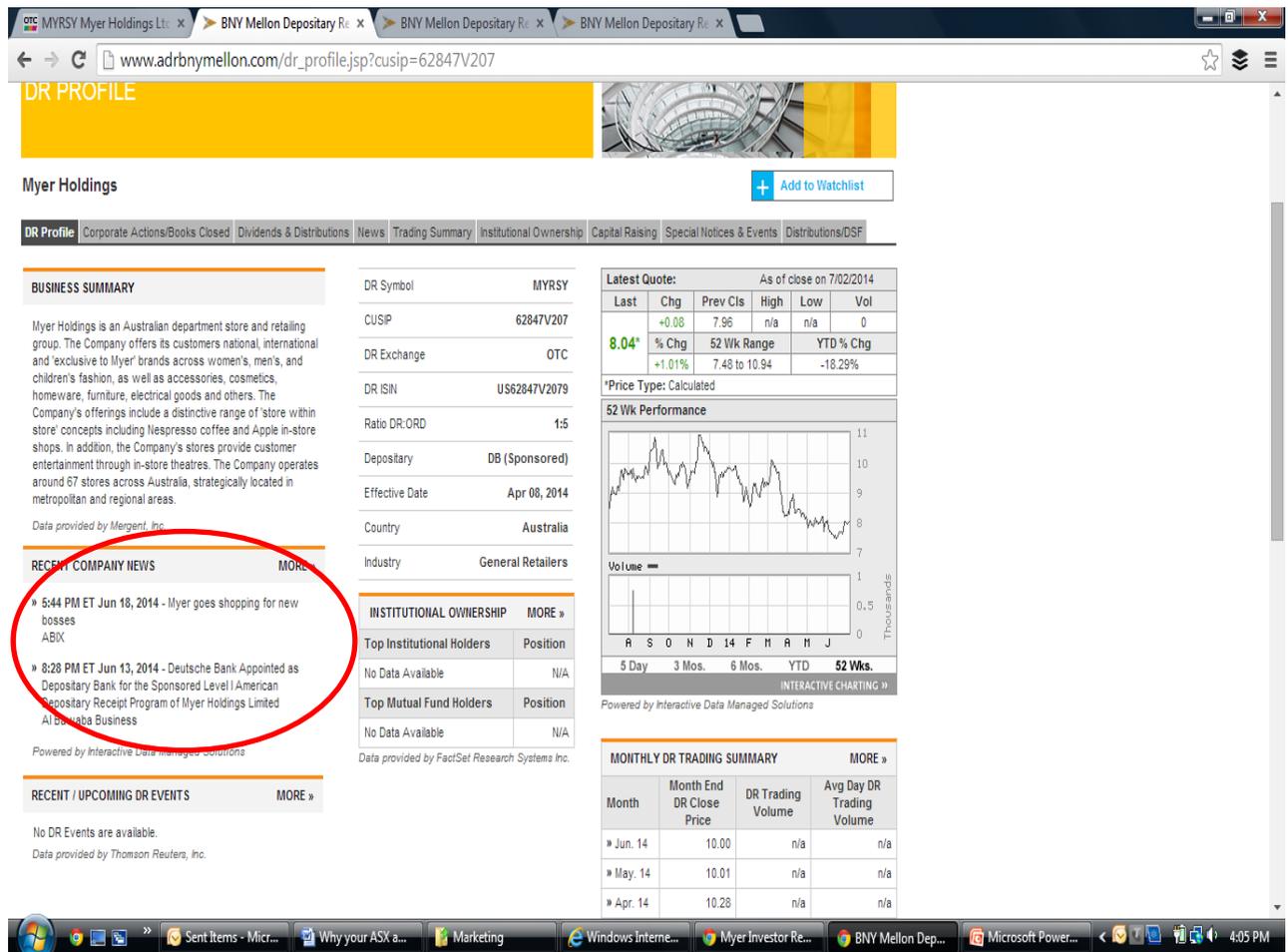
The answer is – none of them! The “OTC Disclosure and News Service” says that OTC Markets has received no news at all since the MYRSY was listed, while the only news from “*Outside News Sources*” is the original announcement from Deutsche Bank that they are the nominated ADR sponsors.

The story is almost the same on the BNY Mellon ADR site, shown over the page. Again, no ASX announcements at all are shown, again the Deutsche Bank announcement is shown. There is an article, from 18th June 2014, announcing new executive appointments sourced from the Australian Financial Review (and presumably therefore from a media release) but no sign of the price sensitive sales update.

The Myer investor centre says “*Myer established a Sponsored Level I ADR program to make it easier for US investors to invest in Myer by enabling them to purchase shares without the need for cross-border or cross-currency transactions.*”

But with non-existent disclosure (from a US investor’s perspective), it’s no great surprise that there has been no trading volume at all in MYRSY (according to these sites). It isn’t enough to just create a trading instrument, you need to inform the market as well.

BNY Mellon page for MYRSY



DR PROFILE

Myer Holdings [Add to Watchlist](#)

BUSINESS SUMMARY

Myer Holdings is an Australian department store and retailing group. The Company offers its customers national, international and 'exclusive to Myer' brands across women's, men's, and children's fashion, as well as accessories, cosmetics, homeware, furniture, electrical goods and others. The Company's offerings include a distinctive range of 'store within store' concepts including Nespresso coffee and Apple in-store shops. In addition, the Company's stores provide customer entertainment through in-store theatres. The Company operates around 67 stores across Australia, strategically located in metropolitan and regional areas.

RECENT COMPANY NEWS

- 5:44 PM ET Jun 16, 2014 - Myer goes shopping for new bosses
- 8:28 PM ET Jun 13, 2014 - Deutsche Bank Appointed as Depository Bank for the Sponsored Level I American Depository Receipt Program of Myer Holdings Limited

INSTITUTIONAL OWNERSHIP

Top Institutional Holders	Position
No Data Available	N/A

MONTHLY DR TRADING SUMMARY

Month	Month End DR Close Price	DR Trading Volume	Avg Day DR Trading Volume
Jun. 14	10.00	n/a	n/a
May. 14	10.01	n/a	n/a
Apr. 14	10.28	n/a	n/a

The same is true for many financial sites in the USA – visit nasdaq.com, bloomberg.com, finance.yahoo.com, marketwatch.com or any one of many US investment web sites and look for MYRSY. You'll see the same thing – no disclosure, little or no news and no trades.

This isn't just a problem for Myer – virtually all Australian companies listed in the USA via ADRs share similar problems. Their ASX announcements and media releases simply don't reach the USA's primary financial disclosure web sites while their media releases reach them very intermittently and depend on the whims of the financial media.

Not only aren't these companies attracting investors but they are giving a totally false impression of non-disclosure. Their disclosure regime is perfect – but their announcements just aren't reaching the disclosure sites.

ASX listed companies just don't understand the complexities of effectively distributing their story as widely as possible to global and local institutional and retail investors. There's a widespread belief that by using a combination of ASX announcements and media releases they are informing "the market" and selling the value of their company at the same time.

This belief is quite simply wrong. The question is, what can you do about it?

Why your ASX announcements and media releases aren't working

Non-English speaking investors

Imagine for a second you are a native Chinese speaker who also speaks English as a second language and who works in Shanghai for JP Morgan. You're looking at your Bloomberg or Thomson Reuters screen and searching for investment opportunities. Dozens of announcements and news scroll across your screen every minute but less than 1 in 20 is in Chinese characters. Which announcements are your eyes going to be drawn to first?

What if you want to discuss an announcement with a colleague who doesn't speak English at all – how well can you do that if the announcement is only in English?

If you're considering investing in a bank that's strategy is to focus on Asia and you see all its announcements are exclusively in English. How credible do you think their strategy is?

Many global institutional investors aren't native English speakers. Very many retail investors with considerable funds to invest don't speak English either. The more investors you can communicate with in their own language - the one they are most comfortable with - the more chance there is that they will invest in your company and recommend it to their non-English speaking clients.

And of course this applies to investors speaking Portuguese (Brazil), Russian, Spanish (South America, Spain, USA), French, German, Indonesian and so on.

If all your announcements are only in English you're missing out on a very large group of potential investors.

The solution

What you're currently doing isn't wrong – in fact it's exactly what you should do to meet your regulatory requirements and attract the media. It just isn't enough to tell your story to “the market” – to the people you want to reach, institutional and retail investors around the world.

There are three sets of people you need to communicate with – regulators (the ASX), the media and “the market”. Each has different requirements.

Regulatory requirements

Because it's mandatory for the ASX to approve announcements before they are released to the market they have to meet certain criteria. But the criteria writing a document that meets ASX regulations are very different from those needed to attract investors. Your current ASX announcements are ideal for this purpose. You don't need to change these.

Media requirements

It's great to induce the media to write about you. Media releases are perfect for this. But they're designed to meet the needs of the media, not to attract investors and once they leave you there's a third party in between you and “the market”, one over which you have little or no control.

In order to reach as much of “the market” as you can you need a third component, one talking directly to “the market” in your own words with no censoring or filtering. You don't need to change your media releases either – you just need one more thing to make them much more effective.

Why your ASX announcements and media releases aren't working

Market requirements

If you have news that will make investors more likely to invest in your company you have to tell the ASX by law, you want to tell the media so they write about it – and you want to simultaneously inform “the market”. There are four things you need to do.

- ✓ Get the story in front of them
- ✓ Attract their attention
- ✓ Tell a compelling story
- ✓ Make it easy for them to read and act upon

This is a marketing exercise – you're trying to persuade investors to invest in your company, or investigate you further. And as any good marketer will tell you there are four components to any successful campaign. In order of importance they are; the list, the headline, the copy and the offer.

The list is your audience – potential investors worldwide. You need to reach them.

The copy is your story, your announcement, written in a way to educate your audience in the benefits of investing in your company. The implied offer is “We are a good company with excellent prospects, this news reinforces it and now is the time to buy our shares”.

As we've discussed, if no-one reads your message the copy and offer are irrelevant. The way to get them to read your story, in preference to hundreds of other stories, is to have a compelling headline.

But no matter how good your headline, your story and your offer, it doesn't matter if investors don't see any of them. That's where a newswire, or wire service, comes in.

Wire services

Every listed company in the USA uses a wire service. In fact, in the USA and Canada it's mandatory for companies on the domestic exchanges to inform the market via a newswire. Stock exchanges receive the news from the newswire, not directly from the company. (*note 5*)

The Globe Newswire is owned by the NASDAQ and distributes information widely throughout North America. The RNS (Regulatory News Service) is owned by the London Stock Exchange and it distributes news and announcements throughout Europe and North America. Throughout the USA, Canada, UK and most of Europe. The local stock exchange is not the primary method of communicating information to the market – a newswire is.

Because it's mandatory in Australia for price sensitive information to be sent to the ASX first before it goes out to the market the tradition of using a newswire isn't as widely accepted as it is in the rest of the world. However more and more ASX listed companies are benefiting from the much wider exposure a secondary distribution service can provide.

ABN Newswire is the only Australian newswire 100% dedicated to distributing financial news for ASX and other listed companies.

Who does what?

So how do news wires fit in with your existing communications strategy and who does what? It's quite simple.

Your current media and communications strategy doesn't need to change. You may want to do three versions of important announcements; one for the ASX to meet their requirements, one media release and one aimed directly at investors.

Your PR adviser can help you craft those messages. Simply take the same information and revising it to attract the attention of investors and to give them the information they need in a format that makes it compelling, easy to understand and easy act upon.

If you want to attract global investors by translating your news into the language they are most comfortable in, you may also need a translator. You may already have your own or you can use those provided by wire service.

To put it simply, you create the message, the wire service distributes it to the widest possible relevant audience in the global financial community – and optionally organises translation into multiple languages.

Self diagnosis

How can you tell how effectively you're communicating with "the market" right now or if you need help from a wire service?

Unless you already use a wire service channel you already know that your ASX announcements and media releases are only reaching a percentage of institutional investor platforms like Bloomberg and Thomson Reuters.

You can test how you rate on financial and investment web sites using a sample of popular research sites. If your announcements and media releases aren't on these sites it's highly likely they aren't on many, many others. The sites are;

Google	http://www.google.com
Google News	http://news.google.com.au
Google Finance	http://www.google.com/finance
Yahoo Finance	http://au.finance.yahoo.com
Twitter	http://www.twitter.com
Badu Web	http://www.baidu.com
Baidu News	http://news.baidu.com
Yahoo News	http://au.news.yahoo.com
Yahoo Web	http://au.yahoo.com
Youtube	http://www.youtube.com

Go to one or all of those sites and type in your company name first, then try your ASX ticker code and see what turns up. Unless you're exceptional, it won't be your ASX announcements.

Or you use our self diagnostic tool at <http://info.abnnewswire.net> and key in your details there.

ABN Newswire

ABN Newswire, an Australian newswire with offices in Sydney, New York and Vancouver is solely dedicated to distributing financial information via its thousands of media partners, affiliated websites, news aggregators as well as via Thomson Reuters, Bloomberg and Dow Jones Factiva. It is used by a growing number of listed companies in Australia, Canada, the USA and Europe to overcome the challenges listed in this White Paper.

Listed companies in the USA, Canada and Europe use ABN Newswire in addition to their local newswire for ABN's extensive links into to Asia as well as its Asian language expertise.

Five thousand institutional investors in Australia pay US\$24,000 a year for read-only access to Bloomberg, more than that subscribe to Thomson Reuters (*note 5*). **You can't buy publishing access to these platforms at any price, it has to be earned through trust and by building long term relationships.**

It isn't available for ASX listed companies, but ABN Newswire has direct publishing access to Bloomberg and Thomson Reuters. ASX listed companies can publish their news directly onto those financial platforms, with no editorial interference, through ABN Newswire.

ABN Newswire has publishing access to these platforms – and thousands of financial web sites – in thirteen languages, including simplified and traditional Chinese, Spanish, German, Portuguese, French, German and several other Asian languages.

News distributed to Bloomberg, Thomson Reuters and other screens and sites are delivered in full text so they are searchable, indexed by search engines and so institutional investors can read them immediately rather than having to wait for files to download.

ASX announcements and media releases distributed via ABN Newswire appear on page one of Baidu, in the top three spots on Google Finance, Google News and Yahoo Finance, on Twitter and other social media and on thousands of other investment web sites within minutes of being sent out.

Do you want to have a bigger say on who sees your news? Do you want to control the narrative by getting the facts and your story in front of the widest possible investor audience – and getting them to read it? Do you want to take back control, without any extra workload but with a significantly wider reach?

Do you want to counter third party commentary and provide a steady stream of positive news to the market? Do you want to reassure investors and potential investors that your disclosure procedures are full and frank?

ABN Newswire can help you do all these things and solve all the challenges in this White Paper - and more – by placing your announcements, your media releases, your corporate videos, your investor briefs, your AGM papers where investors look for information.

Investors gather in many places around the world and view information in many languages and formats. ABN Newswire helps its clients maximize their access to these investors, to tell their story and to significantly increase their transactional liquidity and increase their share price.

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