

Press Release



THE BANK OF NEW YORK MELLON

Contact: Dori Flanagan
+1 212-815-2291
dori.flanagan@bnymellon.com

Joe Ailinger
+1 617-722-7571
joe.ailinger@bnymellon.com

Depository Receipts Hit Record Trading Volume in First Half of 2008, Trading Value Up 85% from 2007, According to The Bank of New York Mellon's Mid-Year Report

More than \$2.4 trillion of DRs traded worldwide

NEW YORK, July 14, 2008 — American and global depository receipt (DR) trading value increased during the first six months of 2008, according to The Bank of New York Mellon, the world's leading depository bank. More than \$2.4 trillion of DRs traded on U.S. and non-U.S. markets and exchanges during the first half of 2008, up 85% year-on-year. Issuers from 14 countries completed 29 new primary and follow-on DR offerings, raising nearly \$9.2 billion. In the first half of 2008, companies from 19 countries established 41 new sponsored DR programs.

Industry-wide, a record 2,093 sponsored DR programs for issuers from 76 countries with an estimated¹ asset value of \$1.8 trillion were available. Notably, DR asset value grew 35% compared to the same period last year, despite an overall decline in global equity values. The Bank of New York Mellon ADR Index[®] fell 11.49% year-to-date and was 9.11% lower compared to a year ago.

"Volatility and price declines dominated conditions in the global equity markets as investors continued to use DRs as their cross-border investment vehicle," said Michael Cole-Fontayn, CEO of The Bank of New York Mellon's Depository Receipt Division. "This led to a significant increase in DR trading value. We continued to see DR offerings based on commodity-driven growth in some of the BRIC countries and needs-based offerings by financial issuers in Europe. A year after our merger, The Bank of New York Mellon is ideally positioned to help DR issuers from all regions reach investors worldwide."

U.S.-Listed Market Remains the Largest DR Trading Market

The half-year's DR trading value and volume again set records. The major U.S. stock exchanges – the New York Stock Exchange (NYSE), NASDAQ and the American Stock Exchange (Amex) – remained the largest markets for DR trading, comprising 86% of all DR trading value worldwide. A record 52 billion U.S.-listed DRs, valued at \$2.07 trillion, traded on the U.S. markets during the first half of 2008. Compared with 32.9 billion DRs, valued at \$1.1 trillion at mid-year 2007, this represented increases of 58% in DR trading volume and 88% in DR trading value year-on-year. The most actively traded U.S.-listed DRs included China's **Baidu.com**, Brazil's **Petrobras** and **CVRD**, Finland's **Nokia** and Mexico's **America Movil**.

European DR Trading Value Increases 50% Year-Over-Year

European-listed DR trading also exhibited strong growth. The London Stock Exchange (LSE) reported that \$293 billion of DRs traded on the International Order Book (IOB), the primary trading platform for both LSE- and Luxembourg Stock Exchange (LuxSE)-listed DRs during 2008's first half. This trading value was 50% higher year-on-year, and the six-month figure was higher than every full-year total before 2007. Of the top 10 most actively traded Europe-listed DR programs, nine were from Russian companies, including **Gazprom**, **Lukoil** and **Norilsk Nickel** in the top three spots. Egypt's **Orascom Telecom** was also among the top ten most actively traded.

Over-the-counter (OTC) and other DR trading value were estimated by The Bank of New York Mellon to amount to nearly \$70 billion. The most active OTC-traded DR issues included Russia's Lukoil, Japan's **Nintendo** and OTCQX-listed **Roche Holding** from Switzerland.

Total Non-U.S. Investment Value Up 35% Year-Over-Year

As of March 30, 2008, according to statistics released in June by the U.S. Federal Reserve, the total amount of U.S. investment in equities decreased during the first quarter, to approximately \$19.4 trillion, while the value of U.S. investment in non-U.S. equities (both DRs and non-U.S. shares) stayed level at about \$4.4 trillion. At the same time, non-U.S. equities accounted for 22.7% of all equity investment in the U.S., an increase of 3% from the prior year.

DR issuers derived significant benefits from the continued interest in cross-border investing. The Bank of New York Mellon estimated¹ that the total value of investment in DRs increased more than 35% year-on-year and exceeded \$1.8 trillion at the end of the first quarter of 2008, an all-time high. Investment in U.S.-listed DRs totaled nearly \$1.23 trillion on March 31, 2008, a jump of 36% from the same time last year. Overall value of investment in European-listed DRs was estimated to be \$319 billion, a 28% year-on-year increase, and investment in OTC-traded and other DRs was estimated to be \$247 billion, a 37% increase.

Russia's **Gazprom** was the largest DR issuer, based on a DR investment value of nearly \$63 billion. The UK's **BP** and Russia's Lukoil were also notable with \$55 billion and \$50 billion of DR investment value, respectively. Other issuers with programs larger than \$30 billion include the U.K.'s **Royal Dutch Shell**, Finland's **Nokia**, Brazil's **Petrobras** and **CVRD**, and Mexico's **America Movil**.

Commodity-Rich BRIC Countries Lead New DR IPOs

During the first six months of the year, 29 initial and follow-on DR offerings by non-U.S. companies and governments raised nearly \$9.2 billion. In line with global markets, these figures were 45% lower and 64% lower, respectively, than the same period last year. Issuers from China completed the most offerings, with six, including **ATA, Inc.**; Indian issuers completed five, including **Sanra Software**; Brazilian issuers completed two, including **Gerdau**; and Russian issuers completed two, including **GlobalTrans Investment**. Ukrainian issuers completed four new DR offerings, including **MHP**.

From the Gulf Region, a highlight was the May initial public offering (IPO) of Kuwait's **Global Investment House**, a leading asset management and investment banking company in the Middle East and North Africa regions. This was the first DR program from Kuwait and the largest DR offering ever from the Middle East, with \$1.15 billion raised. Other significant DR offerings in the first half of 2008 included the U.K.'s **Barclays Bank**, Korea's **Taiwoong**, and **National Bank of Greece**.

India and the U.K. Lead New DR Program Establishment

During the first half of 2008, 41 new DR programs from issuers in 19 countries were established. This represents a decrease of 19 programs from 2007's mid-year statistics. Of 2008's new DR programs, 28 were listed on stock exchanges – nine in the United States, 18 in Europe and one in Singapore. The remaining 13 DR programs trade on various OTC markets.

India and the U.K. led with eight and six new programs, respectively, followed by four from Australia and three from Ukraine. As a whole, Indian issuers preferred to list in Luxembourg; however, **Confidence Petroleum** completed a DR listing on the Singapore Exchange. Notable from the U.K. was **Thomson Reuters'** listing on NASDAQ and **Phynova's** listing on OTCQX.

The Bank of New York Mellon ADR Index Performance

During the first half of 2008, overall DR performance declined, as tracked by The Bank of New York Mellon ADR Index. On June 30, 2008, the Composite ADR Index closed at 168.19, down 11.49% year-to-date and down 9.11% compared to a year ago. At the mid-year mark, the Composite ADR Index had 375 constituents and a free-float market capitalization, as defined by Dow Jones & Company, in excess of \$6.2 trillion.

The Latin America Regional Index was the only index with positive year-to-year performance, up 8.16%. The country indices of Australia, Denmark, Norway and Taiwan were up year-to-date. Chile's **SQM** was the half-year's best-performing ADR Index constituent, returning 163.65%. Other top-performing index constituents included **Santos** of Australia with 68.46% and Argentina's **Tenaris** with 66.55%. An additional 24 constituents returned more than 20% during the past six months, including 10 from Brazil.

Demand for more exchange-traded funds (ETFs) based on DRs was evidenced by the creation of the Claymore/BNY Mellon Frontier Markets (FRN) ETF, which tracks The Bank of New York Mellon New Frontier DR Index. This new index was launched on May 30, with 48 constituents representing 17 countries from four regions and \$109 billion in market capitalization.

As the only real-time index to track all DRs, New York Shares and global registered shares traded on the NYSE, Amex and NASDAQ, The Bank of New York Mellon ADR Index has become a widely-followed international benchmark and has outperformed the S&P 500 by more than 80% over the past six years.

Index	June 30, 2008 Close	Six-Month Change	One-Year Change
The Bank of New York Mellon Composite ADR Index	168.19	-11.49	-9.11
The Bank of New York Mellon Europe ADR Index	162.44	-14.56	-13.07
The Bank of New York Mellon Asia ADR Index	150.03	-10.0	-10.39
The Bank of New York Mellon Latin America ADR Index	460.47	8.16	31.84
The Bank of New York Mellon Emerging Markets ADR Index	349.35	-7.15	10.97
The Bank of New York Mellon Developed Markets ADR Index	124.48	-12.53	-12.81

The Bank of New York Mellon's DR Leadership

During the first six months of 2008, The Bank of New York Mellon continued its depositary leadership position across all metrics, acting for 62% of all new DR programs, 89% of all DR capital raising transactions, 83% of DR capital raising value, and 55% of global DR trading volume.

During the first six months of 2008, the Bank continued to attract experienced DR issuers. India's **Himachal Futuristic**, Italy's **Intesa Sanpaolo** and Argentina's **Tenaris** switched their DR programs to The Bank of New York Mellon. Overall, 180 issuers have switched 219 DR programs to The Bank of New York Mellon from other depositary banks since 1990.

The Bank of New York Mellon acts as depositary for more than 1,300 American and global depositary receipt programs, acting in partnership with leading companies from 64 countries. With an unrivalled commitment to helping securities issuers succeed in the world's rapidly evolving financial markets, the Bank delivers the industry's most comprehensive suite of integrated depositary receipt, corporate trust and stock transfer services. Additional information is available at www.bnymellon.com/dr.

The Bank of New York Mellon Corporation (NYSE: BK) is a global financial services company focused on helping clients move and manage their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset and wealth management, asset servicing, issuer

services, and treasury services through a worldwide client-focused team. It has more than \$23 trillion in assets under custody and administration, more than \$1.1 trillion in assets under management, and services \$12 trillion in outstanding debt. Additional information is available at www.bnymellon.com.

¹Research Approach: The total value of DR investment is derived by multiplying DRs outstanding by DR price. All DR price figures are publicly available from the applicable stock exchange or trading market. The number of DRs outstanding for The Bank of New York Mellon DR programs was derived from internal reporting sources. The number of DRs outstanding from non-Bank of New York Mellon sponsored U.S.-listed issues was derived from publicly available figures provided by the NYSE and NASDAQ. DRs outstanding for European-listed and OTC-traded issues that are not serviced by The Bank of New York Mellon were estimated by The Bank of New York Mellon using publicly available information including, but not limited to, company reports and SEC 13-F shareholder data.

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