

WORLDWIDE SECURITIES SERVICES

Depository Receipts

Year in Review 2010



J.P.Morgan



A word from Jamie Dimon,
Chairman and Chief Executive Officer, J.P. Morgan

J.P. Morgan as a trusted advisor will remain committed to supporting our clients in the global markets as they work towards achieving their strategic business goals. We are seeing an improving IPO market which will positively impact the depositary receipt landscape for issuers looking to raise capital abroad or to identify expansion opportunities outside their home market. Momentum is building in both existing and emerging markets and we are confident that with our expertise and experience, we are ideally positioned to help our clients tap into opportunities developing in 2011 and beyond.

Jamie Dimon
Chairman and CEO

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2010 Key Highlights

Impacting the capital markets in 2010 were uncertainty surrounding sovereign concerns in Europe, policy tightening in emerging markets to curb foreign fund inflows and currency appreciation, uncertainty around withdrawal of monetary stimulus and mixed key economic data. Throughout these difficult market conditions, depositary receipts (DRs) remained popular as an instrument for issuers and investors globally. Global trading in DRs grew double-digits to an all-time high of 150bn DRs, with a value of \$3.4tn, in 2010. Issuers from China and India continued to dominate IPO capital raising with a record number of deals, while Hong Kong, India, Brazil and Russia launched local variations of the DR product to tap into the growing liquidity in these capital markets.

- 11% increase in DR trading volume (from 135bn to 150bn DRs) in 2010, versus 2009.
- 24% increase in DR trading value (from \$2.8tn to \$3.4tn) in 2010, compared with 2009.
- U.S. holdings in foreign equities totaled \$4.1tn as of Q3 2010, a more than \$100bn increase from Q4 2009, according to U.S. Federal Reserve statistics. Global investment in DRs was estimated by J.P. Morgan to be \$1.1tn as of the end of 2010.
- 121 issuers from 20 countries created new sponsored DR programs in 2010, bringing the global number of sponsored DR programs to 2,222.
- \$21.9bn was raised through primary and follow-on DR offerings in 2010, compared with \$18.1bn in 2009. BRIC (Brazil, Russia, India, and China) countries continued to dominate capital raising, and accounted for more than 90% of total capital raised.
- 81 new issuers raised \$7.9bn in 2010 through IPO listings in New York, Luxembourg, London, Paris, and Singapore, versus 28 IPOs that raised \$8.6bn in 2009.
- The DR IPO markets in China and India bounced back with 36 and 34 IPOs, respectively, a new record. 2010 also saw the first DR IPOs from Russia and the Middle East since the second quarter of 2008.
- 25 existing issuers raised \$14.0bn through follow-on offerings in 2010, a 47% increase from 35 existing issuers raising \$9.5bn in 2009.
- The U.S. remained the preferred location for DR capital raising and was the source of 75% (or \$16.5bn) of the \$21.9bn total capital raised in 2010.
- In June, Standard Chartered raised \$530mm by launching the first-ever Indian Depositary Receipt (IDR).
- Petrobras's (Brazil) landmark \$10bn ADR follow-on offering in September was the largest DR capital-raising event in history. J.P. Morgan acts as the depositary bank for Petrobras.
- In October, the Singapore Exchange (SGX) introduced trading in U.S.-listed ADRs on its GlobalQuote board. The launch phase included 19 Asian issuers from Hong Kong and China (incorporated offshore). DR programs of issuers from other Asian markets are also expected to be introduced in the near future.
- Following a BM&FBOVESPA (Brazil) regulation change in 2010, the first 10 unsponsored Brazilian DRs (BDRs) started trading on October 5th and an additional 10 BDRs began trading on November 29th. BDRs are backed by U.S. equity shares that trade on Bovespa's over-the-counter (OTC) market.
- As of the end of 2010, all of the primary European Multilateral Trading Facilities (MTFs) – BATS, CHI-X, Tradegate and Turquoise – offered DR trading capabilities.
- Russia's United Company RUSAL (RUSAL) launched the first Russian DR (RDR), for which Sberbank serves as the local depositary bank, on December 24th.
- December featured another landmark event: J.P. Morgan helped Vale of Brazil launch the first-ever Hong Kong Depositary Receipt (HDR).

2010 Key Highlights (continued)

- New regulations impacting the DR industry that were introduced or proposed in 2010 include:
 - the proposal of a new Bribery Act in the U.K. that is scheduled for implementation in April 2011
 - an increase in the IOF tax in Brazil to curb speculative capital inflows and local currency appreciation
 - the U.S. Internal Revenue Service issuing new cost-basis reporting regulations
 - a concept release by the U.S. SEC on proxy processing
 - modifications to the U.K. listing regime
 - a new U.S. Financial Industry Regulatory Authority (FINRA) rule mandating that U.S. OTC-traded companies notify FINRA 10 days in advance of certain corporate action record dates.

J.P. Morgan continued to lead the DR Industry in 2010

- 2010 saw J.P. Morgan launch the first Hong Kong Depositary Receipt (HDR) for Vale of Brazil. This launch reinforced our legacy of innovation and brought the world's second-largest mining company, and the largest producer and exporter of iron ore, to the Hong Kong market. J.P. Morgan worked very closely with Vale, the Stock Exchange of Hong Kong, regulators and intermediaries in Hong Kong and overseas to make this happen. This listing is a testament to our global capabilities and long-held tradition of innovation as the creator of the DR instrument.
- With 53% market share, J.P. Morgan depositary bank continued to dominate DR capital raising in 2010.
- With strong client service and an industry-leading Investor Relations (IR) Advisory team, J.P. Morgan depositary bank was appointed as the successor depositary bank for Danone in France and UPM-Kymmene in Finland.
- Demonstrating strong loyalty, BNP Paribas, British Telecom, Chunghwa Telecom, Novo Nordisk, Rio Tinto, Telecom Italia, TIM Participações, Turkcell İletişim Hizmetleri, Volkswagen and Wipro renewed or extended their contracts with J.P. Morgan in 2010.
- Petrobras of Brazil successfully launched a \$70bn follow-on stock offering, of which \$10bn was in ADR form, the largest-ever DR capital-raising event in history. J.P. Morgan was the depositary bank for this record-breaking transaction. The success of this \$10bn ADR offering, together with the largest-ever \$6.4bn GDR IPO for Russia's Rosneft in 2006, is testament to the unparalleled strength and depth of the J.P. Morgan DR team in executing large and complex DR transactions.
- J.P. Morgan handled the first GDR IPO from the Middle East since the second quarter of 2008. Aluminium Bahrain (Alba) listed on the London Stock Exchange (LSE).
- J.P. Morgan was named "Best DR Bank" by *The Asset* magazine for the second-consecutive year, and also received *The Asset's* "Best ADR Bank" award.
- DR programs managed by J.P. Morgan depositary bank, on average, continue to have higher trading values and are significantly more liquid than those managed by other depositary banks. J.P. Morgan's sponsored DR programs see an average annual trading value of \$4.5bn (versus industry average of \$1.5bn) on an annual volume per program of 178mm DRs (versus industry average of 66mm DRs).

Themes to Watch in 2011 and Beyond

The stage is set for the global capital market recovery to develop, as quarterly earnings continue to impress and company guidance reveals strong growth prospects for 2011. We expect DR capital raising, trading and investment to grow at a steady pace in 2011, barring severe shocks to the global capital markets.

IPO Capital Raising

- A steady increase in DR capital raising from emerging markets is expected as companies continue to access capital in the U.S., Western Europe, and Asia to meet their funding requirements.
- Asia-Pacific is expected to be the most active capital-raising region, with China and India continuing to lead through ADR and GDR offerings, respectively, followed by Taiwan and South Korea. Vietnam and Mongolia are expected to emerge as new DR markets over the next 12 to 24 months.
- Russia, where the government is expected to embark on a major privatization initiative, will likely lead DR capital raising in Europe. Depending on financial market strength and stability, deal flow may also be seen from new or nascent DR markets in the Middle East, CIS (ex-Russia) markets and in Sub-Saharan Africa, particularly Nigeria.
- Within Latin America, Brazil, Colombia, and Mexico are likely to see capital-raising activity in 2011, with Brazil being the most active market in the region.

Local DRs

- In 2011, “local DRs” should continue to evolve. Local DRs are structured to better tap equity investors in new markets, providing local currency-denominated investment vehicles in markets such as Hong Kong, Brazil, India, Taiwan and Russia.
- HDRs will continue to emerge as an alternative to ADRs and GDRs, as multinational companies with large existing sales operations in Asia or those that would like to tap into the growing pool of liquidity in Asia seek to list on the Hong Kong Stock Exchange.
- We expect the number of unsponsored BDRs trading on the Brazilian exchange to increase gradually in 2011.
- More issuers from China and Singapore are expected to list TDRs on the Taiwan Stock Exchange.
- Regulatory changes in China in the next 12 to 24 months may allow foreign companies to list on stock exchanges in China.
- We expect a handful of new RDR programs in Russia in 2011.

Unsponsored ADR Programs

- 87 new unsponsored programs were created in 2010, compared with 156 in 2009. We expect the downward trend in the creation of unsponsored programs to continue as programs with the highest investor demand have already been created.
- Conversion of unsponsored to sponsored Level I ADR programs is expected to continue as companies see the benefit of taking control of their ADR programs.

Deregistration and Delisting

- In an effort to reduce compliance costs and listing fees, in 2010, 11 DR issuers delisted from a U.S. stock exchange to trade OTC. This trend is expected to continue in 2011, albeit at a slower pace.

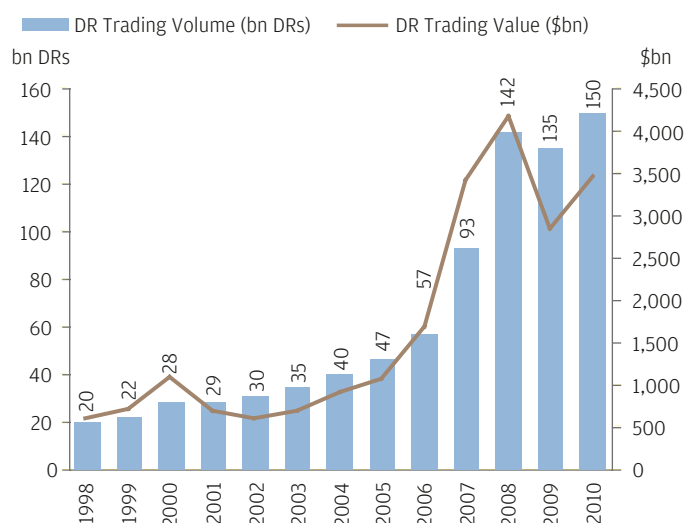
Potential Obstacles to Growth

- Potential DR market growth obstacles include rising inflation rates in emerging markets, start of policy normalization earlier than expected, further policy tightening in fast-growing emerging markets to curb the continued inflows of foreign funds and currency appreciation, and an uncertain outlook for commodities and sovereign concerns in Europe. These events could create high volatility and have a destabilising affect in equity markets.

DR Trading and Liquidity Trends

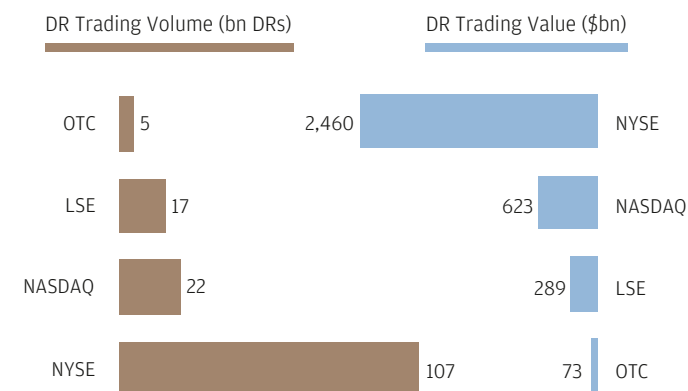
- With the broad stock market recovery that began in the second half of 2009, DR trading volume in 2010 grew by double-digits compared with 2009, reaching an all-time high of 150bn DRs (up 11% from 135bn DRs).
- DR trading value in 2010 increased 23% (from \$2.8tn to \$3.4tn) compared with last year.
- The NYSE accounted for 71% of DRs traded globally in 2010, followed by NASDAQ at 15% and the LSE at 11%. OTC trading accounted for 3% of DR trading volume.
- The NYSE accounted for 72% of DR trading value, followed by NASDAQ at 18%, the LSE at 8% and OTC at 2%.
- As was the case in 2009, oil and gas, banks, telecommunications and mining were the most active sectors, representing 57% of both trading volume and value for DRs globally in 2010.

DR Trading Volume and Value



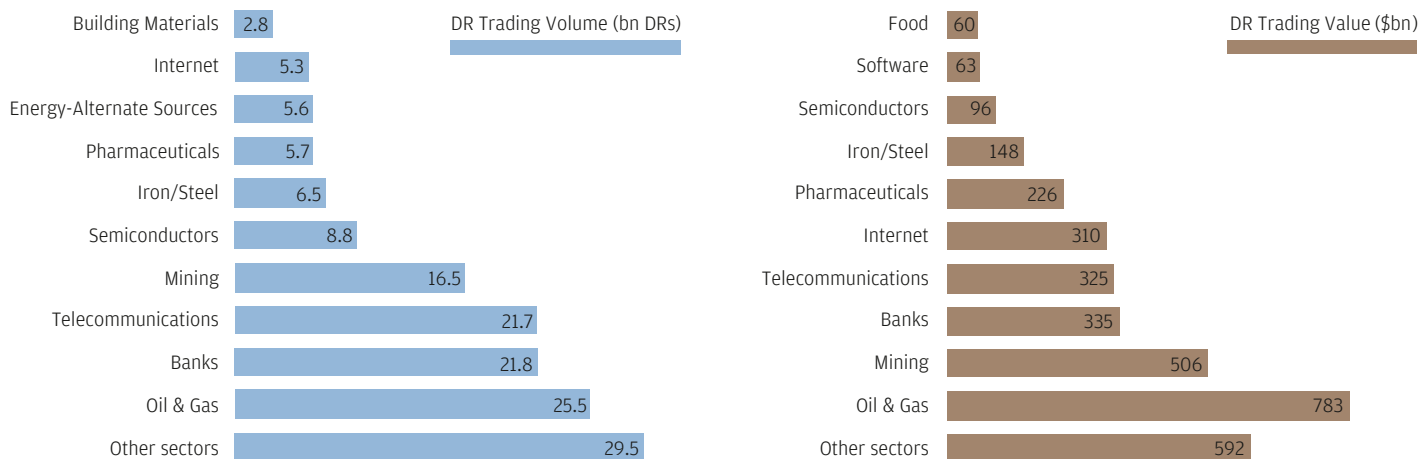
Source: Bloomberg, January 2011.

2010 DR Trading Volume and Value by Trading Venue



Source: Bloomberg, January 2011.

2010 DR Trading Volume and Value by Sector



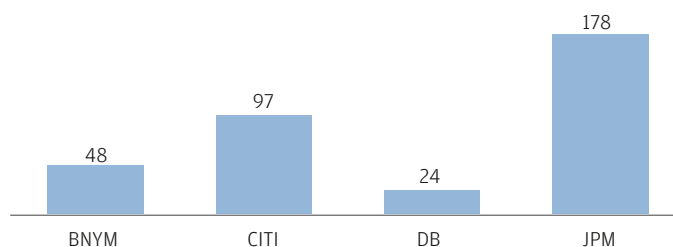
Source: Bloomberg, January 2011.

DR Trading and Liquidity Trends (continued)

- Collectively, BRIC markets accounted for approximately 47% of the trading volume and 48% of the value in 2010. BRIC market trading value was \$1.7tn on volume of 70bn shares.
- In 2010, Brazil's DR programs led the market with 20% of global DR trading volume and 22% of trading value. Programs from the U.K. generated 12% of DR trading volume and 16% of value while DR programs from China produced 13% and 15% of global DR trading volume and value, respectively.
- Trading on the major DR exchanges remained concentrated in a few large programs. The ten-largest DR programs listed on the NYSE accounted for 42% of total NYSE DR trading volume and 44% of trading value 2010 (see tables on following page).
- DR programs managed by J.P. Morgan, on average, continue to be much more liquid relative to those with other depositary banks (see charts at right).

Average Annual DR Trading Volume per Sponsored Programs

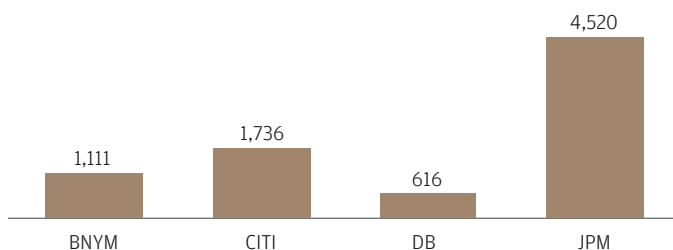
DR Trading Volume (mm DRs)



Source: Bloomberg, January 2011.

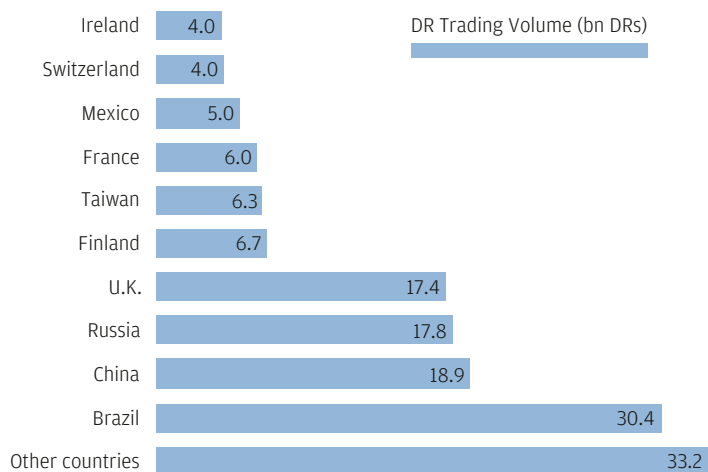
Average Annual DR Trading Value per Sponsored Programs

DR Trading Value (\$mm)

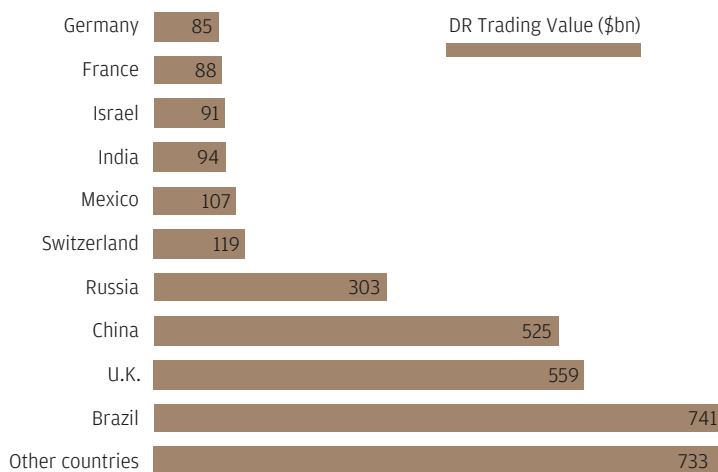


Source: Bloomberg, January 2011.

2010 DR Trading Volume and Value by Country



Source: Bloomberg, January 2011.



DR Trading and Liquidity Trends (continued)

Most-Traded DR Programs in 2010 (volume in billions)

NYSE		NASDAQ		LSE		OTC	
Company	Volume	Company	Volume	Company	Volume	Company	Volume
VALE	8.6	BAIDU	3.5	ROSNEFT	4.7	XSTRATA	0.25
NOKIA	6.6	JA SOLAR	2.3	GAZPROM	3.5	DEUTSCHE TELEKOM	0.25
PETROBRAS	6.2	VODAFONE	1.9	NORILSK NICKEL	1.6	DANKA BUSINESS	0.15
BP	5.8	MELCO CROWN	1.7	VTB BANK	1.4	NESTLE	0.14
ALCATEL-LUCENT	3.8	TEVA PHARMA	1.6	LUKOIL	0.8	ROCHE	0.13
TSMC	3.6	T. LM ERICSSON	1.6	ORASCOM TELECOM	0.5	AXA	0.09
ITAU UNIBANCO	3.0	ARM HOLDINGS	0.7	SEVERSTAL	0.5	ALLIANZ	0.09
CEMEX	2.7	ASML	0.7	SURGUTNEFTEGAZ	0.5	ANGLO AMERICAN	0.08
BANCO BRADESCO	2.6	SOLARFUN	0.6	EVRAZ GROUP	0.3	TURKIYE GARANTI	0.08
BANCO SANTANDER	2.2	CTRIP	0.6	URALKALI	0.3	OGX PETROLEO	0.08
Grand Total	106.6		21.6		17.1		4.5
No. of Programs	275		101		189		1,859
Top 10 as % of Total	42.3%		70.4%		83.0%		29.9%

Source: Bloomberg, January 2011.

Most-Traded DR Programs in 2010 (value in \$ billions)

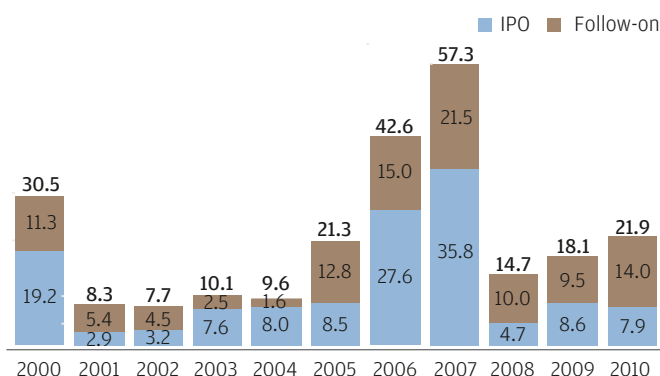
NYSE		NASDAQ		LSE		OTC	
Company	Value	Company	Value	Company	Value	Company	Value
VALE	241.7	BAIDU	254.7	GAZPROM	78.1	NESTLE	7.2
PETROBRAS	222.6	TEVA PHARMA	88.5	LUKOIL	46.3	ROCHE	4.7
BP	215.4	VODAFONE	44.2	ROSNEFT	33.6	DEUTSCHE TELEKOM	3.1
BHP BILLITON	74.5	CTRIP	23.3	NORILSK NICKEL	28.7	NINTENDO	1.9
NOKIA	71.9	INFOSYS	21.9	EVRAZ GROUP	10.7	AXA	1.7
ITAU UNIBANCO	63.1	ASML	20.6	NOVATEK	9.4	ANGLO AMERICAN	1.7
NOVARTIS	47.6	RANDGOLD	19.2	VTB BANK	7.7	BASF	1.3
ARCELOR MITTAL	46.8	T. LM ERICSSON	16.7	URALKALI	6.9	E.ON AG	1.2
AMERICA MOVIL	45.1	JA SOLAR	14.3	SEVERSTAL	6.4	BAYER	1.1
BANCO BRADESCO	44.8	ARM HOLDINGS	10.4	GEEC	5.8	ALLIANZ	1.0
Grand Total	2,459.8		623.0		288.9		72.6
No. of Programs	275		101		189		1,859
Top 10 as % of Total	43.6%		82.5%		80.9%		34.2%

Source: Bloomberg, January 2011.

DR Capital-Raising Trends

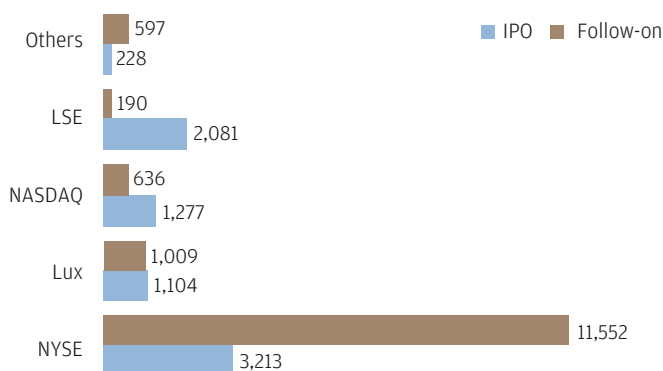
- Total DR capital raised was \$21.9bn in 2010, representing a 21% increase from the \$18.1bn raised during 2009.
- \$7.9bn was raised via IPO offerings in 2010. By comparison, \$8.6bn was raised via IPOs during 2009.
- Existing DR issuers raised \$14.0bn in additional capital from the equity capital markets in 2010. By comparison, during 2009, \$9.5bn was raised via follow-on offerings.
- 72 new issuers raised \$7.9bn in capital through DRs in 2010, compared with 28 new issuers raising \$8.6bn during 2009, evidencing a decline in average deal size of IPOs, most likely due to market volatility. New issuers from China, Russia, India, Taiwan, Ukraine, Germany, Bahrain, Kazakhstan and Argentina completed IPOs. Of the BRIC countries:
 - 36 new Chinese issuers raised \$4.1bn;
 - Four new Russian issuers raised \$1.9bn;
 - 34 new Indian issuers raised \$1.0bn;
 - Brazilian companies did not raise capital through DR IPOs in 2010.
- The majority of DR IPO capital raising in 2010 was completed on the NYSE. Twenty-two Chinese issuers and one German issuer raised capital through ADR IPOs on the NYSE. One Russian issuer listed a GDR on NYSE Euronext in Paris.
- Five new issuers raised capital via Regulation S ("Reg S") listings on the LSE, the second-most popular venue for IPO capital raising in 2010. Three Russian, one Ukrainian and one Bahraini company issued capital for the first time. The Bahraini DR capital raising was the first GDR IPO from the Middle East and North Africa region since the second quarter of 2008.
- DR IPO capital raising on NASDAQ had the third-highest value, with 14 Chinese IPOs.
- DR IPO capital raising on the Luxembourg Stock Exchange by "Reg S" GDR offerings made this venue the fourth-most popular for raising IPO capital in 2010. Thirty-one Indian and two Taiwanese issuers raised capital in Luxembourg through GDRs.
- One Indian issuer raised capital through a "Reg S" GDR offering on the Singapore Exchange (SGX) in October.
- 2010 saw the first DR IPO from the Middle East since the second quarter of 2008 with the launch of Aluminium Bahrain's GDR program, for which J.P. Morgan acts as the depositary.

DR Capital Raising (\$bn)



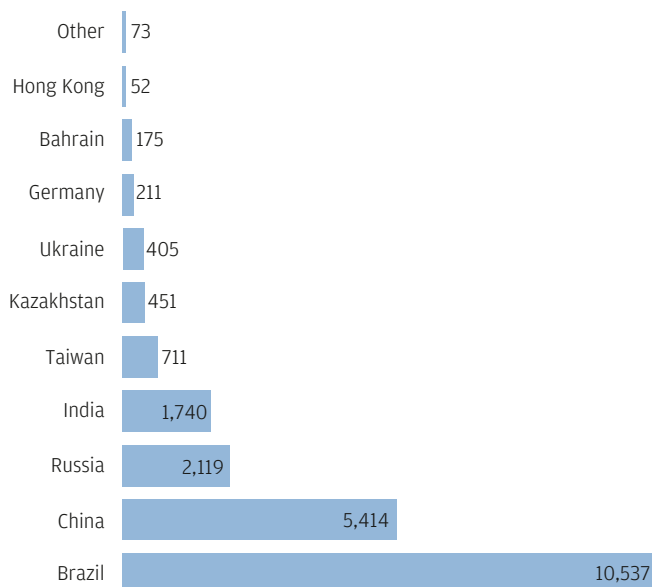
Source: J.P. Morgan, other depositary banks, Bloomberg, stock exchanges, January 2011.

2010 DR Capital Raising by Venue (\$mm)



Source: J.P. Morgan, other depositary banks, Bloomberg, stock exchanges, January 2011.

2010 DR Capital Raising by Country (\$mm)

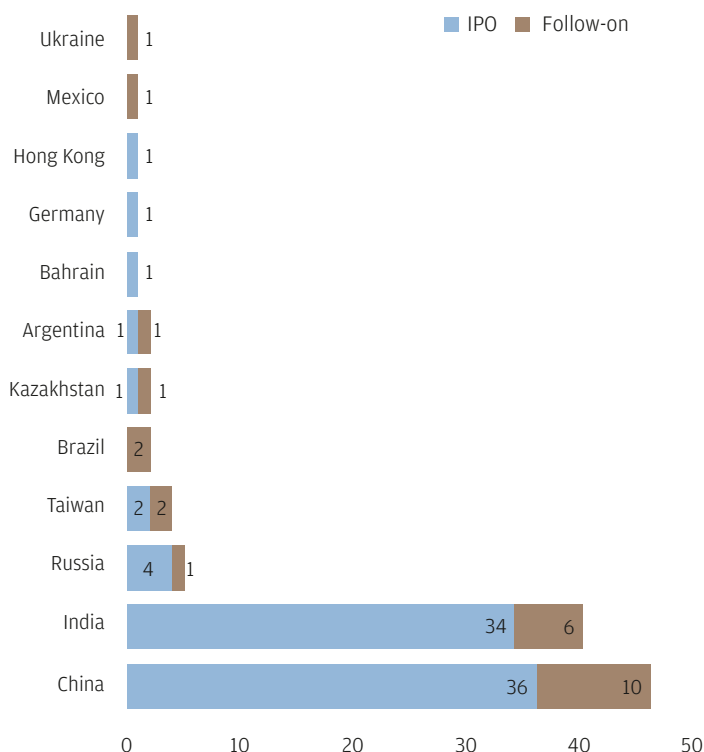


Source: J.P. Morgan, other depositary banks, Bloomberg, stock exchanges, January 2011.

DR Capital-Raising Trends (continued)

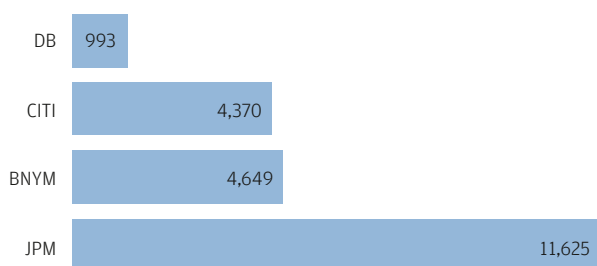
- 2010 follow-on offerings were dominated by the historic Petrobras deal, the largest share offering in history. In September, the deal raised approximately \$70 billion, \$10 billion of which was in DR form. Over 300 million new ADRs were issued through this follow-on offering. J.P. Morgan is the depositary bank for Petrobras.
- Twenty-five existing DR issuers globally raised capital in the U.S. or Europe through follow-on offerings in 2010, a drop from 2009, when 35 existing issuers accessed the equity markets via DRs.
- Secondary capital-raising was concentrated in BRIC and other emerging markets: Brazil (\$10.5bn, two issuers), China (\$1.3bn, 10 issuers), India (\$781mm, six issuers), Kazakhstan (\$414mm, one issuer), Taiwan (\$412mm, two issuers), Russia (\$251mm, one issuer), Ukraine (\$190mm, one issuer), Hong Kong (\$52mm, one issuer) and Mexico (\$36mm, one issuer).
- Looking ahead to 2011, DR issuance activity in China and India is expected to continue. Increased IPO activity from Russia, CIS (ex-Russia) and the Middle East is also anticipated. In addition, some DR IPO activity may be seen from South Korea, Colombia, Nigeria and Mexico in the first half of 2011.

2010 Number of DR Capital-Raising Issuers by Country



Source: J.P. Morgan, other depositary banks, Bloomberg, stock exchanges, January 2011.

2010 Total DR Capital-Raising by Depositary Bank



Source: J.P. Morgan, other depositary banks, Bloomberg, stock exchanges, January 2011.

The Largest-Ever DR Offering in History

In 2010, Petroleo Brasileiro S.A. (Petrobras) – the largest company in Brazil with a market capitalization of \$205bn – completed a follow-on offering, raising approximately \$70 billion, \$10 billion of which was in DR form. This is the largest-ever DR capital raising event in history. More than 300 million new ADRs were created through the offering. J.P. Morgan acted as the depositary bank for this deal.

Petrobras has two ADR programs that trade on the NYSE: Petrobras (NYSE: PBR) and Petrobras (Preferred) (NYSE: PBR.A). Petrobras's ADR programs are among the most liquid ADRs on the NYSE.

The premier site for the global investor – adr.com

Since its launch in 1998, J.P. Morgan's adr.com has become the internet's leading source for international equities information. This award-winning site has been recognized by the financial media as one of the best for depositary receipt issuers, investors, brokers and intermediaries.

J.P. Morgan created the first depositary receipt in 1927. Since then, the firm has continued to innovate, to invest in its technology, people and infrastructure, to ensure that it provides issuers and their investors with the leading depositary receipt services, including adr.com. In January 2011, J.P. Morgan will formally launch a new release of adr.com, which will include:

- A cleaner look and feel that enhances navigation
- Improved reporting, including a program dashboard, for J.P. Morgan's depositary receipt issuers to enhance the real-time information required to manage their DR programs
- A simplified user experience that provides easier access to the information most commonly viewed by adr.com visitors

DR Capital Raising by New Issuers in 2010

Issuer Name	Country	Sector	Type	Capital Raised \$mm	Month
Mail.Ru Group Ltd	Russia	Internet	LSE IPO	1,003	Nov
O'Key Group SA	Russia	Food	LSE IPO	461	Nov
China Ming Yang Wind Power Group	China	Electrical Components & Equipment	NYSE IPO	350	Oct
E-Commerce China Dangdang Inc	China	Internet	NYSE IPO	313	Dec
Youku.Com Inc	China	Internet	NYSE IPO	233	Dec
Transcontainer OAO	Russia	Transportation	LSE IPO	227	Nov
Avangardco Investments	Ukraine	Food	LSE IPO	216	May
Elster Group SE	Germany	Electronics	NYSE IPO	211	Sep
United Company RUSAL	Russia	Mining	NYSE Euronext (Paris) IPO	177	Jan
Sino-American Silicon Products Inc	Taiwan	Semiconductors	LUX IPO	177	Sep
Aluminium Bahrain BSC	Bahrain	Mining	LSE IPO	175	Nov
Sinotech Energy Ltd	China	Oil & Gas Services	NASDAQ IPO	168	Nov
Mecox Lane Ltd	China	Internet	NASDAQ IPO	149	Oct
Xueda Education Group	China	Commercial Services	NYSE IPO	147	Nov
Camelot Information Systems Inc	China	Computers	NYSE IPO	147	Jul
Soufun Holdings Ltd	China	Internet	NYSE IPO	143	Sep
iSoftStone Holdings Ltd	China	Commercial Services	NYSE IPO	141	Dec
TAL Education Group	China	Commercial Services	NYSE IPO	138	Oct
Bitauto Holdings Ltd	China	Internet	NYSE IPO	127	Nov
China Lodging Group Ltd	China	Lodging	NASDAQ IPO	127	Mar
Autonavi Holdings Ltd	China	Software	NASDAQ IPO	124	Jun
Pegatron Corp	Taiwan	Electronics	LUX IPO	122	Aug
Noah Holdings Ltd	China	Diversified Financial Services	NYSE IPO	116	Nov
Ambow Education Holding Ltd	China	Commercial Services	NYSE IPO	107	Aug
Le Gaga Holdings Ltd	China	Agriculture	NASDAQ IPO	103	Nov
JSW Steel Ltd	India	Iron/Steel	Private Placement	102	Dec
Bona Film Group Ltd	China	Entertainment	NASDAQ IPO	100	Dec
Chinacache International Holdings	China	Internet	NASDAQ IPO	97	Oct
China Hydroelectric Corp	China	Electric	NYSE IPO	96	Jan
Country Style Cooking Restaurant	China	Retail	NYSE IPO	95	Oct
China Xiniya Fashion Ltd	China	Apparel	NYSE IPO	88	Nov
IFM Investments Ltd	China	Real Estate	NYSE IPO	87	Feb
Daqo New Energy Corp	China	Chemicals	NYSE IPO	87	Oct
Shangpharma Corp	China	Commercial Services	NYSE IPO	87	Oct
Hisoft Technology International Ltd	China	Software	NASDAQ IPO	85	Jun
China Kanghui Holdings Inc	China	Healthcare-Products	NYSE IPO	79	Aug
RDA Microelectronics Inc	China	Semiconductors	NASDAQ IPO	78	Nov
Global Education & Technology	China	Commercial Services	NASDAQ IPO	77	Oct
Charm Communications Inc	China	Advertising	NASDAQ IPO	74	May
Farmax India Ltd	India	Household Products/Wares	LUX IPO	72	June
Syswin Inc	China	Real Estate	NYSE IPO	67	Nov
Cox & Kings Ltd	India	Leisure Time	LUX IPO	65	Aug
Jinkosolar Holding Co Ltd	China	Miscellaneous Manufacturing	NYSE IPO	64	May
Sky-Mobi Ltd	China	Retail	NASDAQ IPO	58	Dec
Resurgere Mines & Minerals	India	Mining	LUX IPO	54	June
Lentuo International Inc	China	Retail	NYSE IPO	52	Dec
Kemrock Industries	India	Miscellaneous Manufacturing	LUX IPO	50	Apr
China New Borun Corp	China	Beverages	NYSE IPO	40	June
SE Investments Ltd	India	Diversified Financial Services	LUX IPO	39	Mar
Jindal Cotex Ltd	India	Textiles	LUX IPO	39	June
BTA Bank JSC	Kazakhstan	Banks	Private Placement	37	Aug
Teledata Technology	India	Computers	LUX IPO	37	Mar
TGLT	Argentina	Real Estate	Private Placement	37	Nov
Chromatic India Ltd	India	Textiles	LUX IPO	36	Oct
Bilcare Limited	India	Pharmaceuticals	Private Placement	35	Jan
Nectar Lifesciences Ltd	India	Pharmaceuticals	LUX IPO	35	Feb
Birla Cotsyn India Ltd	India	Textiles	LUX IPO	25	Mar

Source: J.P. Morgan, Bloomberg, stock exchanges, January 2011.

DR Capital Raising by New Issuers in 2010 (continued)

Issuer Name	Country	Sector	Type	Capital Raised \$mm	Month
Nakoda Ltd	India	Textiles	LUX IPO	24	Nov
Zenith Birla India Ltd	India	Miscellaneous Manufacturing	LUX IPO	23	May
Ossen Innovation Co Ltd	China	Building Materials	NASDAQ IPO	23	Dec
Nissan Copper Ltd	India	Mining	LUX IPO	22	May
Jupiter Bioscience Ltd	India	Biotechnology	LUX IPO	21	Jul
Syncom Healthcare Ltd	India	Pharmaceuticals	LUX IPO	21	Sep
Birla Power Solutions Ltd	India	Machinery-Diversified	LUX IPO	20	Jan
Silverline Animation	India	Media	LUX IPO	18	Apr
BAG Films & Media Ltd	India	Media	LUX IPO	17	Feb
Karuturi Global Ltd	India	Agriculture	SGX IPO	16	Oct
Kingtone Wirelessinfo	China	Software	NASDAQ IPO	16	May
Tulsi Extrusions Ltd	India	Miscellaneous Manufacturing	LUX IPO	14	Aug
Beckons Industries Ltd	India	Energy-Alternate Sources	LUX IPO	11	June
Bhoruka Aluminium Ltd	India	Mining	LUX IPO	10	Dec
Southern Ispat Ltd	India	Commercial Services	LUX IPO	10	Aug
Hiran Orgochem Ltd	India	Pharmaceuticals	LUX IPO	10	May
Birla Shloka Edutech Ltd	India	Software	LUX IPO	10	Aug
Ashco Niulab Industries Ltd	India	Healthcare-Products	LUX IPO	10	Apr
Nu Tek India Ltd	India	Telecommunications	LUX IPO	29	Aug
Rainbow Papers Ltd	India	Forest Products & Paper	LUX IPO	27	Jan
Aksh Optifibre Ltd	India	Telecommunications	LUX IPO	25	Sep
Surya Pharmaceutical Ltd	India	Pharmaceuticals	LUX IPO	25	Oct
Glory Polyfilms Ltd	India	Miscellaneous Manufacturing	LUX IPO	4	Feb
KBS Capital Management Ltd	India	Diversified Financial Services	LUX IPO	2	May
Total: 81 issuers				7,904	

Source: J.P. Morgan, Bloomberg, stock exchanges, January 2011.

DR Follow-On Capital Raising in 2010

Issuer Name	Country	Sector	Market	Capital Raised \$mm	Month
Petroleo Brasileiro SA	Brazil	Oil & Gas	NYSE	10,018	Sep
Gafisa SA	Brazil	Real Estate	NYSE	519	Mar
Alliance Bank JSC	Kazakhstan	Banks	LUXEMBOURG	414	Mar
Essar Oil	India	Oil & Gas	Private Placement	293	Apr
Walsin Lihwa Corp	Taiwan	Electrical Components & Equipment	LUXEMBOURG	290	Nov
Mechel OAO	Russia	Iron/Steel	NYSE	251	May
Ctrip.Com International Ltd	China	Internet	NASDAQ	236	Mar
Essar Oil	India	Oil & Gas	Private Placement	225	May
MHP Sa	Ukraine	Agriculture	LONDON	190	Dec
Trina Solar Ltd	China	Energy-Alternate Sources	NYSE	184	Mar
Mindray Medical International	China	Healthcare-Products	NYSE	176	Mar
Camelot Information Systems Inc	China	Computers	NYSE	161	Dec
Hisoft Technology International Ltd	China	Software	NASDAQ	150	Dec
Wintek Corp	Taiwan	Electronics	LUXEMBOURG	122	Apr
Cninsure Inc	China	Insurance	NASDAQ	115	Jul
Duoyuan Global Water Inc	China	Environmental Control	NYSE	105	Jan
Vanceinfo Technologies Inc	China	Software	NYSE	92	Nov
Solarfun Power Holdings Co Ltd	China	Energy-Alternate Sources	NASDAQ	83	Nov
Bombay Rayon Fashions Ltd	India	Textiles	SINGAPORE	79	Oct
Birla Power Solutions Ltd	India	Machinery-Diversified	LUXEMBOURG	54	Jul
City Telecom Ltd	Hong Kong	Telecommunications	NASDAQ	52	Apr
SELManufacturing Co Ltd	India	Textiles	LUXEMBOURG	47	May
Nu Tek India Ltd	India	Telecommunications	LUXEMBOURG	44	Dec
Grupo Aeroportuario del Sureste SAB de CV	Mexico	Engineering & Construction	NYSE	36	Aug
SELManufacturing Co Ltd	India	Textiles	LUXEMBOURG	35	Sep
LDK Solar Co Ltd	China	Semiconductors	NYSE	12	Jan
Glory Polyfilms Ltd	India	Miscellaneous Manufacturing	LUXEMBOURG	4	Aug
Total: 27 follow-on offerings				13,984	

Source: J.P. Morgan, Bloomberg, stock exchanges, January 2011.

Investments in DRs

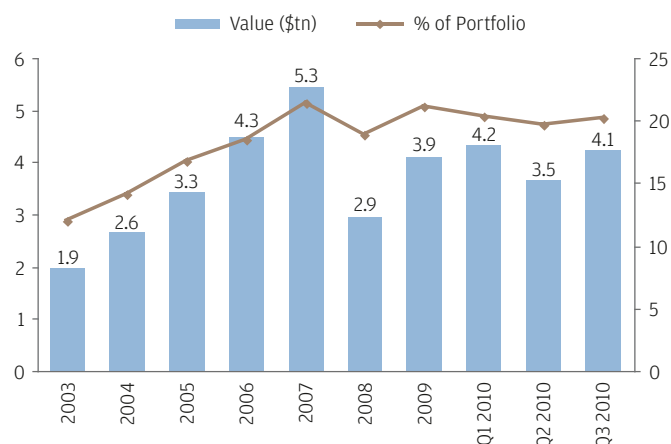
- J.P. Morgan estimates the total global investment in DRs at approximately \$1.1tn, with investment in ADRs at \$930bn and investment in GDRs at \$150bn, confirming the continued popularity of DRs.
- According to Q3 2010 data published by the U.S. Federal Reserve, U.S. investments in foreign equities stood at \$4.1tn, 19% of U.S. investors' portfolio. This investment value was up more than \$100bn from year-end 2009.
- J.P. Morgan estimates the value of investments in DR programs from Western Europe to be the highest of any other region at \$330bn (31%). Investments in DRs in the other regions are estimated as follows: Latin America at \$292bn (27%), Emerging Europe at \$243bn (23%) and Asia Pacific at \$208bn (19%).
- Based on J.P. Morgan estimates, DR investments in the oil and gas sector reached \$264bn, accounting for nearly a quarter of all DR investments. Telecommunications, mining, banks and pharmaceutical were the other key sectors attracting investment in DRs.
- Among the top 20 DR programs by estimated investment value, Latin American programs represented \$177bn, or 37%, of investment. Western Europe programs represented \$139bn, 29% of the top 20 programs. Emerging Europe had \$136bn invested in DR programs, also 29% of the top 20 programs. Asia Pacific programs represented \$26bn, 5% of the top 20 programs.

Top 20 DR Programs by Investment Value

Company	Country	Exchange	Industry	DR Value (\$bn)
Petrobras (Common and Preferred)	Brazil	NYSE	Oil & Gas	54.0
Vale (Common and Preferred)	Brazil	NYSE	Mining	51.1
Teva Pharmaceutical Industries	Israel	NASDAQ	Pharmaceuticals	39.6
LUKOIL	Russia	LSE	Oil & Gas	36.0
BP	U.K.	NYSE	Oil & Gas	36.0
Gazprom	Russia	LSE	Oil & Gas	35.6
Royal Dutch Shell (A and B)	U.K.	NYSE	Oil & Gas	33.9
América Móvil (A and L)	Mexico	NYSE	Telecommunications	33.5
Vodafone Group	U.K.	NASDAQ	Telecommunications	19.6
Itau Unibanco Holding	Brazil	NYSE	Banks	17.9
Novartis	Switzerland	NYSE	Pharmaceuticals	14.8
GlaxoSmithKline	U.K.	NYSE	Pharmaceuticals	14.5
MMC Norilsk Nickel	Russia	LSE	Mining	14.2
Taiwan Semiconductor Mnf.	Taiwan	NYSE	Semiconductors	13.7
BHP Billiton	Australia	NYSE	Mining	11.9
YPF	Argentina	NYSE	Oil & Gas	11.6
Novatek	Russia	LSE	Oil & Gas	10.9
TOTAL	France	NYSE	Oil & Gas	10.2
Diageo	U.K.	NYSE	Beverages	10.1
Banco Bradesco	Brazil	NYSE	Banks	9.4

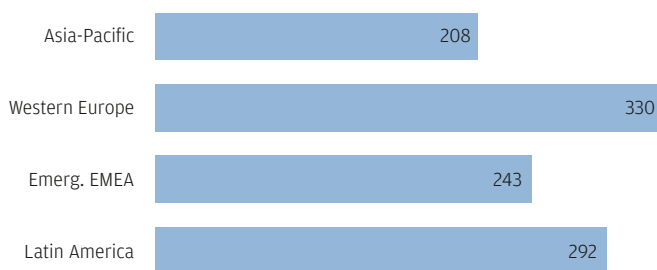
Source: Stock Exchanges, Bloomberg or J.P. Morgan estimates, January 2011. DR program values calculated by multiplying the current DR price with publicly available, or J.P. Morgan estimated, outstanding balance.

U.S. Holdings in Foreign Equities



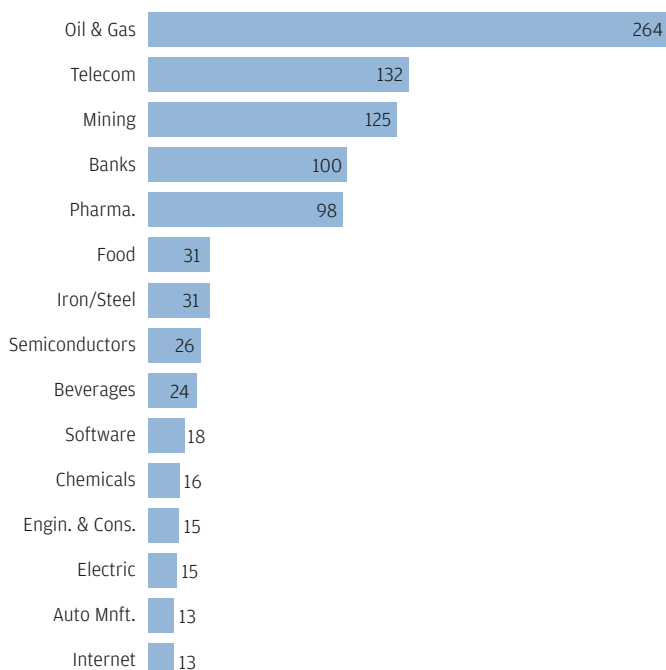
Source: U.S. Federal Reserve as of Q3 2010.

DR Investments by Issuer's Region (\$bn)



Source: Stock Exchanges, Bloomberg, J.P. Morgan program balances or J.P. Morgan estimates, January 2011. DR program values calculated by multiplying the current DR price with publicly available, or J.P. Morgan estimated, outstanding balance.

Top 15 DR Investments by Sector (\$bn)



Source: Stock Exchanges, Bloomberg, J.P. Morgan program balances or J.P. Morgan estimates, January 2011. DR program values calculated by multiplying the current DR price with publicly available, or J.P. Morgan estimated, outstanding balance.

Investments in DRs (continued)

Top 10 Institutional Holders of DRs by Investment Value

Company	Style	Current \$mm	% of Portfolio	2009 \$mm	Change \$mm
Fidelity Management & Research	GARP	32,757	5.82%	33,343	-586
Dodge & Cox	Deep Value	19,283	17.72%	18,423	860
BlackRock Institutional Trust Company, N.A.	Index	19,174	2.61%	21,487	-2,312
Capital Research Global Investors	Core Value	17,211	4.28%	16,620	591
Wellington Management Company, LLP	Core Value	16,467	6.06%	17,760	-1,293
Capital World Investors	Core Value	13,166	3.64%	15,473	-2,307
T. Rowe Price Associates, Inc.	GARP	11,031	4.02%	10,964	67
Fisher Investments	Core Value	10,923	33.54%	12,057	-1,134
Aberdeen Asset Managers Ltd.	Core Growth	10,923	22.87%	8,711	2,212
Lazard Asset Management, L.L.C.	Core Value	10,420	16.93%	7,447	2,973

Top 10 Institutional Buyers of DRs in 2010 by Investment Value

Company	Style	Current \$mm	% of Portfolio	2009 \$mm	Change \$mm
Vanguard Group, Inc.	Index	10,013	1.56%	4,313	5,700
Schroder Investment Management North America Inc.	GARP	5,205	30.40%	879	4,326
Lazard Asset Management, L.L.C.	Core Value	10,420	16.93%	7,447	2,973
Baillie Gifford & Co.	Core Growth	9,340	19.66%	7,082	2,258
Aberdeen Asset Managers Ltd.	Core Growth	10,923	22.87%	8,711	2,212
Dimensional Fund Advisors, LP	Deep Value	7,926	6.58%	5,925	2,001
Wells Capital Management Inc.	Core Value	2,695	4.92%	958	1,737
OppenheimerFunds, Inc.	GARP	5,672	6.50%	4,070	1,602
NFI Investment Group LLC	Yield	3,339	14.80%	1,887	1,452
Bank of America Merrill Lynch (US)	Broker-Dealer	3,661	3.05%	2,218	1,443

Top 10 Institutional Sellers of DRs in 2010 by Investment Value

Company	Style	Current \$mm	% of Portfolio	2009 \$mm	Change \$mm
Fidelity International Limited	Core Growth	2,614	2.93%	6,438	-3,824
Schroder Investment Management Ltd. (SIM)	Core Growth	2,398	3.26%	4,773	-2,376
BlackRock Institutional Trust Company, N.A.	Index	19,174	2.61%	21,487	-2,312
Capital World Investors	Core Value	13,166	3.64%	15,473	-2,307
Marsico Capital Management, L.L.C.	Core Growth	3,527	8.65%	5,214	-1,686
Oppenheimer Capital L.L.C.	Core Value	581	15.42%	1,952	-1,372
Wellington Management Company, LLP	Core Value	16,467	6.06%	17,760	-1,293
Brandes Investment Partners, LP	Core Value	7,254	25.52%	8,418	-1,164
Fisher Investments	Core Value	10,923	33.54%	12,057	-1,134
Renaissance Technologies Corp.	Hedge Fund	2,569	10.60%	3,627	-1,057

Source: Thomson Reuters, January 2011, reported ownership data.

Top 10 Mutual Fund Holders of DRs by Investment Value

Company	Style	Current \$mm	% of Portfolio	2009 \$mm	Change \$mm
iShares MSCI Emerging Markets Index Fund	Index	12,962	33.02%	19,404	-6,442
Vanguard Emerging Markets Stock Index Fund (USD)	Index	8,452	16.26%	4,704	3,747
Dodge & Cox International Stock Fund	Core Value	7,469	19.24%	7,830	-361
Dodge & Cox Stock Fund	Deep Value	6,821	17.28%	6,445	376
Fidelity Diversified International Fund	International	6,093	19.40%	6,840	-747
American Funds EuroPacific Growth Fund	Growth	5,940	9.39%	9,049	-3,109
American Funds Growth Fund of America	Growth	4,751	3.91%	4,960	-209
BGF Latin American Fund	Emerg. Mkts.	4,173	58.58%	2,911	1,262
Scout International Fund	Core Value	3,737	61.33%	3,110	627
American Funds Capital World Growth & Income Fund	Yield	3,156	6.06%	3,323	-167

Top 10 Mutual Fund Buyers of DRs in 2010 by Investment Value

Company	Style	Current \$mm	% of Portfolio	2009 \$mm	Change \$mm
Vanguard Emerging Markets Stock Index Fund (USD)	Index	8,452	16.26%	4,704	3,747
BGF Latin American Fund	Emerg. Mkts.	4,173	58.58%	2,911	1,262
Aberdeen Global Emerging Markets Equity Fund	Emerg. Mkts.	1,662	21.63%	580	1,082
HSBC Brazil Mother Fund	GARP	978	34.57%	76	902
Oakmark Equity and Income Fund	GARP	1,129	11.00%	349	779
DFA Emerging Markets Value Fund Inc.	Core Value	1,813	18.99%	1,177	636
Oppenheimer Developing Markets Fund	Emerg. Mkts.	2,708	19.06%	2,078	630
Scout International Fund	Core Value	3,737	61.33%	3,110	627
Principal Preferred Securities Fund	Income Value	1,397	47.03%	839	558
American Funds Capital Income Builder	Yield	2,463	6.14%	1,926	537

Top 10 Mutual Fund Sellers of DRs in 2010 by Investment Value

Company	Style	Current \$mm	% of Portfolio	2009 \$mm	Change \$mm
iShares MSCI Emerging Markets Index Fund	Index	12,962	33.02%	19,404	-6,442
American Funds EuroPacific Growth Fund	Growth	5,940	9.39%	9,049	-3,109
Fidelity Magellan Fund	Core Growth	779	3.53%	1,817	-1,039
iShares MSCI EAFE Index Fund	Index	43	0.13%	934	-891
Emerging Markets Growth Fund, Inc.	Growth	1,582	13.92%	2,461	-879
Fidelity Latin America Fund	Core Growth	2,124	53.22%	2,943	-819
Vanguard Windsor II Fund	Income Value	1,953	6.01%	2,705	-752
Fidelity Diversified International Fund	International	6,093	19.40%	6,840	-747
Canada Pension Plan Investment Board	Index	1,064	2.93%	1,752	-688
American Funds Fundamental Investors Fund, Inc.	Deep Value	791	1.95%	1,440	-649

Legal and Regulatory Developments

In 2010, a number of new regulations and amendments were enacted or proposed that impact DR issuers and/or investors.

U.K. Bribery Act

The U.K. Bribery Act of 2010, which will come into force in April 2011, is designed to replace the U.K.'s previous bribery laws with a broader, more comprehensive code. Notably, the new clause that deems failure of commercial organizations to prevent bribery an offense, applies to any overseas entity that carries on a business or part of a business in the U.K. (which potentially may include listing a DR on a U.K. stock exchange.) The act will apply to all companies with a U.K. presence, including banks, and both public and private companies.

More specifically, under the clause, a commercial organization will be considered to have committed an offense if an associated person performing services on its behalf commits bribery in order to obtain or retain either business or a business advantage for the commercial organization. Further guidance on what constitutes adequate procedures to prevent such an occurrence is expected to be published in January 2011. Under the act, a commercial organization which fails to prevent bribery is subject to unlimited fining powers.

Brazilian Regulatory Developments

The Brazilian real continued to appreciate in 2010 despite the Brazilian government's attempts in the latter part of 2009 to slow its appreciation. Efforts consisted of levying a two-percent tax on initial foreign currency inflows related to the purchase of local real-denominated debt and equity instruments, and a 1.5% tax on all ADR issuances for Brazilian companies.

In March 2010, the Brazilian government introduced a resolution resulting in the levy of a symbolic FX transaction tax of 0.38% on the cancellation of ADRs into local shares.

In October 2010, the Brazilian government introduced an additional Imposto sobre Operações Financeiras (IOF) tax on the inflow of the symbolic FX transaction. As a result, an additional tax on ADR cancellations caused an increase in the total IOF tax on cancellations to either 2.38% or 4.38% (based on differing custodian views), with no clear market consensus. Also that month, the IOF tax for off-exchange transactions was increased an additional two percent, bringing the total IOF tax on ADR cancellations to either 2.38% or 6.38%. At the time of publication, the market was still awaiting consensus.

These IOF tax increases have had negative implications for cross-border ADR activity to date. Nevertheless, issuance activity has remained higher than cancellation activity (with the exception of isolated transactional activity). Future tax initiatives by the Brazilian government should be closely monitored for potential implications to ADR trading.

U.S. Cost Basis

Beginning in 2011 and continuing through 2013, the U.S. Internal Revenue Service will implement new rules regarding cost basis reporting in the U.S. These new rules look to provide complete transparency to investors regarding any investment gain or loss experienced. This objective requires increased effort by financial industry participants (i.e., brokers, transfer agents, investment managers) to prepare for the 2011 regulations and will continue over the next several years.

Securities issuers will also be subject to new rules, including public disclosure and information filing requirements.

U.S. Concept Release on Proxy Processing

On July 14, 2010, the U.S. Securities and Exchange Commission (SEC) issued a long-awaited Concept Release on U.S. Proxy Processing, requesting comments from the public regarding potential reforms to the U.S. proxy system. Among other topics, the Concept Release focused on over and under voting, proxy distribution fees and competition, issuer communication with shareholders and the role of proxy advisory firms. Approximately 200 comment letters were received by the SEC expressing overwhelming support for reform of the U.S. Proxy System.

The SEC is expected to submit a new set of proposed rules for public comment in 2011.

U.K. Listing Regime Modifications

Effective April 6, 2010, the Financial Services Authority (FSA) modified the U.K.'s Listing Regime to re-classify U.K.-listed securities into "Premium" and "Standard," the second of which includes GDRs.

As a result, GDR issuers must comply with the FSA's Disclosure and Transparency rule, requiring them to provide a corporate governance statement describing the main features of internal control and risk management systems related to financial reporting, and a description of the composition and operation of the issuer's administrative, management, and supervisory bodies and the committees of each.

U.S. SEC Approves New FINRA Rule

The Financial Industry Regulatory Authority (FINRA), which regulates the U.S. OTC market, received SEC approval for FINRA Rule 6490, which became effective September 2010. The rule clarifies FINRA's authority and responsibilities under Rule 10b-17 of the U.S. Securities Exchange Act of 1934, which requires that OTC-traded companies notify FINRA 10 days in advance of certain corporate action record dates, including those for cash and stock distributions, stock splits and rights. For announcements pertaining to ADRs, the depositary bank provides the requisite notice to FINRA based on information provided by the company or other sources in the company's home market.

Under Rule 6490, FINRA will assess a statutory \$200 per-announcement charge. Higher fees may be assessed for late announcements provided to FINRA less than 10 days prior to record date and for notices provided after the record date.

J.P. Morgan Innovation and Market Expansion in 2010

J.P. Morgan issued the first ADR in 1927, creating an innovative financial instrument allowing investment in foreign equities without the need for foreign currency exchange or foreign brokerage.

In subsequent decades, and especially in today's 24 / 7 borderless global markets, J.P. Morgan continues to innovate the DR, and invest in technology, people and infrastructure to help issuers and their investors maximize value and utility of the DR instrument. Innovation and investment reflect our long-term commitment to all DR market participants.

- J.P. Morgan's depositary bank continued to lead the DR market in innovation in 2010, including:
 - Launching the first Hong Kong Depositary Receipt (HDR) for Vale of Brazil.
 - Developing a unique solution for investors in Russian ADR programs, after several months of consultation with the Ministry of Finance in Russia. These investors now benefit from the double-tax treaty between Russia and the investors' home markets and receive relief-at-source from dividend withholding taxes.
 - Introducing Venezuelan currency dividend payments to DR investors in Venezuela.
- J.P. Morgan extended its depositary bank product and market reach in 2010 by:
 - Expanding ADRMax crossbook capabilities to enable ADR / ordinary share crossing for securities from Spain and Russia.
 - Entering new markets in Bahrain, Egypt and Finland.

J.P. Morgan's DR Thought Leadership in 2010

During another challenging year in the financial markets and the regulatory environment, J.P. Morgan's depositary bank provided exceptional thought leadership and guidance to issuer clients and prospects alike. Through small and large events, J.P. Morgan helped issuers keep abreast of a myriad of changes impacting DR programs. As regulatory structures and capital markets continue to evolve, J.P. Morgan remains committed to helping issuers navigate various challenges and changes while maintaining best practices for DR programs.

Asia-Pacific

Financing corporate India's global growth and raising capital on the Indian and London markets, *Mumbai, Hyderabad & Delhi, March 10-11*

The seminar, sponsored by the London Stock Exchange, highlighted capital-raising opportunities in London for Indian companies, informed India-based advisors of developments in the London markets and sought to facilitate broader interaction between India-based and international advisors and listing prospects.

Ninth Taiwan DR Issuers Conference, *Taipei, November 11*

The proprietary conference, which was held for more than 80 key Taiwanese DR clients and other guests, shared information regarding global and regional trends in DRs and the latest updates for raising capital via a depositary receipt program.



J.P. Morgan's proprietary Ninth Taiwan DR Issuers Conference, Taipei, November 11.

Third Annual Greater China CEO / CFO Summit, *Japan, April 7-10*

J.P. Morgan's two-day summit focused on insights and trends in the depositary receipt market in Japan, post-financial crisis. Sessions included market developments, economic updates and suggestions on how investors can further mitigate risk as the new decade begins. Panel discussions were led by participants who shared knowledge and experience to help firms navigate through the post-recession period and identify future areas of focus.

Europe, Middle East and Africa

Egyptian Investor Relations Association launch event, *Cairo, May 31*

J.P. Morgan co-founded EIRA together with the Egyptian Stock Exchange. Local business leaders gathered in Cairo along with special guest H.E. Dominic Asquith, the British Ambassador for Egypt, to commemorate the event.

The first association of its kind in Egypt, EIRA is the premier development platform and advocate for investor relations professionals and best practices. In addition to enhancing the ethical and professional standards within the Egyptian investor relations community and its affiliated bodies, EIRA will help build awareness among corporations of the importance of a highly professional approach to this field.



Egyptian Investor Relations Association launch event, Cairo, May 31.

Business Briefings, *London and Paris, September 15 and 22*

J.P. Morgan's EMEA DR team arranged Business Briefings in London and Paris to educate clients about the U.S. SEC's Concept Release on Proxy Processing. Two prominent U.S. law firms, Skadden Arps in London and Cleary Gottlieb in Paris, gave an overview of the main themes covered by the SEC. Attendees were very interested in the SEC's thoughts on distribution fees, proxy advisors and proposed changes to the rules surrounding Non-Objecting Beneficial Owners / Objecting Beneficial Owners.

J.P. Morgan's Depositary Receipts Execution (DRX) Team

New York, London, Hong Kong

The Depositary Receipt Execution (DRX) team of J.P. Morgan's depositary bank comprises of highly experienced capital markets professionals. The extensive technical skills of J.P. Morgan's DRX team members are valued by brokers and investors, who always seek best trade execution. The DRX team can help issuers create a closer bond with institutional investors and broker-dealers to promote the benefits of DR ownership and conversion. The DRX desk also has access to 2,200 global buy-side contacts, which can be beneficial for promoting issuers' DR programs. The DRX team is also highly committed to finding new measures to increase program liquidity through innovative tools such as I&C Lock, which responds to broker-dealer pricing needs in a challenging market environment.

J.P. Morgan's DR Thought Leadership in 2010 (continued)

Europe, Middle East and Africa (continued)

Russia Awards and Conference Sponsorship, *Moscow, July 15 and November 26*

J.P. Morgan continued its sponsorship of the IR Magazine Russia Awards and annual "Best Practices in IR" conference in Moscow.

Russia Seminars for Clients and Prospective Issuers, *Moscow & St. Petersburg (multiple seminars on different dates)*

The main focus of J.P. Morgan's Russian-speaking investor relations specialist in the region this year was educating IPO candidates. Two seminars were held on the topics of positioning in financial markets pre-IPO and building a sound public company infrastructure to succeed post-IPO. Russian clients had the opportunity to build on their expertise via a seminar on the practical application of corporate governance and a separate workshop on financial modelling.



"Best Practices in IR" conference, Moscow, November 26.

Nigerian Capital Markets Workshop, Lagos, November 24

J.P. Morgan, the LSE, the Nigeria Stock Exchange (NSE) and Thomson Reuters hosted stakeholders in the Nigerian capital markets to the inaugural Nigerian Capital Markets Workshop, which addressed recent Nigerian developments. Multiple panel discussions covered challenges facing Nigerian issuers, the benefits of investor relations, best practices in the Nigerian capital markets and the importance of adequate corporate governance and transparency for attracting international capital. Over 100 delegates attended the workshop.

Latin America

Approaching "New Markets" for Brazilian Issuers: Targeting Investors in the Middle East and Asia, *Sao Paulo, July 14*

At the 2010 Brazilian Institute of Investor Relations (IBRI) conference, J.P. Morgan's IR Advisory team spoke on a panel including representatives from Petrobras and CEMIG. The presentation highlighted the growing size and importance of Middle Eastern and Asian capital markets, with a focus on Sovereign Wealth Funds (SWFs). The discussion also covered best practices for accessing investors in these rapidly growing markets.

Brazil in the Global Markets and Economic Risks Globally, *Sao Paulo, July 15*

A Latin American CEO / CFO luncheon was co-sponsored with the NYSE. The event's guest speaker was a J.P. Morgan economist.

J.P. Morgan's Investor Relations (IR) Advisory Services

New York, London, Singapore

J.P. Morgan's IR Advisory Services team comprises highly experienced investor relations professionals who advise and support J.P. Morgan's DR issuers around the world. Their overarching goal is to help clients enhance their investor relations to attract more DR investors and grow their DR programs.

In 2010, the IR Advisory Services team completed over 400 IR projects, ranging from IR strategy development to investor targeting to retail IR. Additionally, 120 clients advertised on J.P. Morgan's market-leading DR website, adr.com, which is used by millions of individual and institutional investors in the U.S. and other major equity markets

The IR Advisory Services team is also behind many of the depositary bank's educational materials and events. Alerts, abstracts and whitepapers help keep clients abreast of regulatory developments and other topics relevant to DR programs. Publications in 2010 included:

- SEC Updates Guidance for the Use of Non-GAAP Financial Measures
- SEC Seeks Public Comment on U.S. Proxy System and Potential Regulatory Responses
- SEC Issues Interpretive Guidance on Climate Change Disclosure
- Crisis Communications: Is your company crisis-prepared or crisis-prone?
- Global Capital Flows in Asia

The team also publishes a quarterly newsletter rich in information about investor relations best practices and maintaining effective DR programs. All publications, other than the newsletter, are available on adr.com.

DR Events in 2010

If you would like to hear about future DR events please e-mail adr@jpmorgan.com.

DATE	REGION/COUNTRY	TOPIC	DESCRIPTION
January 12	EMEA	Economic and Markets Outlook – What 2010 Holds	Online seminar featuring J.P. Morgan's David Mackie, Head of Western European Economic Research, and Mislav Matejka, Head of European Equity Strategy, who provided an outlook of what 2010 holds for the economy and markets.
February 18	Moscow	IR Workshop – Financial Modeling	In-house workshop which featured Anna Avdokushina, J.P. Morgan's Russian banking sector research analyst, and Josh Tulgan, Head of Investor Relations from Mobile Telesystems, who discussed the differences between in-house, sell- and buy-side financial models.
March 4	LATAM/EMEA (Online)	Perception Studies – gathering, analyzing and interpreting investment community feedback	Online seminar that outlined the key components of an effective perception study, which includes the measurement of communications effectiveness, an analysis of the investment audience, peers and information disclosure, and the need for developing synergy between the Executive Board, corporate leadership and investor Relations.
March 10 & 11	Mumbai, Hyderabad, Delhi	Financing corporate India's global growth Raising capital on the Indian and London markets	This seminar sponsored by the London Stock Exchange highlighted capital-raising opportunities in London for Indian companies, informed India-based advisors of developments in the London markets and sought to facilitate broader interaction among Indian issuers, international advisors and listing prospects.
March 7	Moscow	Building a sound public company infrastructure to succeed beyond the IPO	This seminar focused on how to build the infrastructure necessary for issuers to operate efficiently as a public company upon completion of the IPO transaction.
April 7-10	Japan	Third Annual Greater China CEO/CFO Summit	J.P. Morgan's two-day summit focused on insights and trends in the depositary receipt market in Japan, post-financial crisis. Sessions included market developments, economic updates and ways for investors to further mitigate risk as the new decade begins. Panel discussions were led by participants who shared knowledge and experience to help firms navigate through the post-recession period and identify areas of focus.
May 7	Taipei	Insights into Procomp (dubbed "Taiwan's Enron") and Regulations on Insider Trading	The workshop focused on insider-related discussions, including regulation updates, financial reporting and deal structuring. Procomp was used as an example to illustrate problems related to these topics. Speakers included Lee & Lee (law firm), Deloitte (accountant) and HuaNan Entrust Securities (underwriter).
May 12 & 14	Beijing & Shanghai	Crisis Management & Legal Implications for Listed Companies	Part of the IREducation Series, these seminars offered IR managers the opportunity to interact and share insights and ideas on industry trends and challenges. J.P. Morgan invited Brunswick, a crisis communication agency, and two different sets of legal counsels (one for Beijing and one for Shanghai) to offer opinions why crisis communications should be considered part of investor relations. Issuer clients were keen to discuss what steps they might take to help manage or pre-empt a crisis.
June 16	Latin America	Global equity capital flows and their implications for targeting and investor outreach	J.P. Morgan's Depositary Receipts group and the market intelligence firm Ipreo explained recent equity capital flows into the Latin America region and discussed how market intelligence can be used to enhance a company's IR strategy.
July 14	Sao Paulo	Approaching "New Markets" for Brazilian Issuers: Targeting Investors in the Middle East and Asia	At the 2010 IBRI conference, J.P. Morgan's head of Investor Relations Advisory Services spoke on a panel with Petrobras, Cemig, and others. The presentation highlighted the growing size and importance of markets in the Middle East and Asia, with a focus on sovereign wealth funds. Topics also covered included best practices for reaching investors in these markets and the types of companies that can be successful.
July 15	Sao Paulo	Brazil in the global markets and economic risks globally	A J.P. Morgan economist was the guest speaker for this Latin America CEO/CFO luncheon co-sponsored with NYSE.
July 15	Moscow	IR Magazine Russia Awards	J.P. Morgan continued its sponsorship support of the IR Magazine Russia Awards in Moscow.
August 4	Beijing	Global Capital Flows and Investor Outreach for China ADR Issuers & How to Maximize Investor Outreach through Analysts Days	Part of the IREducation Series, issuers learned more about the types of funds that invest in ADRs. J.P. Morgan invited market intelligence firm Ipreo to join this sharing session, and also invited Ogilvy Financial Beijing to talk about how their clients utilize analyst days and other investor outreach activities.
August 11 & 12	Jakarta & Kuala Lumpur	Global Capital Flows and Investor Outreach for Southeast Asian Issuers	The IREducation Series was delivered in Indonesia and Malaysia for the first time. During these seminars, corporate issuers learned about the assets under management for companies from Indonesia and Malaysia, and how fund managers construct their portfolios.
August 18	Taipei	Global Capital Flows and Investor Outreach for Issuers & IR Benchmarking	During this IREducation Series course, corporate issuers were able to understand the capital fund flow into Taiwan and how investors view Taiwanese companies. J.P. Morgan IR Advisory also presented a segment on how Taiwanese companies can benchmark their IR strategies and programs.
August 19 & 20	Taichung & Kaoshiung, Taiwan	Investor Relations – Benchmarking IR	This was the first time J.P. Morgan offered the IREducation Series in these two cities. The depositary receipts group partnered with J.P. Morgan Asset Management to engage corporate issuers on developing investor relations strategies and on benchmarking against best practices in IR.
September 7	Tokyo	Japan Proxy Workshop	A workshop held for Japanese DR clients with Riskmetrics to help issuers understand proxy issues/concerns for 2010 and planning for 2011 proxy season.
September 15	Paris	Concept release breakfast	Breakfast Briefing arranged for French clients and prospects to provide them with insight into the U.S. proxy system. Cleary Gottlieb gave an overview of the salient points, and discussed voting and communication with beneficial holders.

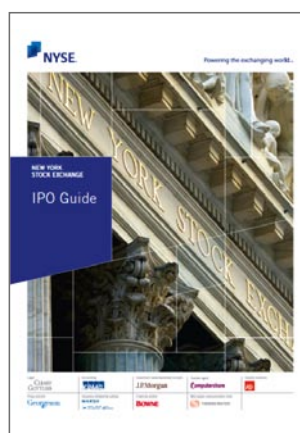
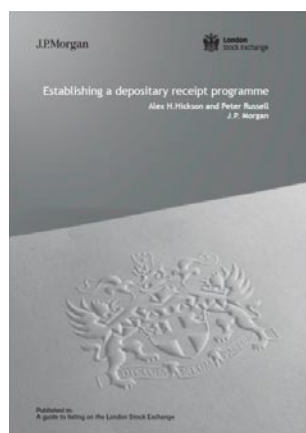
DR Events in 2010 (continued)

If you would like to hear about future DR events please e-mail adr@jpmorgan.com.

DATE	REGION/COUNTRY	TOPIC	DESCRIPTION
September 22	London	Concept release briefing	Business Briefing to educate clients about the SEC's Concept release on U.S. proxies. The U.S. law firm Skadden Arps presented the main themes that would be of interest to corporate clients, such as Broadridge, over/under voting and shareholder identification.
September 23	London	Changes in Equity Trading	Roundtable lunch to discuss changes in equity trading, including dark pools, MTFs and electronic trading, and how these impact trading in both ADRs and ordinary shares.
September 28	EMEA	Global Capital flows and Investor Outreach for EMEA Issuers (online)	Investor relations webinar, during which market intelligence firm Ipreo discussed global equity capital flows and their implications for targeting and investor outreach.
October 13	Beijing	FinanceAsia Depository Receipts Roundtable	Roundtable co-hosted with FinanceAsia, a leading financial publication in Asia. Participants included recently listed issuers, prospects, intermediaries and J.P. Morgan representatives.
October 26	Moscow	Practical application of corporate governance	Roundtable held to discuss the relevance of corporate governance to capital raising and shareholder value. This event provided information on the key governance principles for Russian corporations throughout their lifecycles. Governance specialists from Russia and abroad discussed the practical steps and behaviors necessary to deliver best-practice governance solutions.
October 28	St. Petersburg	Developing a public company infrastructure for IPO and beyond	This roundtable focused on parameters confirming readiness for a company to become public, and what needs to be in place shortly after the IPO transaction in order for the issuer to efficiently operate as a public company.
November 11	Taipei	Ninth Taiwan DR Issuers Conference	Proprietary conference held for more than 80 key Taiwanese DR clients and prospects to share information regarding global and regional trends in DRs and the latest updates in tools and solutions for raising capital via a depository receipt program.
November 17	London	How much do you know about Depository Receipts?	This seminar provided a 30-minute introduction to the basics of depository receipts. It was a refresher course for those who are regularly involved with depository receipts as well as appealing to those who were new to the subject.
November 17	Moscow	Positioning yourself in financial markets pre-IPO	This roundtable explored the issues pertaining to market communications by a private company preparing for IPO in the coming one-to-two years. The roundtable addressed the following questions: Do buy and sell-side analysts need to hear from private companies? What corporate governance standards should non-public companies follow? How should issuers remain on the radar screens of the capital markets players given the competition for capital with so many regional peers that are also contemplating IPOs?
November 24	Nigeria	Challenges facing Nigerian issuers in the capital markets	This Nigerian Capital Markets Workshop jointly hosted by J.P. Morgan, Thomson Reuters, Nigerian Stock Exchange and the LSE, included an engaging series of presentations and stimulating dialogue among the participants on topics including an outlook on the Nigerian capital markets, international investors' sentiment towards Nigeria and an update on the structures required to raise capital and list in London.
November 26	Moscow	"Best Practices in IR" Conference	J.P. Morgan continued its sponsorship support of the annual "Best Practices in IR" conference in Moscow.

Publications Co-Authored with External Organizations

J.P. Morgan's depository bank is proud to have worked with a host of industry-leading organizations and institutions to produce insightful documents throughout 2010. J.P. Morgan continually seeks to develop and foster strong relationships with peers in the depository receipt environment as well as to provide informative materials for clients, prospects and intermediaries alike.



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J.P. Morgan's award-winning web site, with new release to formally launch in January 2011: **adr.com**

J.P. Morgan's Depositary Receipts Bloomberg page: **ADRJ <GO>**

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For market information on Depositary Receipts (DRs) and international equities, go to J.P. Morgan's award-winning Web site adr.com. For more information on J.P. Morgan's Depositary Receipt services, go to jpmorgan.com/visit/adr.

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