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EDISON LAUNCHES AMERICAN DEPOSITARY RECEIPT (ADR) RESEARCH PRODUCT

Edison responds to surge in ADR trading while large investment banks cut back on ADR research

Edison Investment Research, the investment intelligence company, has launched a new research product tailored to American Depositary Receipts (ADRs) following a surge in demand from investors in the US for international securities. According to independent research by JP Morgan, over the past 10 years the market for ADRs has quadrupled in volume to 146 billion and tripled in value to \$3.5 trillion.

We have responded to the need for a specific ADR product following a sharp decline in the provision of such research by most of the world's biggest investment banks despite the fact that more than 2,000 companies have issued ADRs, all trading on the US markets. Large depositary banks trading in ADRs that have benefited from the provision of our ADR research include Citi Group and Deutsche Bank, as well as OTC Markets Group, which operates the OTCQX, OTCQB and OTC Pink marketplaces, where 1,500 ADRs trade.

We have already produced ADR-specific research, including for Bavaria Nordic today, the Denmark-listed pharmaceuticals company, and recently for Rolls-Royce, the UK-listed global aerospace and defence firm, and GW Pharma, the UK-listed specialist pharmaceutical company.

Public companies whose securities are traded via ADRs can benefit from the increase in liquidity stimulated by investor access to comprehensive ADR research.

Our research is tailored specifically for US audiences: currency is converted to dollars and all references to prices and tickers are to the ADR rather than the underlying stock. It also reflects other adjustments required by US investors, including an adjustment for withholding tax.

With more than 100 professionals working in global research teams across a range of sectors and from offices including London, New York and Sydney, Edison is in an ideal position to expand its research-led portfolio of services to ensure that international investors have access to the best in quality fundamental research to help evaluate investments in international companies.

Peter Molloy, President of Edison in the US and founding director of Edison Investment Research, said:

“Edison is responding to the increasing demand for ADR-specific research from US investors, where the value of trades in the past decade has tripled to around US\$3.5 trillion, just as some of the same leading global investment banks have cut back on their provision of ADR research. For non US-listed companies that want to access the North American market, worth some \$18 trillion, ADRs have for a long while afforded an effective route to access the world's largest pool of capital.

ADRs offer a regulated and highly effective channel for US investors to access equity in overseas companies whose primary listing is non-US without having to directly own the foreign shares themselves. By trading the ADRs of overseas equity, US investors can significantly reduce the administration costs and complications of trading stocks on foreign exchanges.

There are more than 2,000 American Depository Receipts trading on US markets and yet the pool of quality research for this vital cornerstone of the global equities market has virtually dried up. The clients of many of the global depository banks, including Citi Group and Deutsche Bank, are already benefiting from our ADR research.”

R. Cromwell Coulson, President and CEO, OTC Markets Group Inc said: “As our OTCQX, OTCQB, and OTC Pink marketplaces are home to 1,500 ADRs – 75% of all ADRs – we have seen how important transparent US trading coupled with widely available information and investment research is for building the visibility of global companies with international investors. Edison Group’s ADR research program will be an excellent addition to the communications toolbox of today’s leading global IR teams.”

Justin Glover, Chief Executive Officer, GW Pharmaceuticals added: “The value to GW Pharmaceuticals is ensuring that US investors gain exposure to Edison’s high-quality research via a product specifically tailored to their needs”

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Notes to Editors

About Edison Investment Research

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington.

Edison is authorised and regulated by the Financial Services Authority (www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584).

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