

CRIST | KOLDER
ASSOCIATES

THE VOLATILITY REPORT 2011

Foreword

Our annual research study examines volatility and backgrounds at the CEO, CFO, and COO levels of companies listed on the 2011 Fortune 500, S&P 500, or both – a total of 669 companies.

Definitions:

Volatility: Turnover is noted when a company makes a hire.

Internal change: An individual is promoted to a new role at the company where she/he is already employed.

External change: An individual is recruited to a position at a company to which he/she has no formal ties.

Mergers: In a merger of equals, the combined company is considered a new entity. A change in leadership, therefore, is marked for all mergers. A change is internal if the executive was previously employed by either of the merging companies.

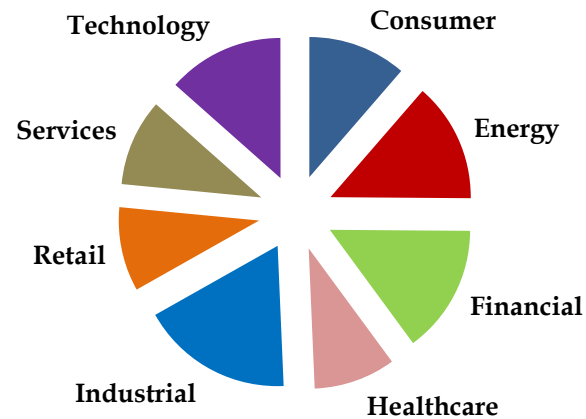
COO Definitions:

COO Role: If no individual operates under the title of COO at a given company, description of duties, executive hierarchy, and compensation are simultaneously analyzed to determine if someone with another title (I.E. President) fulfills this role.

CEO-COO: Should a COO be promoted to CEO, or an individual be simultaneously elected to both positions, the COO role is considered vacant since the functions of the COO are handled by the CEO.

Notes On Methodology

1. 2011 Fortune 500 and S&P 500 Companies (669 Total)
 - Companies off list : 35
 - Companies new to list: 36
2. Data tracked January 1, 1995 through December 31st, 2011
3. Industries broken down by Fortune's classification system and then grouped into designated larger categories based on SIC codes and judgement of Crist Kolder Associates.



Consumer	Energy	Financial	Healthcare	Industrial	Retail	Services	Technology
76	92	99	63	117	65	67	90

Resources:

1. Hoover's Online: www.hoovers.com
2. Factiva: www.factiva.com
3. Fortune: www.fortune.com
4. BusinessWeek: www.businessweek.com
5. Proxy Statements of individual companies
6. Capital IQ: www.capitaliq.com

The Crist | Kolder Volatility Report

An Analysis of C-Level Movement

Volatility Overview

Page 5	CEO & CFO Volatility vs. S&P Index
Page 6	CEO vs. CFO Volatility

CEO & CFO Overview

Page 7	CEO vs. CFO External Hires
Page 8	CEO Internal vs. External Hires
Page 9	CFO Internal vs. External Hires
Page 10	CEO Volatility by Industry
Page 11	CFO Volatility by Industry

C-Suite Analytics

Page 12	Current CEOs Immediate Previous Role
Page 13	CEO Previous Role, Internal vs. External
Page 14	CEO Hires who were previously COOs
Page 15	% of Companies with a COO
Page 16	Financial Experience of newly named CEOs
Page 17	% CEOs with CFO Experience by Industry
Page 18	Current CFOs Immediate Previous Role

Board Analytics

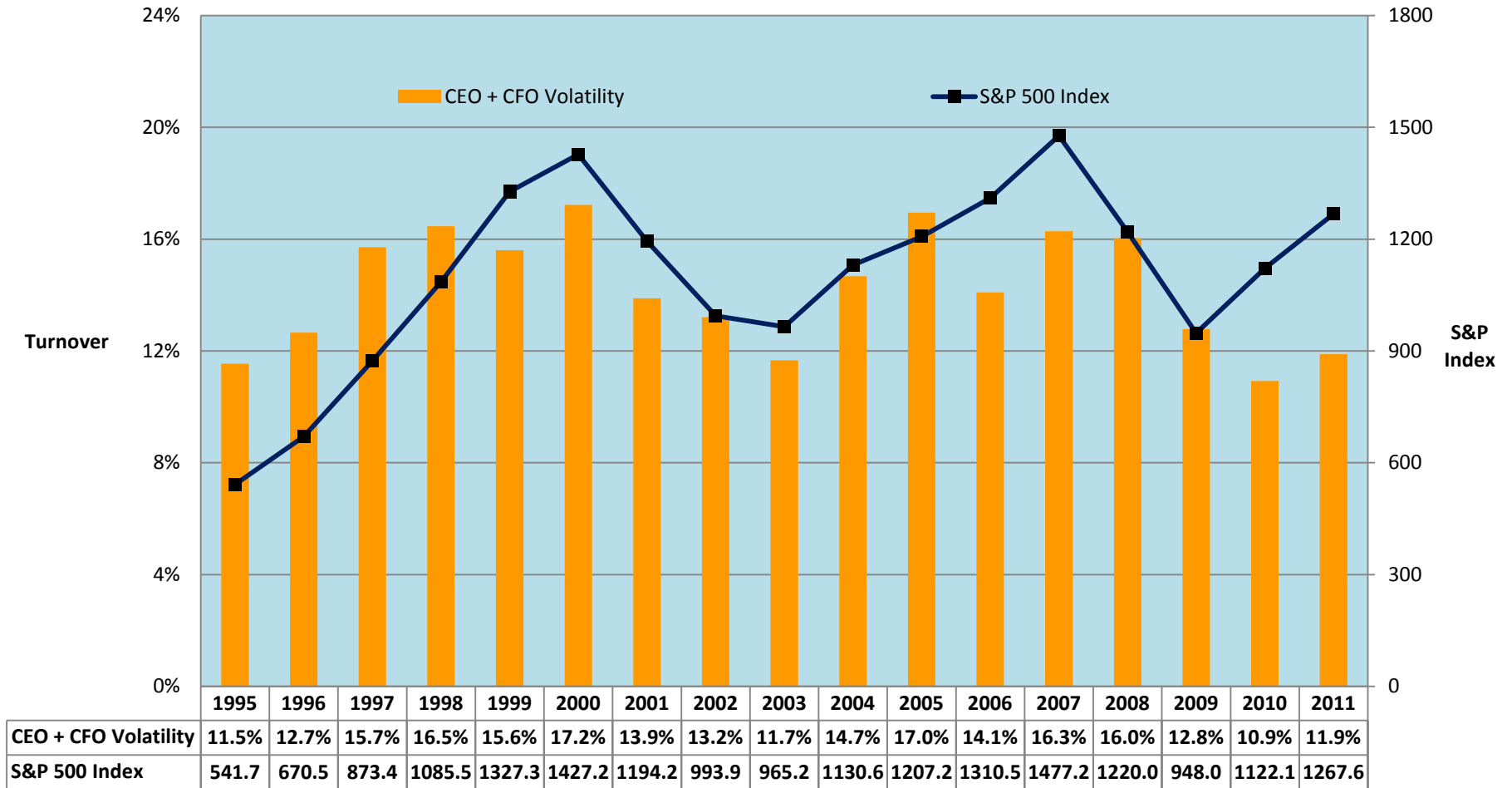
Page 19	Average CEO Tenure vs. Average # of External Boards
Page 20	Highest Level of Experience for Audit Committee Chairs
Page 21	% of Women Board Directors by Industry
Page 22	% of Women Directors by Revenue

Indices

Page 23	CEO Index
Page 24	CFO Index

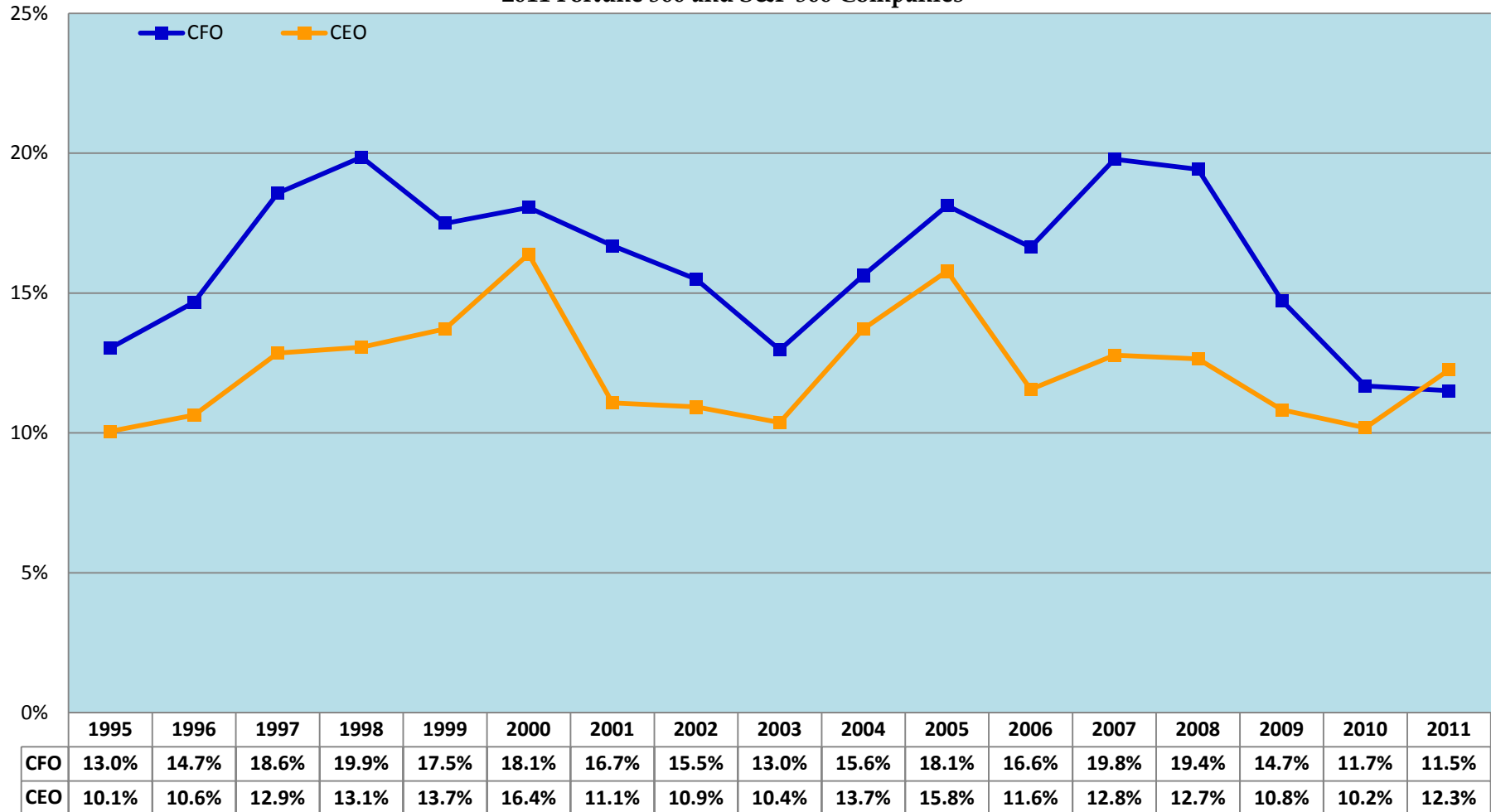
CEO and CFO volatility rebounded in 2011 and mirrors the S&P 500 index average.

CEO & CFO Volatility vs. S&P 500 Weekly Average (1995-2011)
2011 Fortune 500 and S&P 500 Companies



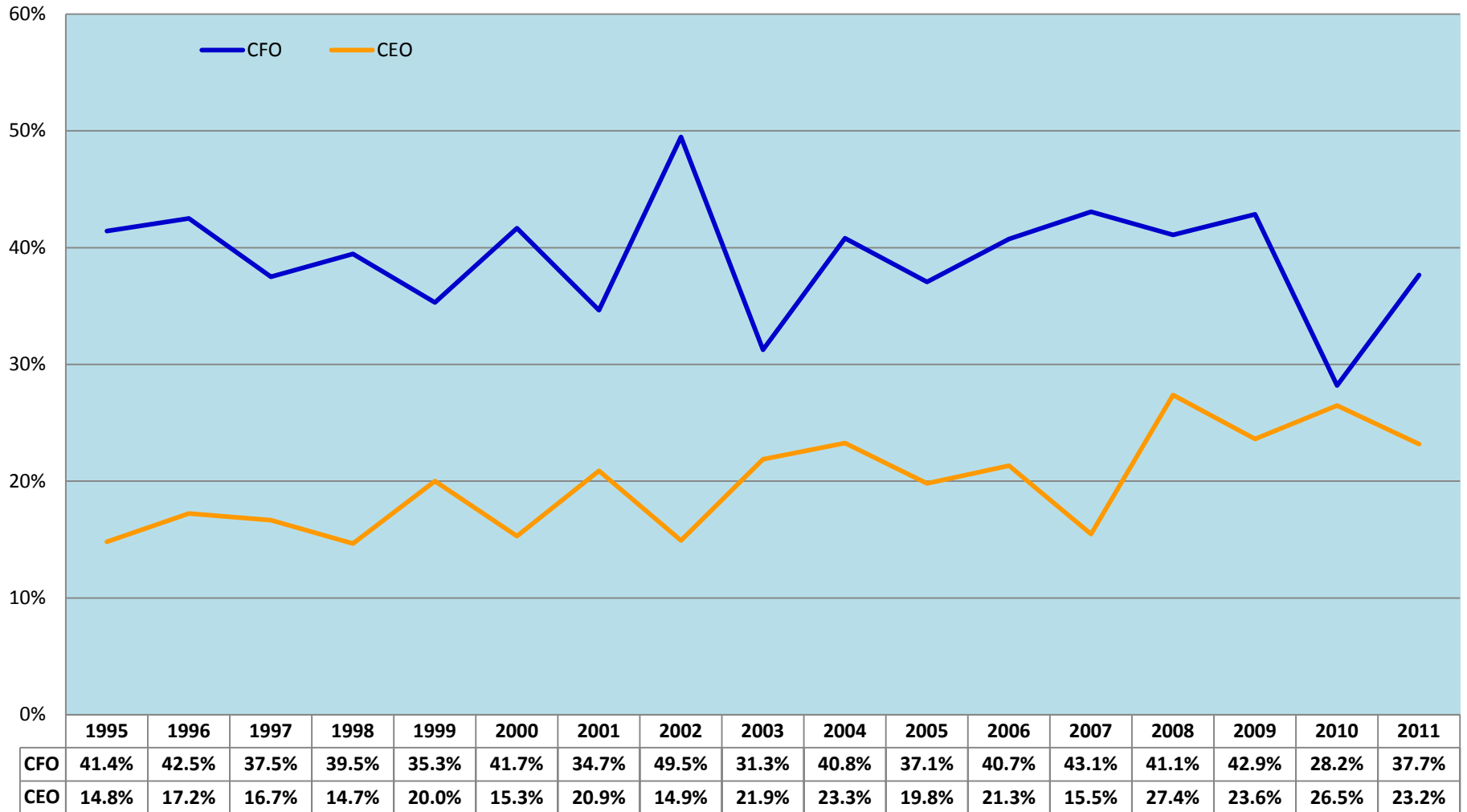
CFO volatility reaches an all-time low, while CEO volatility surpasses CFO volatility for the first time ever.

CEO vs. CFO Volatility (1995 - 2011)
2011 Fortune 500 and S&P 500 Companies



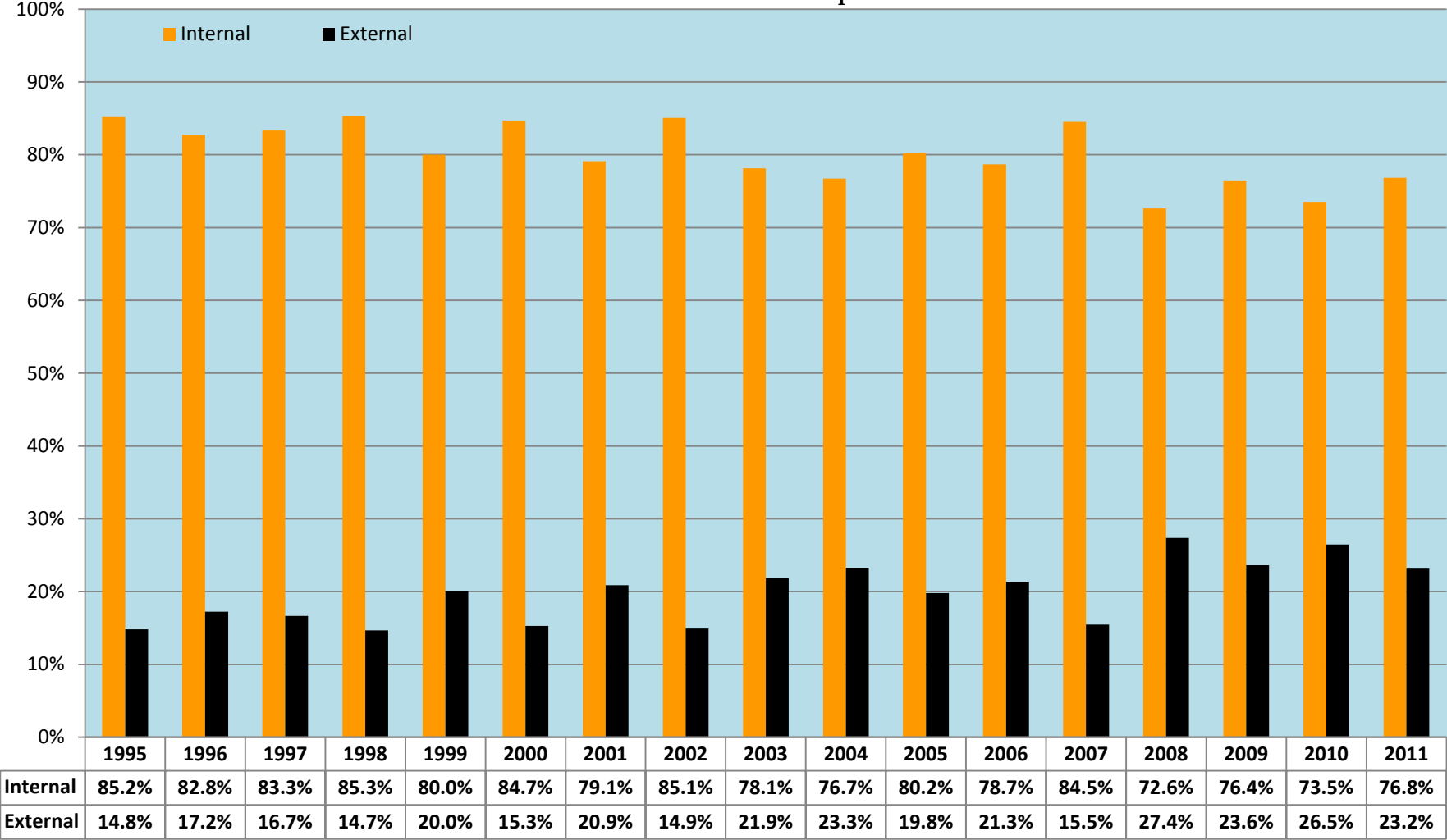
**There is a divergence in the recruitment of CEOs and CFOs from the outside.
CFO external hires increased, while CEO external hires decreased.**

External Hires as % of Total Hires (1995-2011)
2011 Fortune 500 and S&P 500 Companies



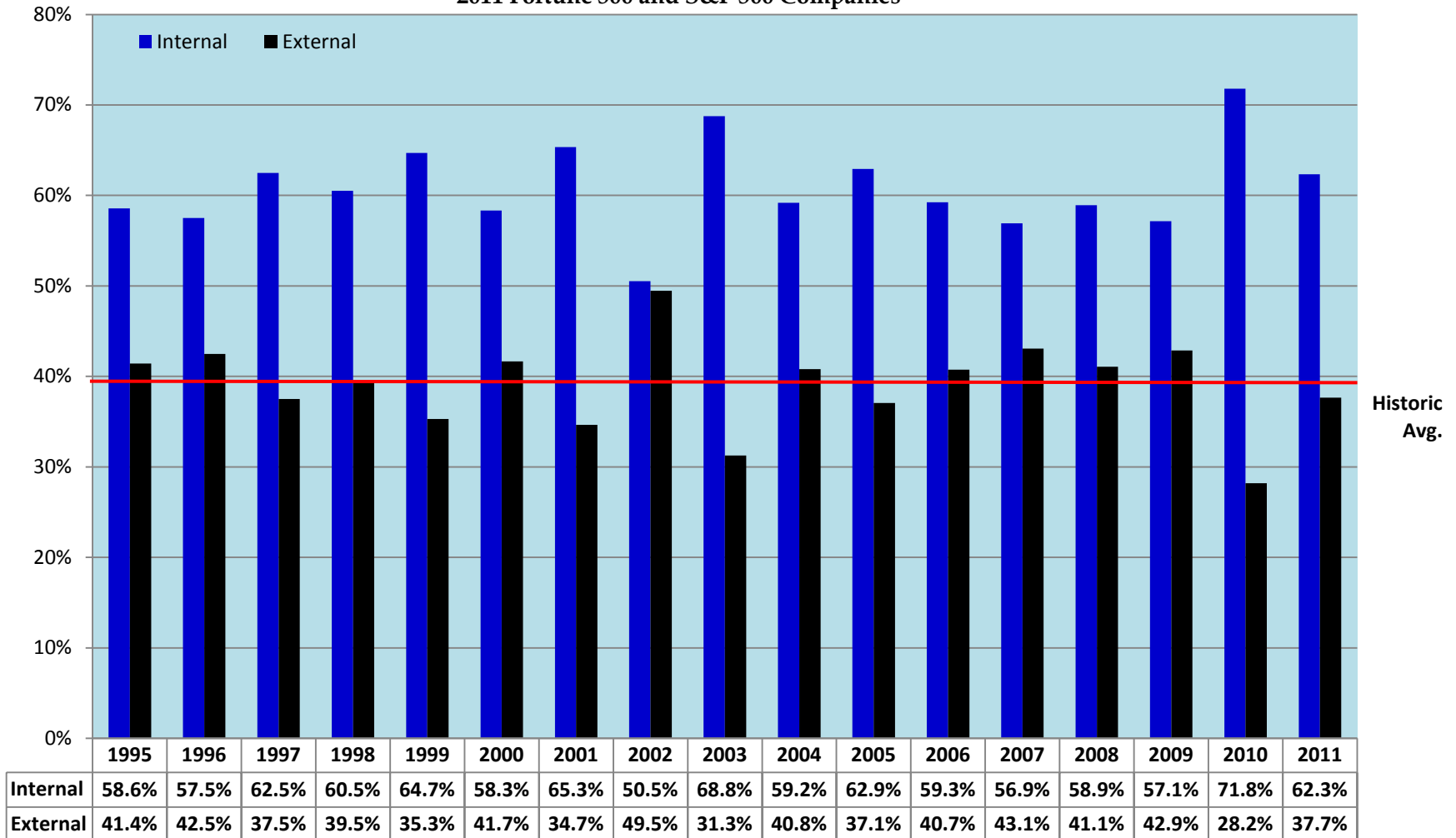
Companies continue to promote to the CEO chair from within...

CEO Internal vs. External Hires (1995-2011)
2011 Fortune 500 and S&P 500 Companies



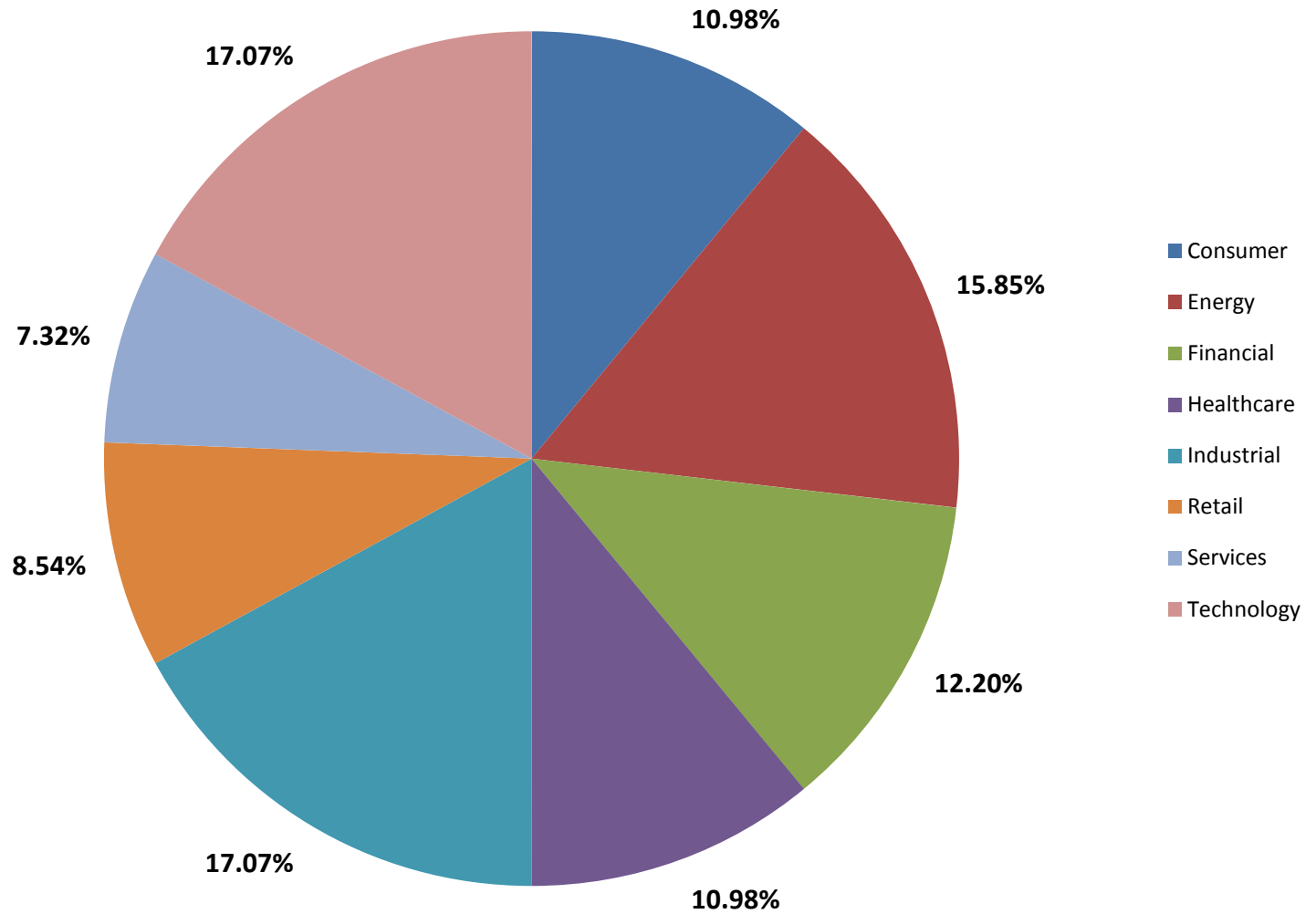
...while external CFO hires rebound to near the historic average of 39%.

CFO Internal vs. External Hires (1995-2011)
2011 Fortune 500 and S&P 500 Companies



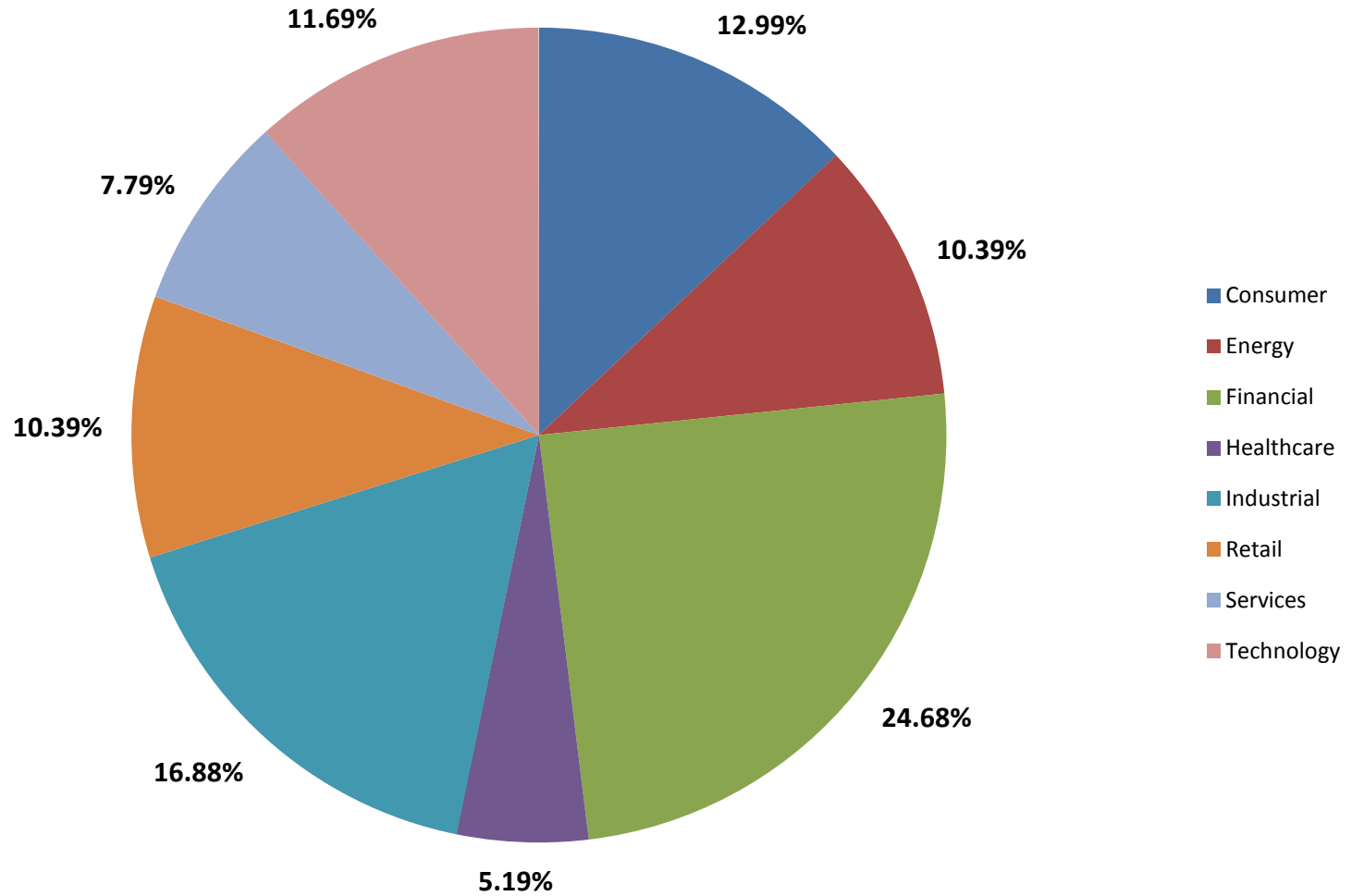
Technology and Industrial companies lead the way in CEO volatility in 2011, with 34% of the total changes in the CEO role occurring in these sectors.

2011 CEO Volatility by Industry
2011 Fortune 500 and S&P 500 Companies



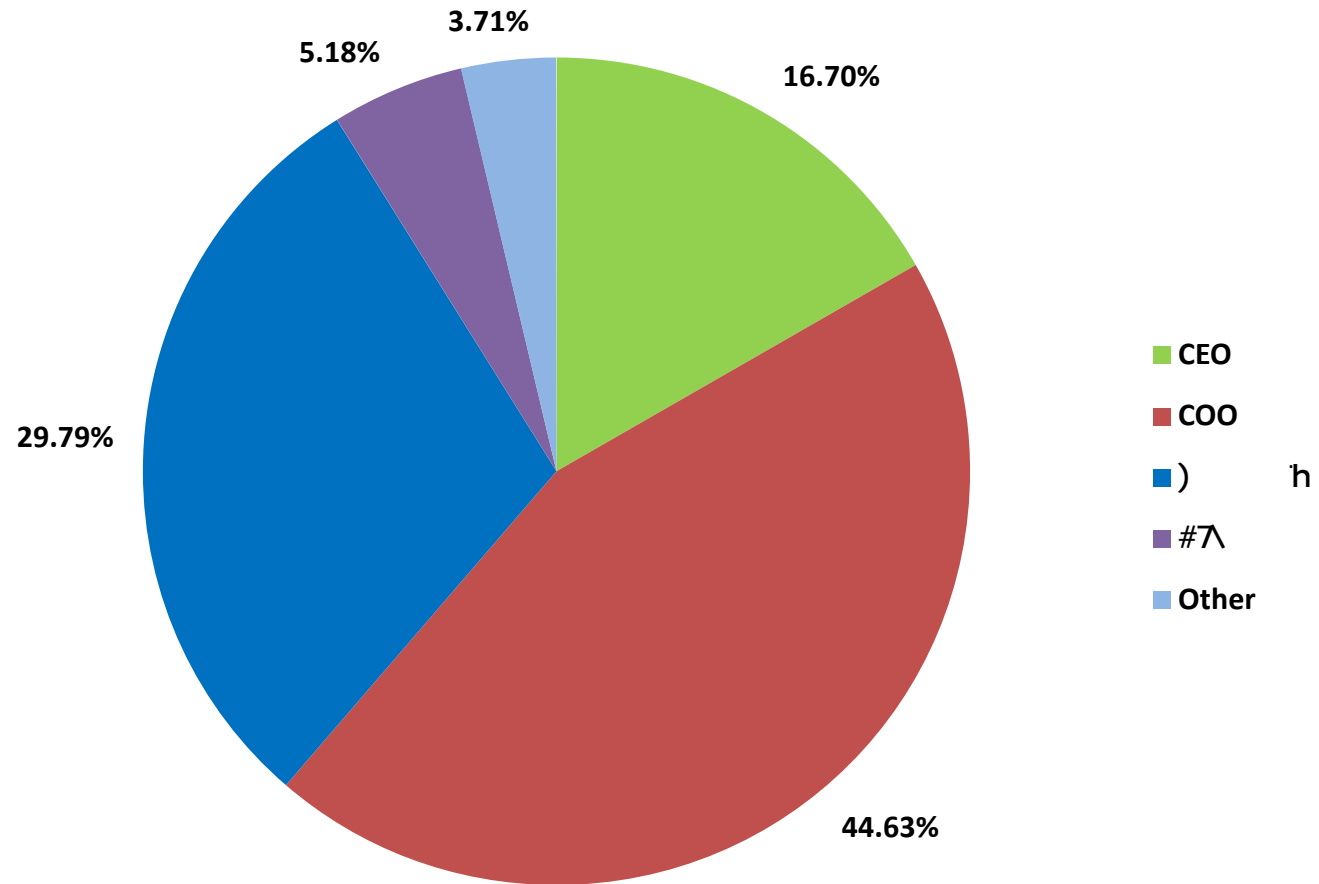
The Financial Services industry accounts for over 24% of CFO volatility in 2011.

2011 CFO Volatility by Industry
2011 Fortune 500 and S&P 500 Companies



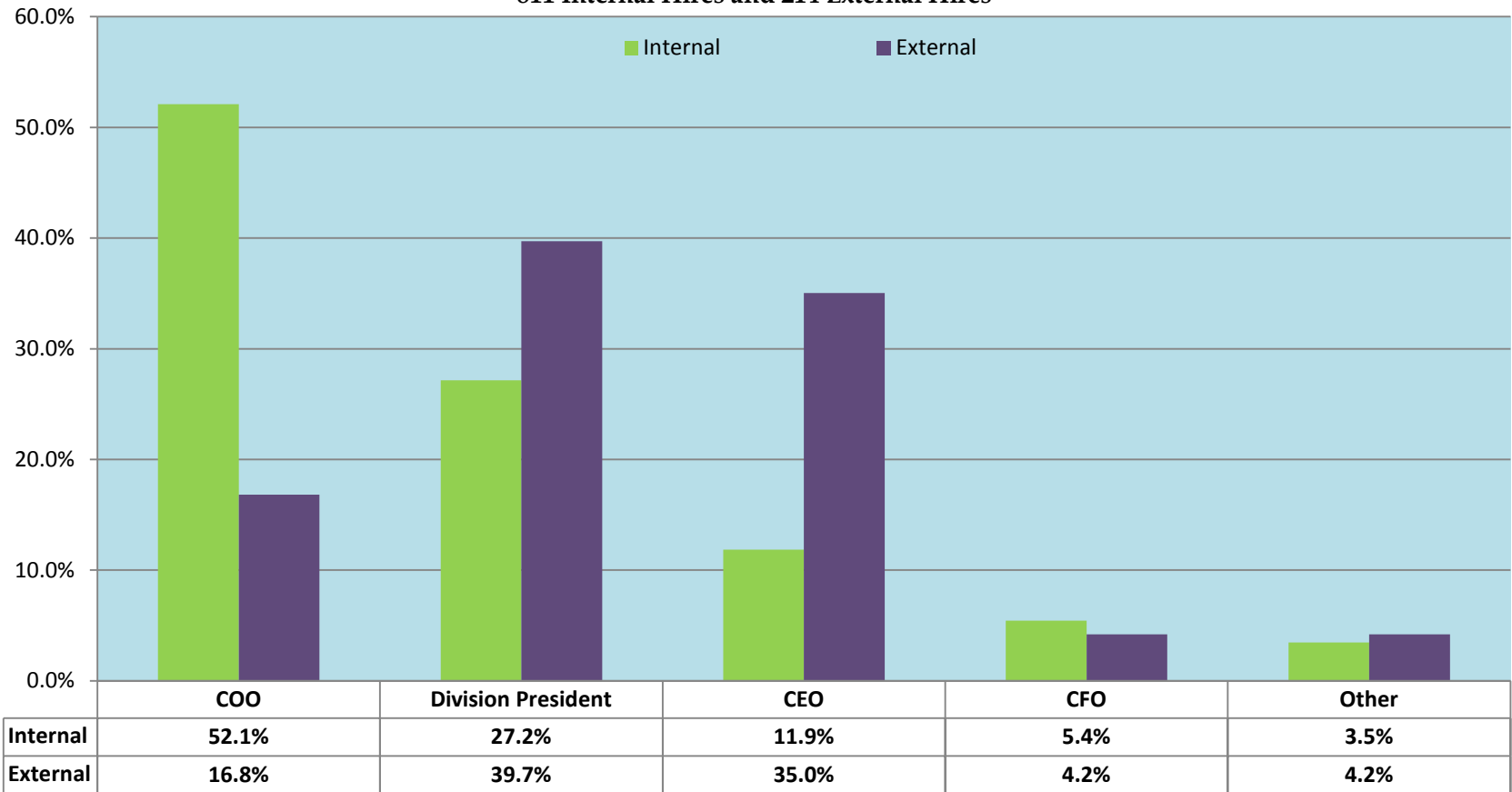
The COO and Division President roles are the primary training grounds for the CEO position.

Current CEOs Immediate Previous Role
2011 Fortune 500 and S&P 500 Companies



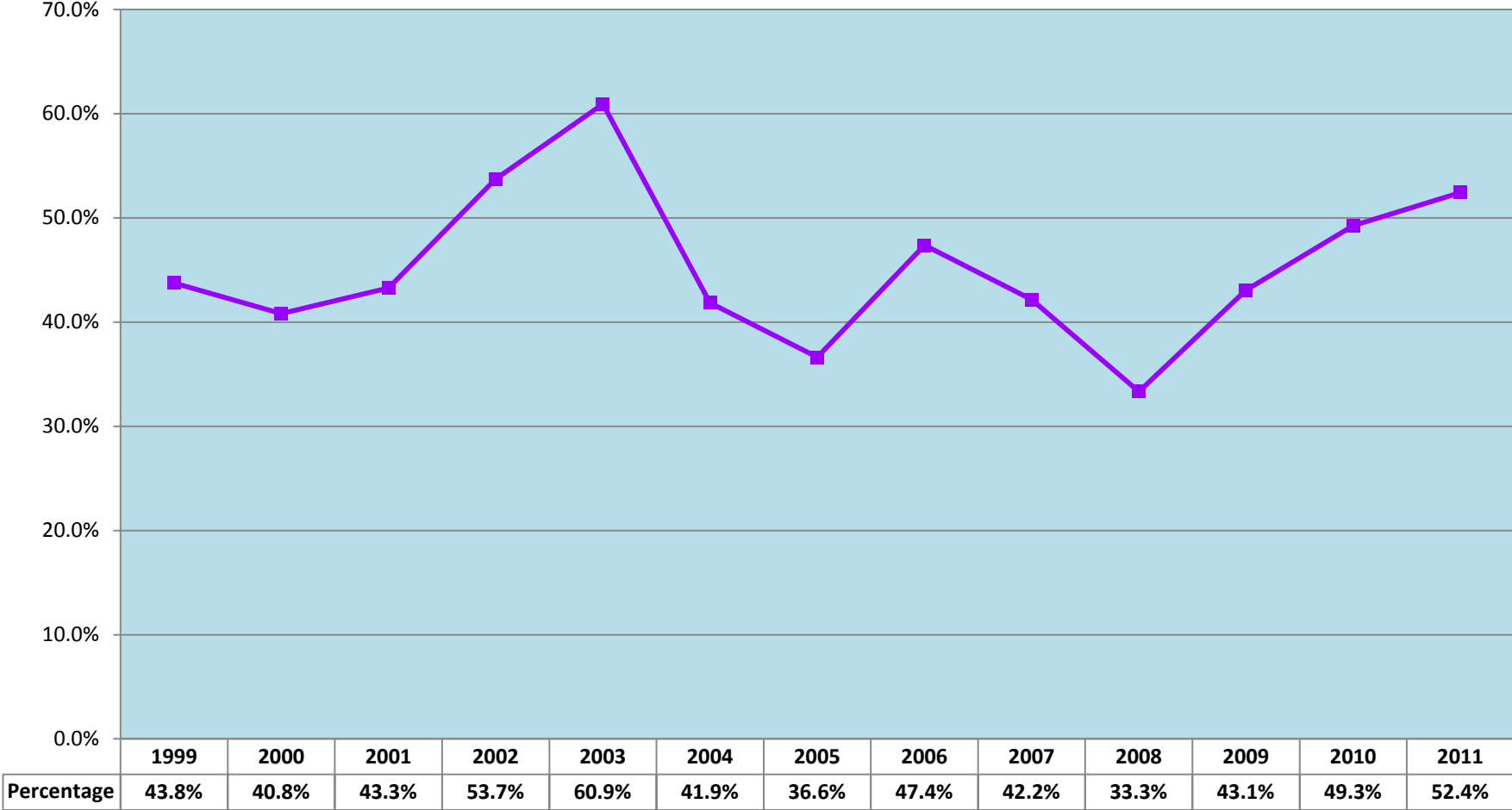
51% of internal promotions to the CEO chair come directly from the CFO chair. External CEO hires tend to be a mix of existing CEOs and Division Presidents

CEO Immediate Previous Role
2011 Fortune 500 and S&P 500 Companies newly named CEOs since 1999
811 Internal Hires and 214 External Hires



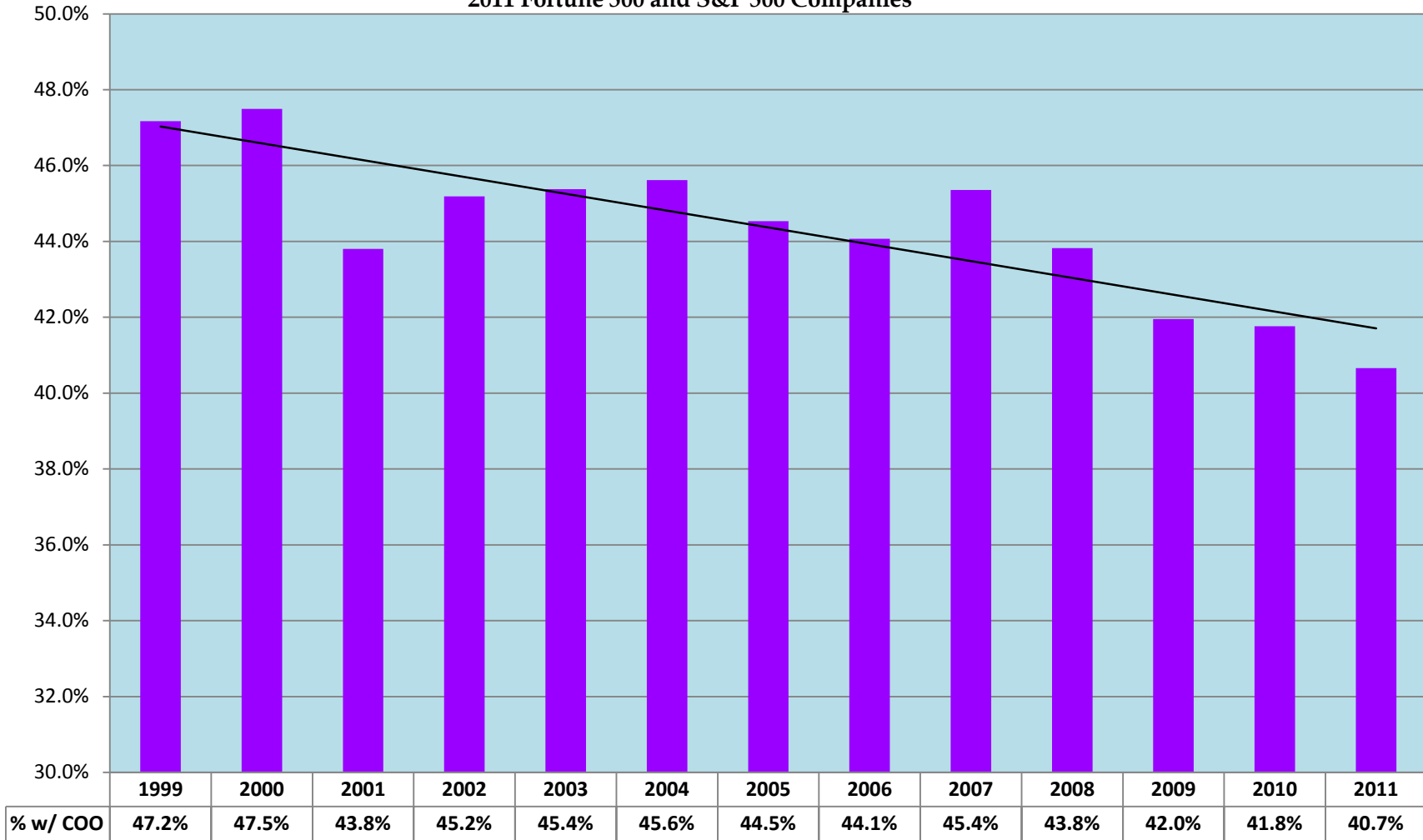
The number of newly appointed CEOs who were previously COOs remains at about 50% for the second consecutive year.

**% of CEO Hires Who Were COO in their Immediate Previous Role (1999-2011)
2011 Fortune 500 and S&P 500 Companies**



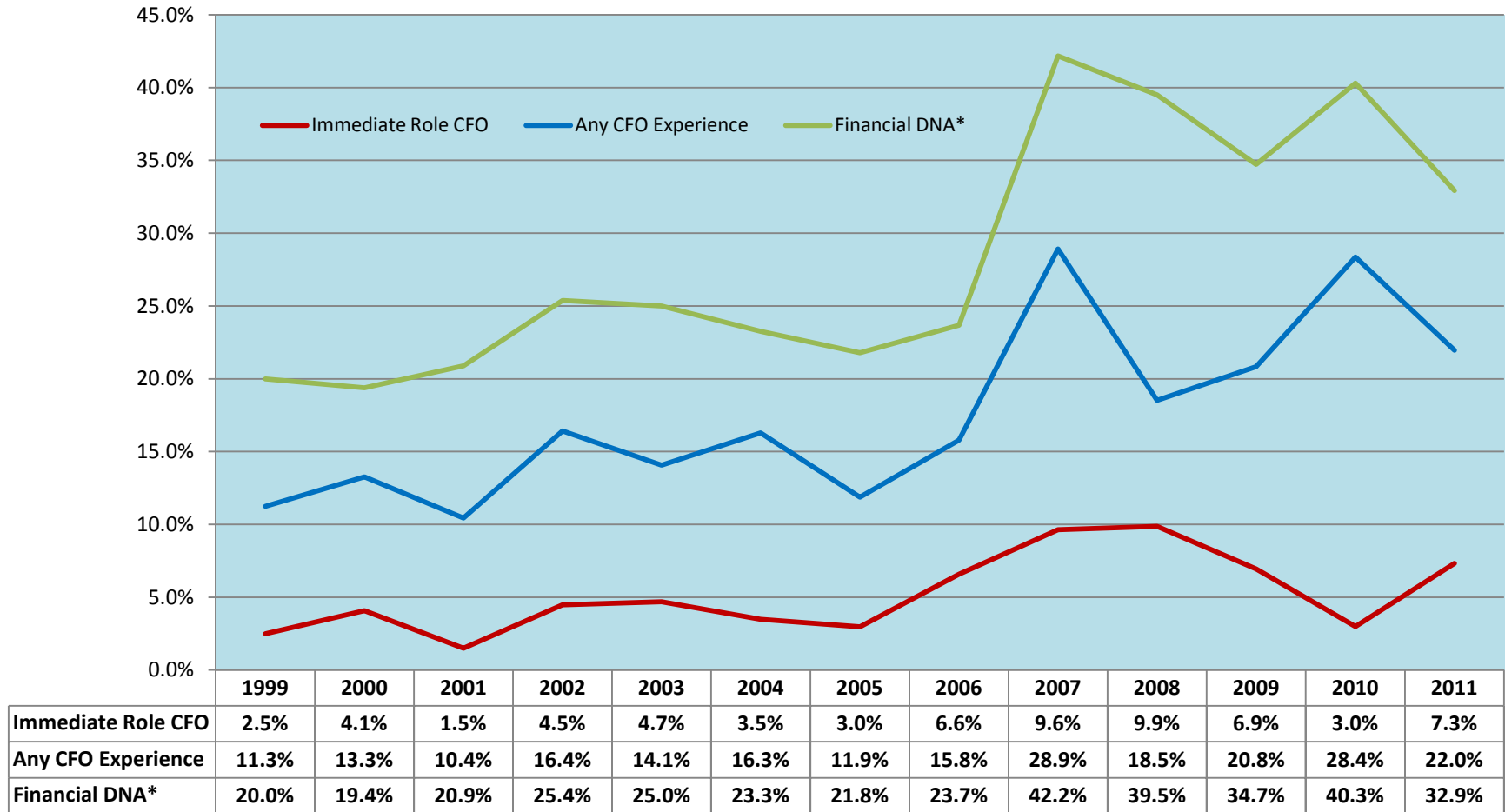
The number of companies with a COO role decreases to a historic low this year.

**% of Companies with a COO (1995-2011)
2011 Fortune 500 and S&P 500 Companies**



We are noticing a trend of more CEOs having financial experience.

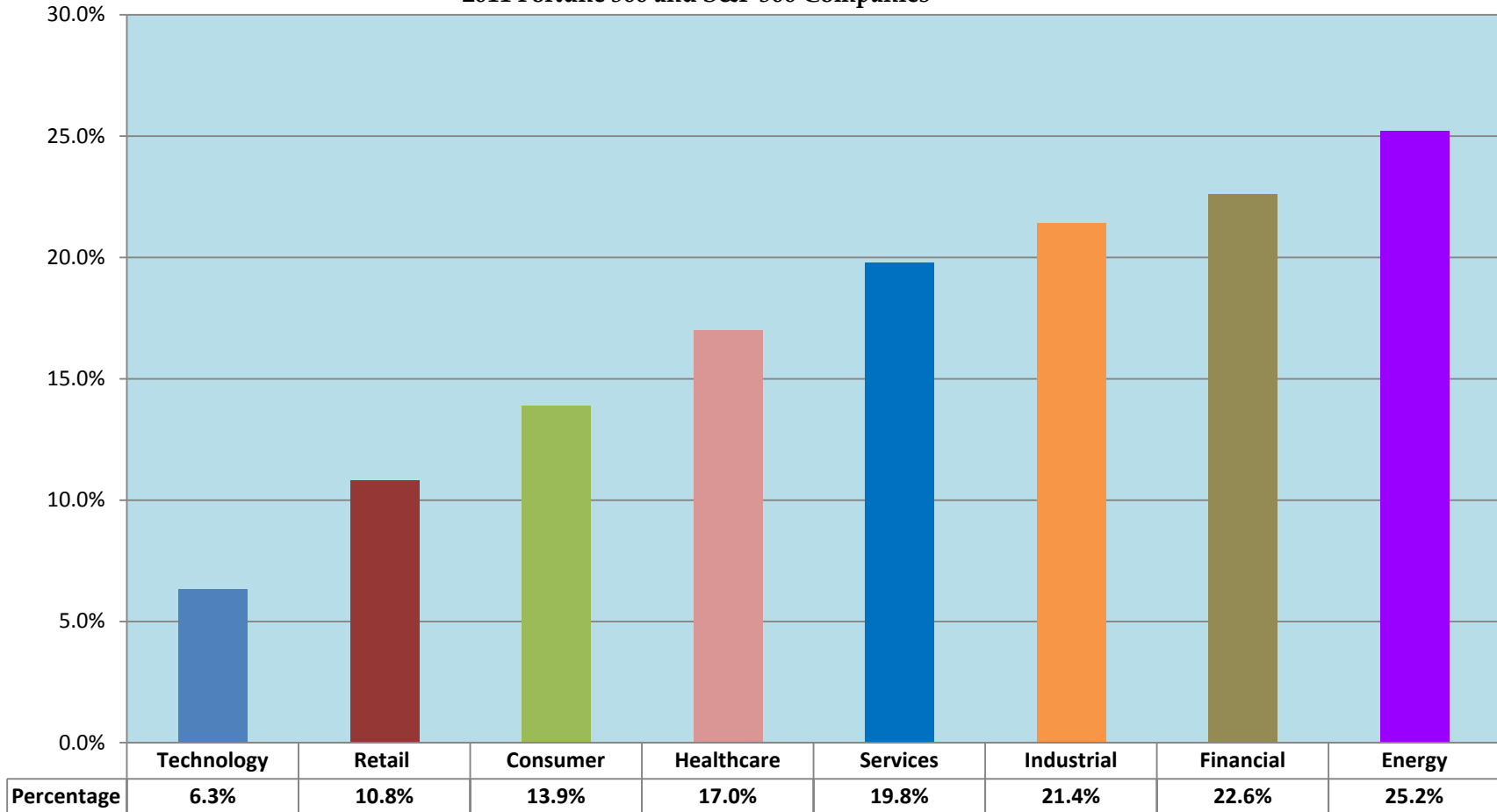
Financial Experience of newly named CEOs (1999-2011)
2011 Fortune 500 and S&P 500 Companies



*Any Financial Executive experience
(I.E.. Treasurer, Controller, Investment Banking, VP Finance)

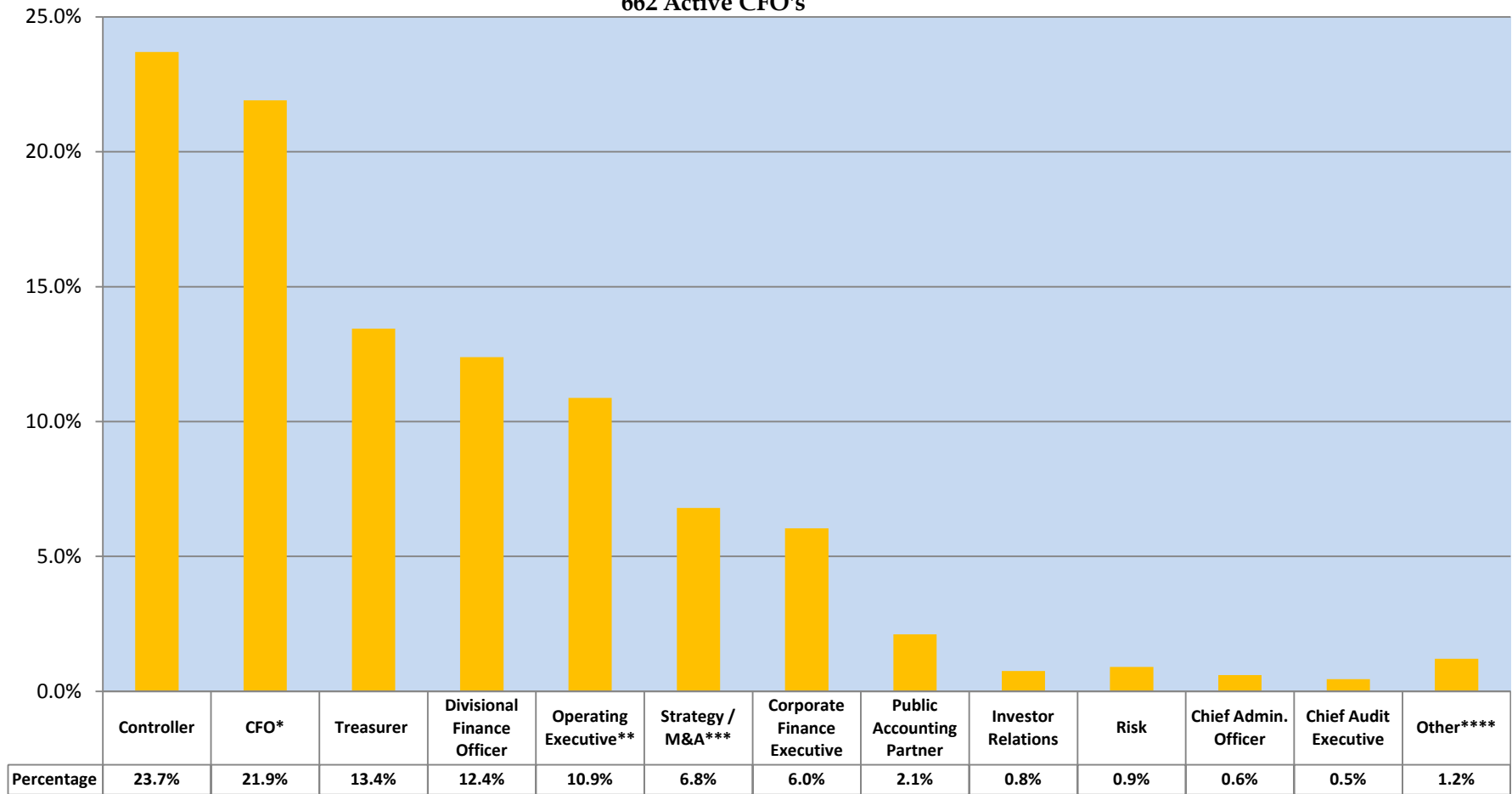
The Energy, Financial, and Industrial sectors have the highest percent of CEOs that have CFO Experience.

% of CEOs with CFO Experience by Industry (1999-2011*)
2011 Fortune 500 and S&P 500 Companies



Almost 24% of current sitting CFOs occupied the position of Controller in their previous role.

Current CFOs Immediate Previous Role
2011 Fortune 500 and S&P 500 Companies Sitting CFO
662 Active CFO's



*CFO of another company

**President, CEO, COO, or Group President

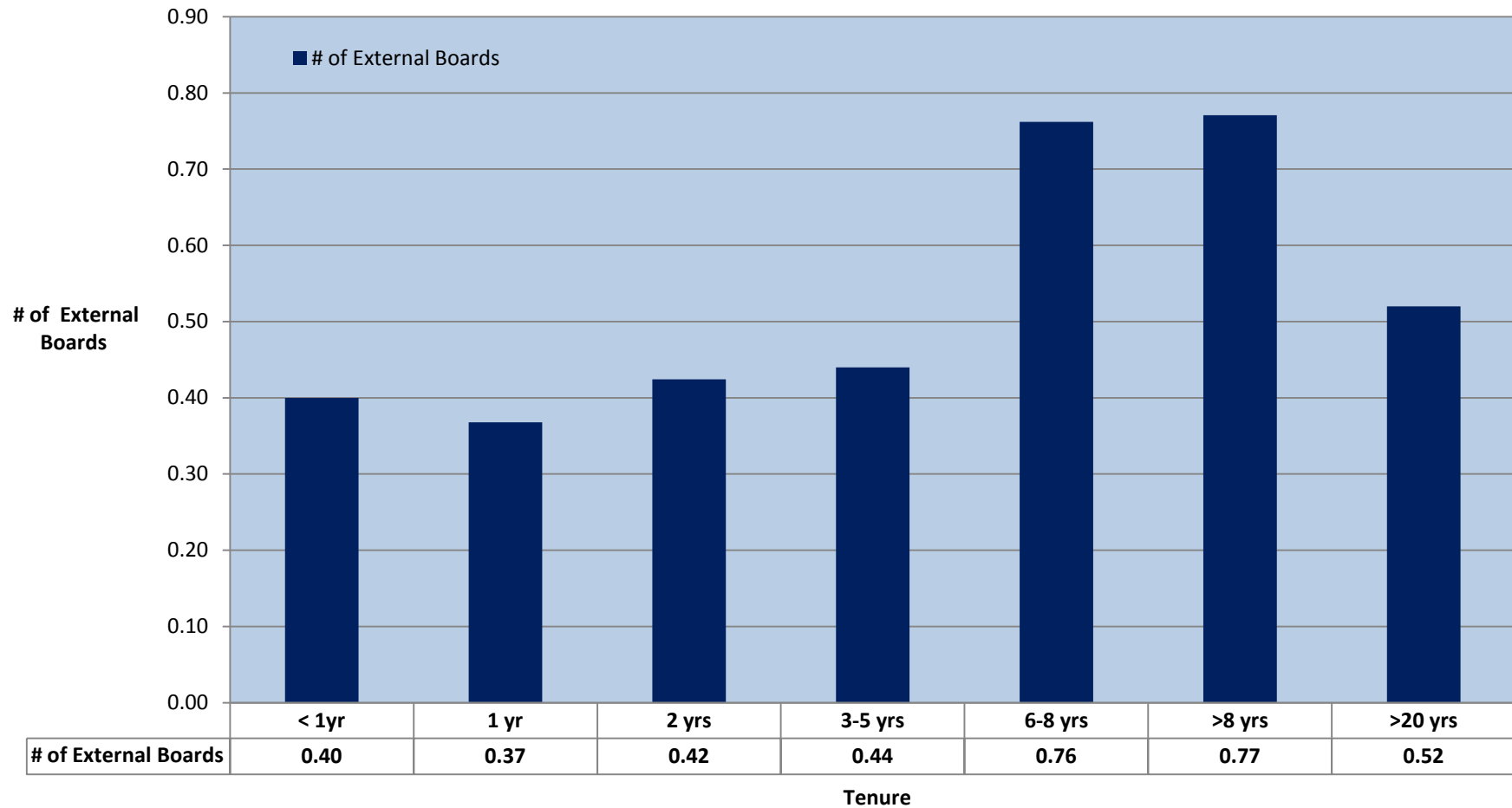
***Investment Banking, Corporate Development, Planning, or Strategy

****Tax, Law, IT, etc



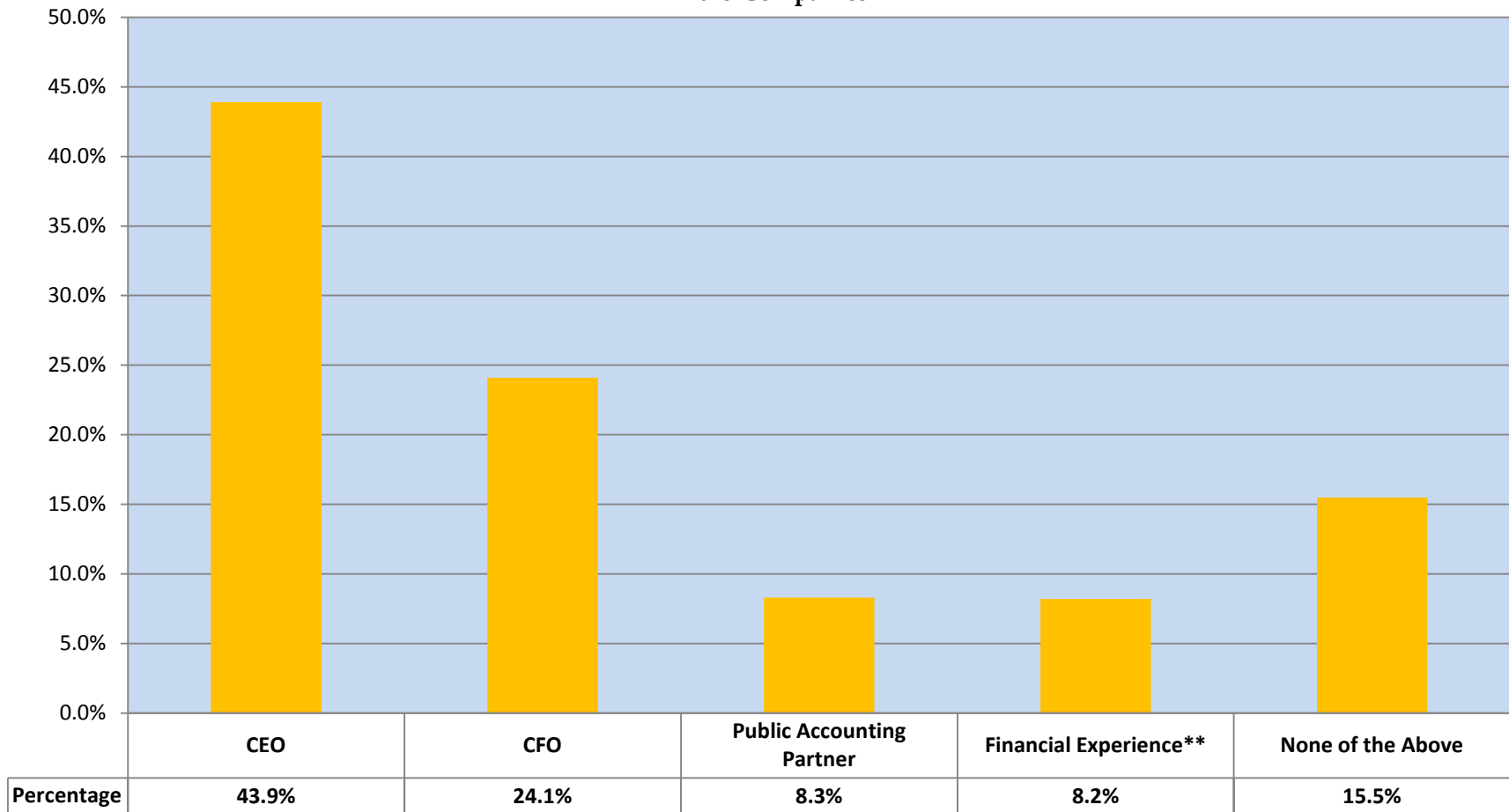
While longer tenured CEOs serve on more boards, the number of external boards a CEO sits on remains low.

Average CEO Tenure vs. Average # of External Boards that a CEO sits on
2011 Fortune 500 and S&P 500 CEO's



A majority of Audit Committee Chairs have been a CEO or CFO. Interestingly, 15% have limited financial management experience.

Highest Level of Experience for Audit Committee Chairs
 2011 Fortune 500 and S&P 500 Public Companies with an Audit Chair*
 615 Companies

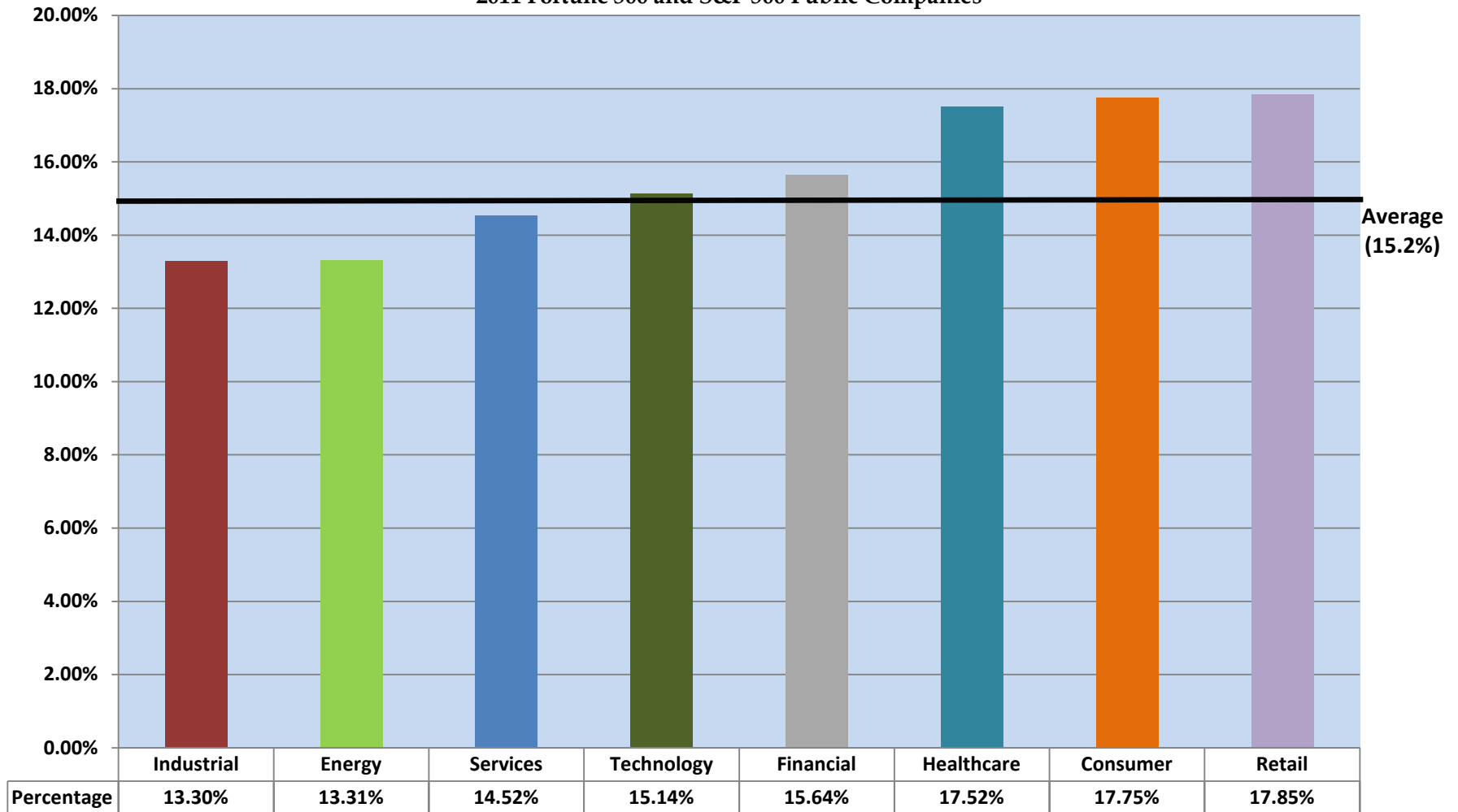


*Data through July 31, 2011

**Treasurer, Controller, Investment Banking, VP Finance, etc

In terms of women on boards, the Retail, Consumer, and Healthcare industries lead the way.

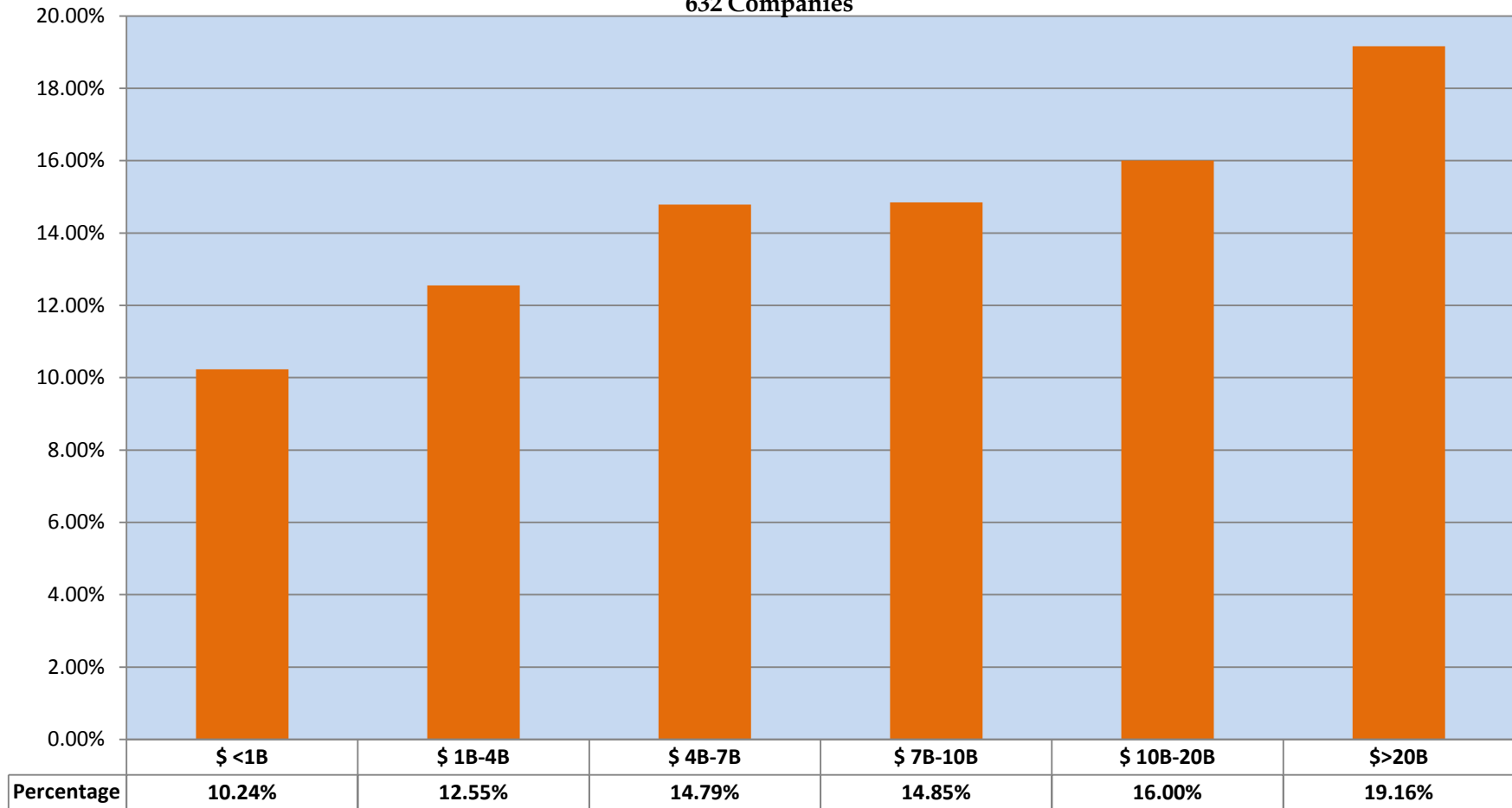
Percentage of Women Directors by Industry
2011 Fortune 500 and S&P 500 Public Companies*



*Data through July 31, 2011

As might be expected, the larger the company, the higher percentage of women that make up the board.

**Percentage of Women Directors by Revenue (in billions)
2011 Fortune 500 and S&P 500 Public Companies*
632 Companies**



*Data through July 31, 2011

CEO INDEX

Fortune 500
S&P 500

Average Age:	56
Average Base Salary:	\$995,853
Average Tenure:	6.8 Years
Average Boards:	1.52 Boards

INDUSTRY BREAKDOWN

*Average Company Revenue

CONSUMER	Average Salary \$1,205,679
\$12.99 Billion*	Average Boards 1.43

ENERGY	Average Salary \$844,692
\$19.51 Billion*	Average Boards 1.59

FINANCIAL	Average Salary \$1,163,219
\$15.98 Billion*	Average Boards 1.36

HEALTHCARE	Average Salary \$1,045,837
\$19.35 Billion*	Average Boards 1.54

INDUSTRIAL	Average Salary \$957,968
\$14.92 Billion*	Average Boards 1.73

RETAIL	Average Salary \$1,000,585
\$25.02 Billion*	Average Boards 1.37

SERVICES	Average Salary \$985,563
\$8.33 Billion*	Average Boards 1.37

TECHNOLOGY	Average Salary \$820,658
\$15.69 Billion*	Average Boards 1.65

CFO INDEX

Fortune 500
S&P 500

Average Age:	51
Average Salary:	\$549,705
Average Tenure:	5.1 Years
Average Boards:	0.3 Boards

INDUSTRY BREAKDOWN *Average Company Revenue

CONSUMER \$12.99 Billion*	Average Salary \$663,274
	Average Tenure 4.7 Years

ENERGY \$19.51 Billion*	Average Salary \$486,705
	Average Tenure 4.2 Years

FINANCIAL \$15.98 Billion*	Average Salary \$594,509
	Average Tenure 5.3 Years

HEALTHCARE \$19.35 Billion*	Average Salary \$573,922
	Average Tenure 5.7 Years

INDUSTRIAL \$14.92 Billion*	Average Salary \$534,332
	Average Tenure 4.9 Years

RETAIL \$25.02 Billion*	Average Salary \$566,205
	Average Tenure 5.9 Years

SERVICES \$8.33 Billion*	Average Salary \$491,341
	Average Tenure 5.6 Years

TECHNOLOGY \$15.69 Billion*	Average Salary \$513,802
	Average Tenure 5.3 Years