

International Investing through Depository Receipts

Santiago, Chile

December 5, 2002



THE
BANK OF
NEW
YORK

Presentation Topics

- ◆ Recent Trends in Global Equity Markets
- ◆ Depositary Receipts Defined
- ◆ Growth of the Depositary Receipt Market
- ◆ New Depositary Receipt Applications

A world map with a light yellow background. The landmasses are outlined in white. The text "Trends in Global Equity Markets" is centered over the map in a dark red, serif font.

Trends in Global Equity Markets

What's Fueling the Growth in Global Equities

Positive Long-term Trends:

U.S. Investors Continue to Increase Foreign Composition of Portfolios

Development of Free Market Economies

Global Mergers, Acquisitions, and Consolidations

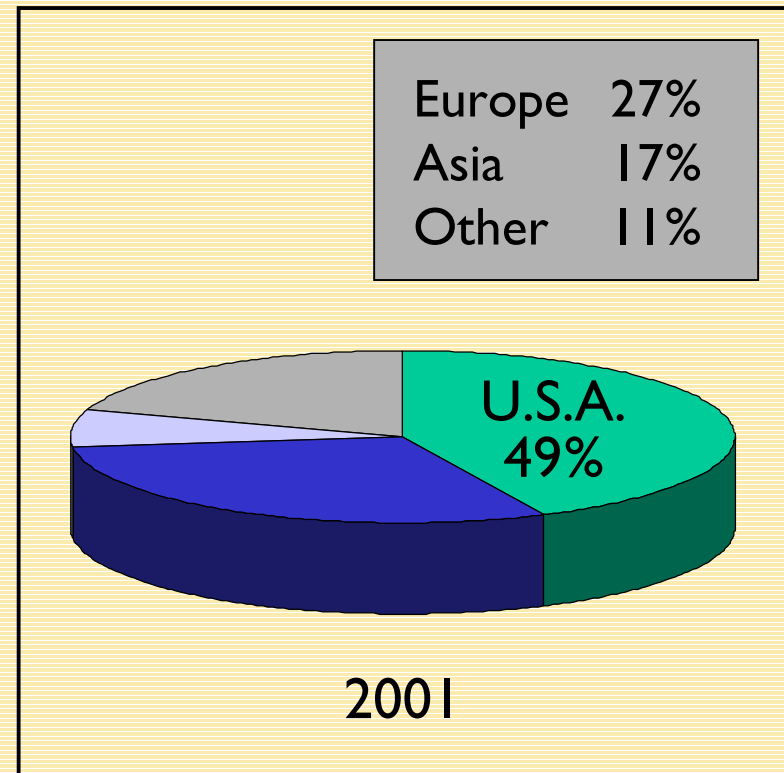
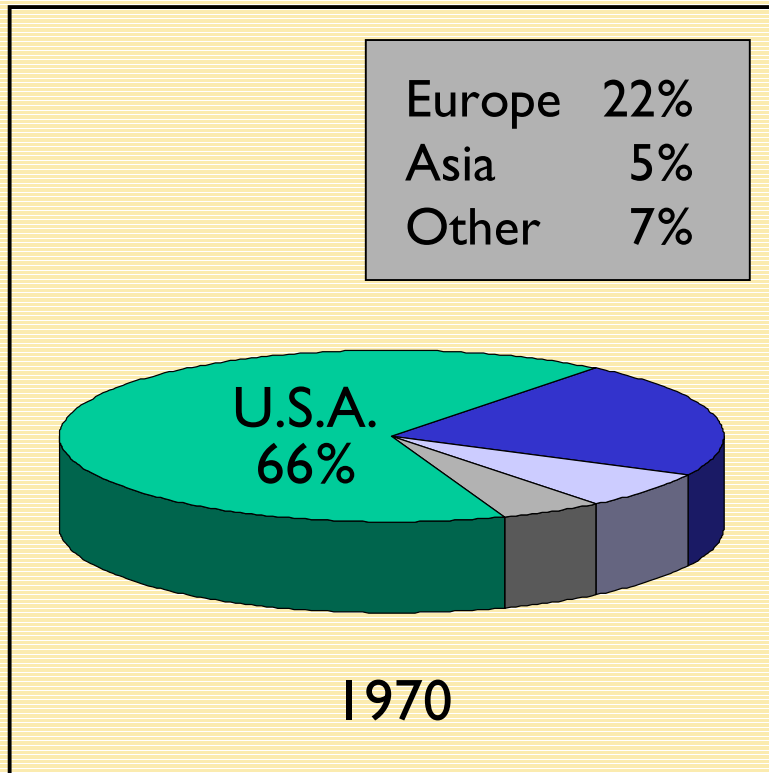
Globalization/De-regulation of Markets

Stock Exchange Alliances/ECNs/Internet



Trends in Global Equity Markets

Equity Market Capitalization



HALF OF THE WORLD'S INVESTMENT OPPORTUNITIES LIE OVERSEAS



A world map with a light yellow background. The landmasses are outlined in white. The text "Depository Receipts Defined" is centered over the map in a dark red, serif font.

Depository Receipts Defined

What are Depository Receipts?

- ◆ Depository Receipts are certificates representing home market securities
- ◆ Help investors overcome impediments including settlement, currency, information flow, language, taxes, etc.
- ◆ Depository Receipts facilitate settlement across international borders

NO DIFFERENCE BETWEEN ADRs AND GDRs

How Depository Receipts Trade

◆ Issuance

- Broker purchases shares and delivers to the Depository's custodian in that country

◆ Intra-market Trading

- The trading of Depository Receipts between investors
- Trades are settled in the same manner as any other U.S. security
- Accounts for approximately **95%** of all depository receipt trading

◆ Cancellation

- Broker either sells the DRs in the U.S. or sells the shares, representing the DRs, in the home market through a cross-border transaction

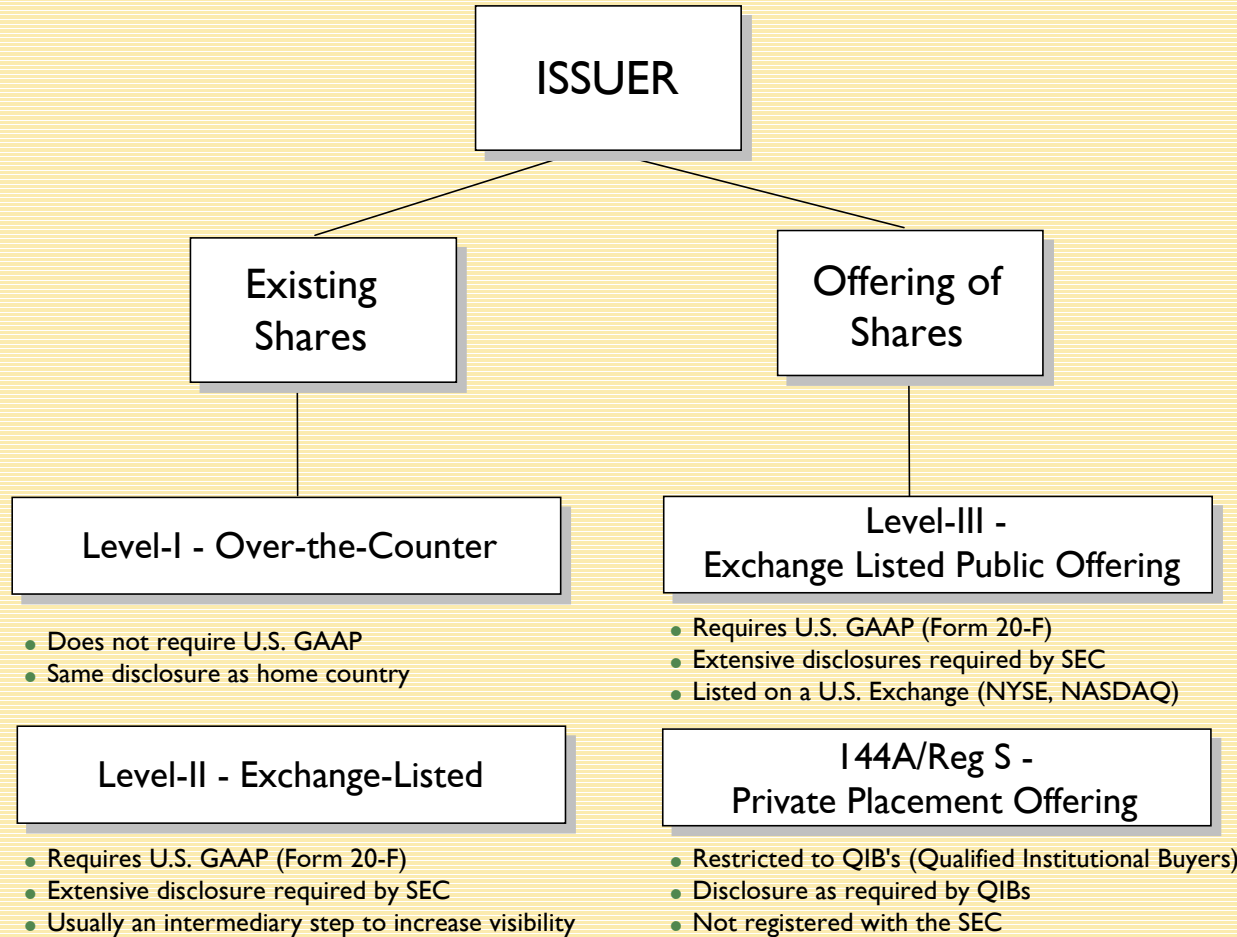
**ADRS ARE AS LIQUID AS THEIR
CORRESPONDING ORDINARY SHARES**

Why Depository Receipts?

- ◆ **Cost** - US trade execution, global custody charges eliminated
- ◆ **Diversification and Access** - Continued growth of Depository Receipt market. Over 2,100 companies from 80 countries
- ◆ **Performance** - Depository Receipts closely track major local market indices
- ◆ **Liquidity** - 31 billion shares valued at approximately \$800 billion in 2001
- ◆ **Transparency** - Information in English / US GAAP

**MOST EFFICIENT WAY
TO INVEST INTERNATIONALLY**

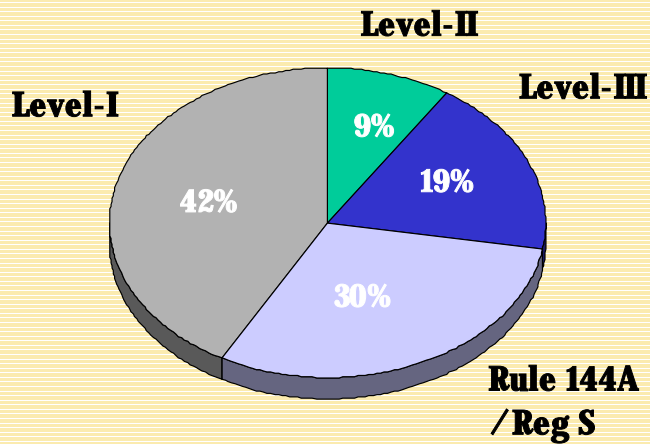
Depository Receipt Facility Comparisons



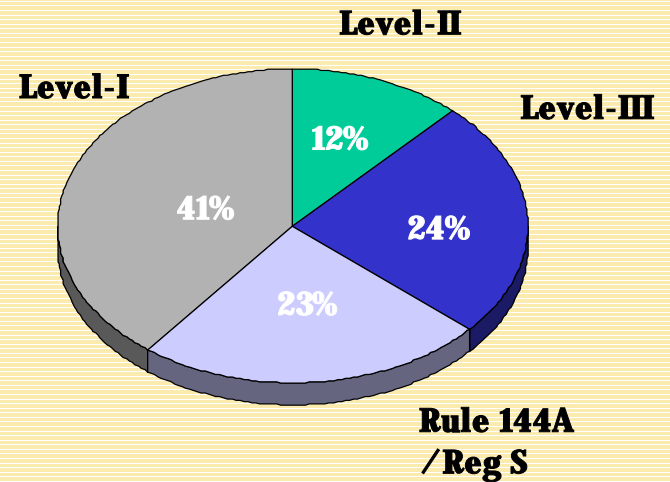
Program Type Analysis

(Measured by # of programs)
As of September 30, 2002

Global



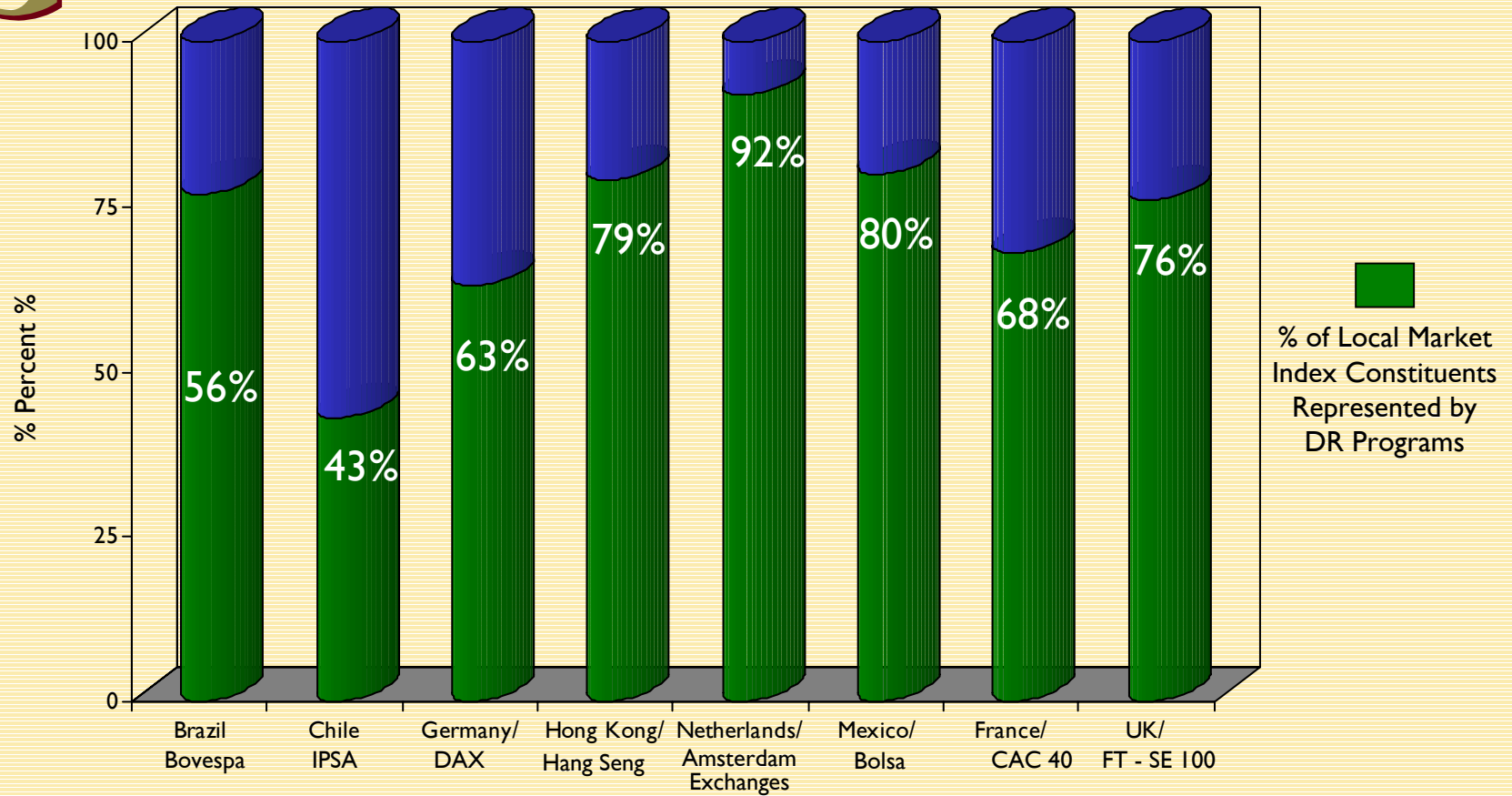
Latin America



A world map with a light yellow background and white outlines of continents and countries. The text "Growth of the Depository Receipt Market" is overlaid in a dark red, serif font across the center of the map.

Growth of the Depository Receipt Market

Cost Efficient Access to Local Markets



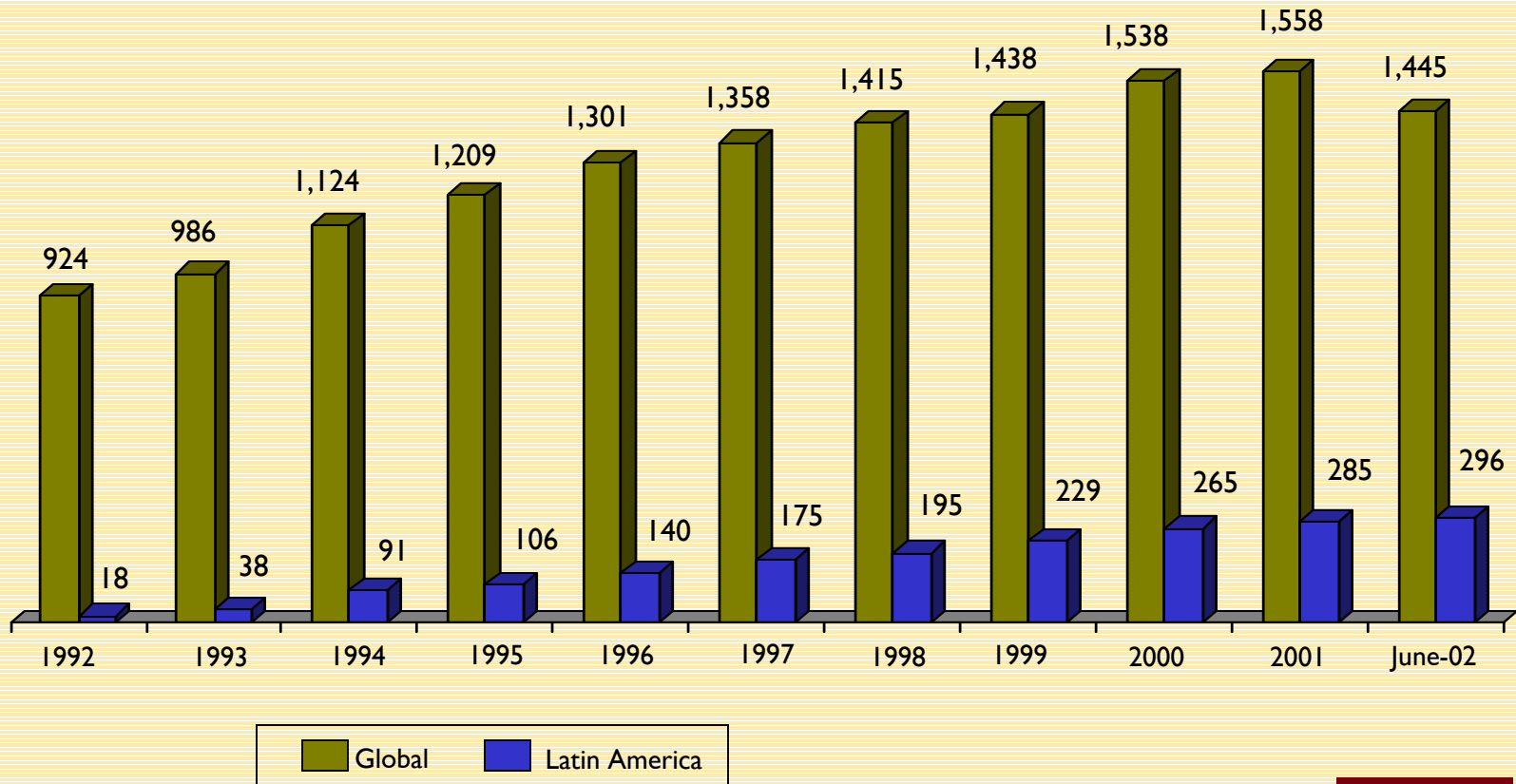
A WORLD OF CHOICES

**THE
BANK OF
NEW
YORK**



Total Number of Depositary Receipt Programs

As of June 30, 2002



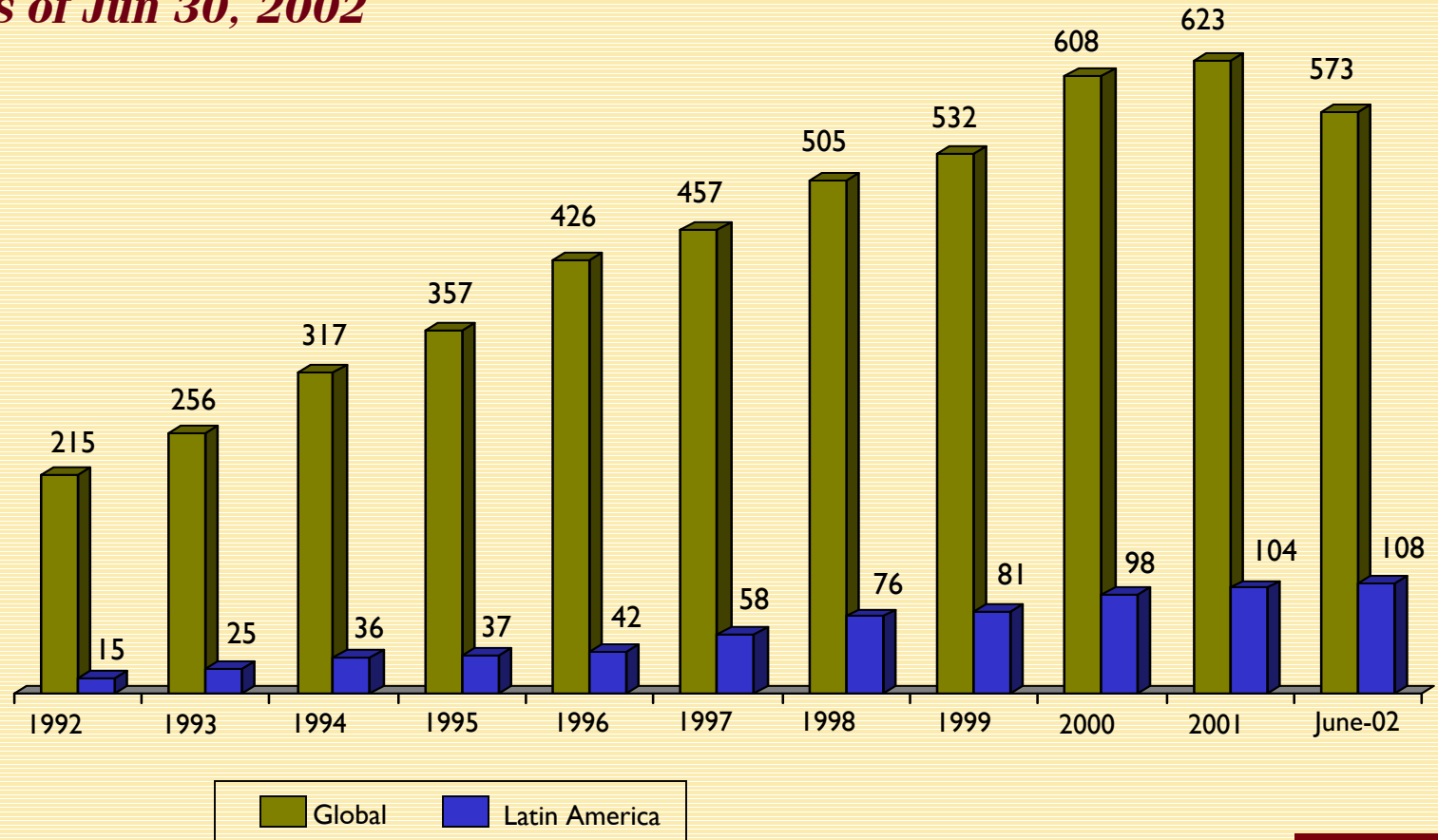
Excludes Rule 144A, Regulation S and other private Depositary Receipt programs.





Total Number of Exchange-listed Depository Receipt Programs

*On the NYSE, AMEX and NASDAQ
As of Jun 30, 2002*

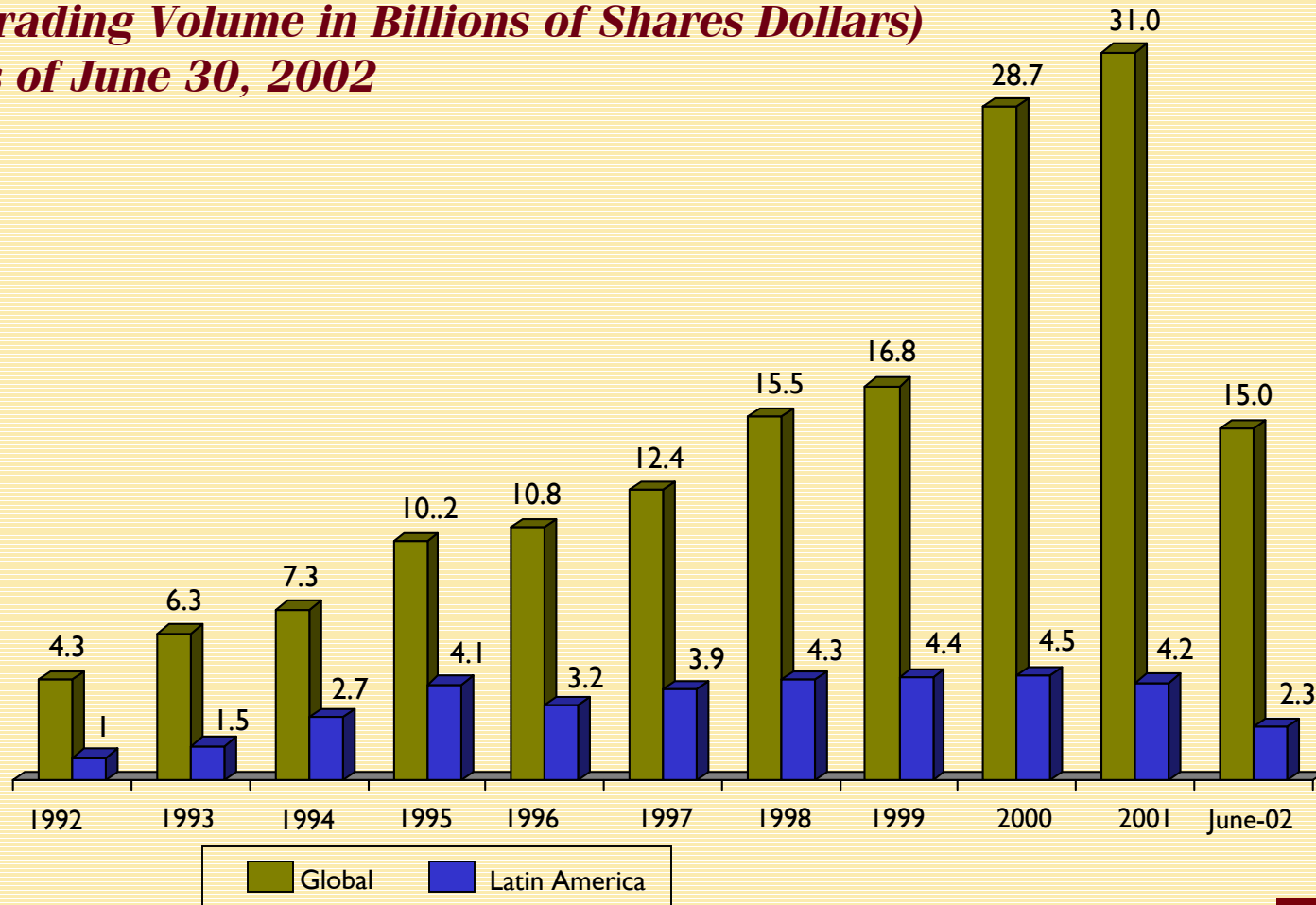


Trading volume data is for Depository Receipts (ADRs and GDRs) listed on U.S. exchanges only.



Annual Share Volume of Listed Depository Receipts

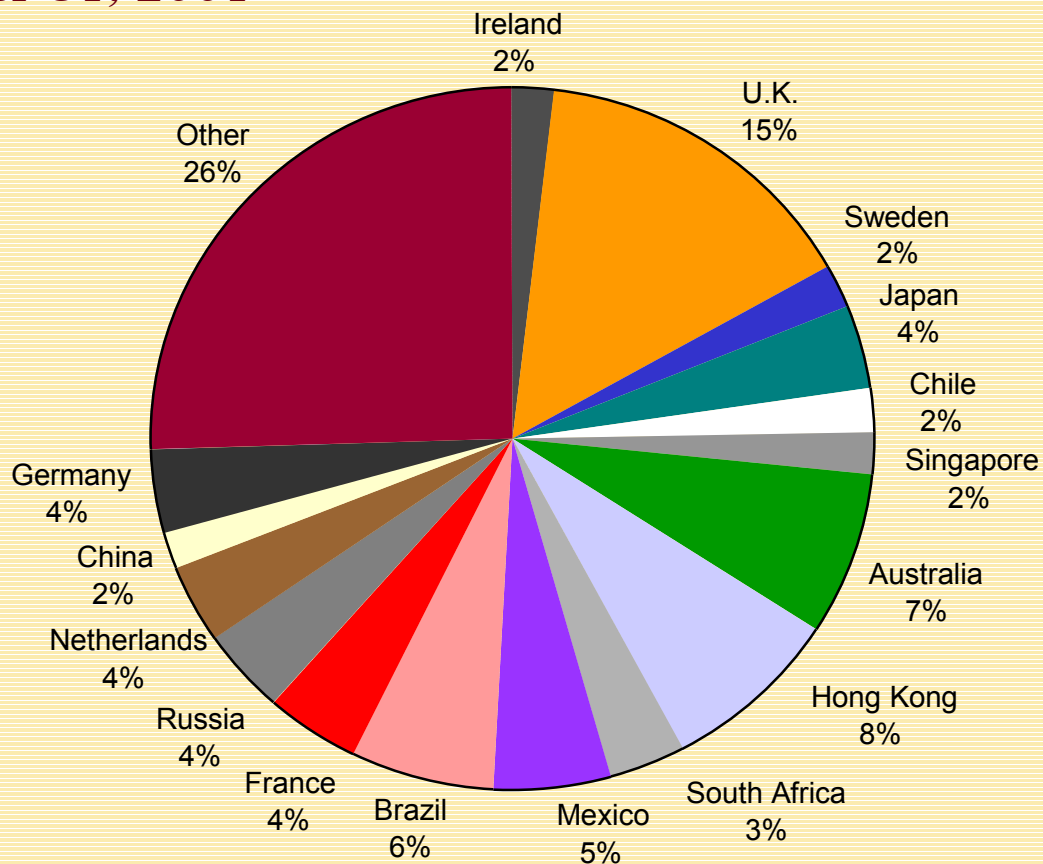
*(Trading Volume in Billions of Shares Dollars)
As of June 30, 2002*



Trading volume data is for Depository Receipts (ADRs and GDRs) listed on U.S. exchanges only.

Percentage of Sponsored ADR Programs by Country


As of December 31, 2001



A world map with a light yellow background and white outlines of continents and countries. The text "New Depository Receipt Applications" is centered over the map in a dark red, serif font.

New Depository Receipt Applications

New Depository Receipt Applications

- ◆ The Bank of New York ADR Index  SM
- ◆ Exchange-Traded Funds (ETFs) and HOLDRSSM
- ◆ Mergers & Acquisitions

ADR DEMAND INCREASING

C onclusion

- ◆ Globalization/Consolidation/Privatization will continue
- ◆ Increasing Demand from Investors
- ◆ New Depositary Receipt Applications
- ◆ Growing Use of Depositary Receipts