

IESE



• ANNUAL REPORT
2011-2012



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The Year In Perspective

The year 2011-2012 was one of innovation, achievement and service for the school, as it expanded both its programs and initiatives. The uncertain economic environment presented great challenges and IESE sought to provide new ideas and support for companies and business leaders through innovative programs and research. It is a pleasure to share with you this annual report, which provides an overview of many of the year's key highlights.

During the year, the school launched a new Executive MBA in Brazil, keeping pace with the increasing importance of this country. In North America, IESE's New York Center plays a pivotal role in the school's growing activities in the region. The Media AMP – which features modules in New York and Los Angeles – attracted top-level media and entertainment executives from countries around the world. The long-running Senior Executive Program New York-Miami included participants from leading firms seeking to expand their view of growth markets.

IESE expanded its activities geared toward developing executives in the public sector through the creation of our new Center for Public Leadership and Government. Two programs in the center's steadily-growing portfolio were held in collaboration with the Harvard Kennedy School of Government this year.



We announced the launch in Munich and Barcelona of the Program for Management Development, building upon our broad offer of programs for senior executives.

We gave new momentum to our Africa Initiative, providing support to the school's newest Associated Business School, MDE in Ivory Coast, and its Advanced Management Program and Program for Management Development. We feel privileged to be able to assist our Associated Business Schools in Africa, Asia, Latin America and Europe as they develop and grow.

Finally, a special event was the 50th Global Alumni Reunion (GAR), which was held in Madrid, November 17-18, 2011. For half a century, IESE alumni have met annually to reflect on challenges and opportunities in the business world, to learn from each other and to strengthen the bonds that unite us at this unique event. The reunion was an overwhelming success and set the stage for IESE's GAR in Brazil in November 2012.

One of IESE's key objectives is to help support entrepreneurs and business leaders as they face the challenges of today's highly uncertain global business environment. With this in mind, we seek to bring practical knowledge to this challenge based on rigorous research to every learning experience. Our Continuous Education events - held at a host of cities around the world including London, Munich, Warsaw, Paris, Sao Paulo, New York, Singapore, Hong Kong and Shanghai - have focused on topics that are truly relevant to today's business world. We have also worked to help foster an entrepreneurial spirit among talented young people in society as a whole, through vigorous support of events such as the worldwide initiative Global Entrepreneurship Week.

The central goal of all of our efforts is to fulfill the school's mission of developing leaders who want to have a positive, deep and lasting impact on people, firms and society through their professionalism, integrity and spirit of service.

Business leaders with professional excellence and a clear focus on serving others and society will be instrumental for creating new paths toward economic growth. Through their leadership, societies around the world - those that are mature, as well as those that are emerging - will be able to advance and prosper in the long term.

I would like to express my deepest appreciation to our alumni, corporate partners and clients, board members and faculty, staff and many friends, who have helped bring so many of the school's projects to fruition. Your contributions are vital as we seek to prepare leaders worldwide who are committed to creating a better society and future.

Best regards,



Jordi Canals
Dean, IESE Business School





| Highlights

NAVIGATING CHALLENGING TERRAIN

In 2011-2012, IESE continued to provide innovative programs for business leaders facing an increasingly challenging global business environment. Purpose and ethical values remained at the core of the school's activities, following its mission to develop competent leaders who can contribute to a more human and sustainable business environment.

The school's programs, research initiatives and other activities brought together participants and thought leaders from around the globe to consider new solutions and ideas to problems facing the business world today.

Key Players



Peter Löscher

CEO of Siemens, was in Barcelona in September for a Continuous Education session titled "Improving European Companies' Competitiveness; The Siemens Experience".



Susie Gharib

anchor of PBS' Nightly Business Report, moderated the Global Business Colloquium, held in June in New York.



Daniel Franklin

In February, Daniel Franklin, executive editor of The Economist Intelligence Unit, offered his predictions for the coming year in Madrid.



Siegfried Russwurm

A member of the board of management of Siemens, was the keynote speaker at the Global EMBA 2011 graduation ceremony in October in Barcelona.



Romano Prodi

The former president of the European Commission, spoke at a Continuous Education session in Barcelona in October on the future of the euro.



Howard Schultz

In September Howard Schultz, CEO of Starbucks, addressed a Continuous Education session in Madrid on "The Starbucks Challenge. How to Fight for Your Life Without Losing Your Soul".



Luis Cantarell

CEO of Nestlé Health Science, spoke on the Barcelona campus in April.



Angela Ahrendts

The CEO of Burberry, Angela Ahrendts, was among the speakers at the World Business Forum in New York in October, and also in several IESE events.



Jorge Sendagorta

Chairman and CEO of Sener, was elected president of the Alumni Association on January 31, 2012.



Gloria Perrier

Senior Global Director at SAP, participated in "The Feminine Century" Conference, in July 12, in Barcelona campus.



Álvaro Uribe

Madrid also hosted a Continuous Education session in February given by the former president of Colombia Álvaro Uribe.



Carmen DiRienzo

President & CEO of V-Me Network and member of IESE US Advisory Council, participated in a panel in March, about the economic outlook and the media.



Julio Rodríguez

(PDG '97), executive vice president of international operations at Schneider Electric, addressed Global Executive MBA graduates in April.



Javier Robles

(PDG '90), president of Danone and member of the IESE Alumni Association executive committee, spoke at the EMBA graduation ceremony in Barcelona in May.



Gavin Neath

Senior Vice President of Sustainability at Unilever, was a keynote speaker at the Doing Good and Doing Well conference in Barcelona in February.



Yu Yuantang

Director General of the Department of European affairs of the Chinese Ministry of Government, addressed a Continuous Education session in Madrid in March.



Nikesh Arora

Senior vice president and Chief Business Officer of Google, spoke at the IESE Barcelona Campus, March 30, 2012.

Key Players



John S. Reed

Former president of the New York Stock Exchange and former CEO of Citigroup, addressed a meeting in Barcelona in April titled "Quo Vadis Europe?"



Brian Duperreault

Marsh & McLennan Chairman and CEO, joined IESE International Advisory Board.



Francesco Vanni d'Archirafi

Citi Global Services CEO, joined IESE International Advisory Board.



Carlos Ghosn

CEO of Renault Nissan Alliance, participated in The Wall Street Journal Viewpoints Executive Series in New York, June 12, 2012.



Kenneth Frazier

Merck CEO was the featured guest at the IESE and BCG sponsored Wall Street Journal Viewpoints on "The Cost of Innovation", in New York, December 13, 2011.



Luis Egido

CEO of Logista, was the keynote speaker at the 30th EMBA graduation ceremony in Madrid in May.



Michael Bloomberg, Alan Simpson and Erskine Bowles

A Wall Street Journal Executive Viewpoints event included panelists Michael Bloomberg, the mayor of New York, Alan Simpson, a former Wyoming senator and Erskine Bowles, cabinet secretary in the Clinton administration on March 29, 2012.



Anne Sweeney

Group President of Disney/ABC Television Group, was the featured guest at the IESE and BCG sponsored Wall Street Journal Viewpoints, in May 17, 2012.



Global Alumni Reunion 2011

The Global Alumni Reunion was held in November in Madrid where more than 2,800 participants listened to speeches from, among others, Susan Segal (1), CEO and Chairman of Americas Society & Council of the Americas, Isidre Fainé (2), the president of CaixaBank, Bruno di Leo (3), director-general of IBM for Growing Markets, Patricia Francis (4), Executive Director of the International Trade Center, José Manuel González-Páramo (5), a member of the executive committee of the European Central Bank and now a visiting professor at IESE, Kees J. Storm (6), chairman of the board of Ambev, Carlos Cordon-Cardo (7), professor and chair of pathology at Mount Sinai Hospital, Jay Ireland (8), Chairman and CEO of GE Africa, Ángel Cano (9), CEO of BBVA and the internationally acclaimed chef Ferran Adrià (10), El Bulli Foundation.



Global Economy Colloquium with Spain's Prince Felipe and Princess Letizia at IESE's New York Center

In June, IESE's New York Center hosted a Global Business Colloquium attended by Spain's Crown Prince and Princess of Asturias. Panel members included New York Times, MSNBC and president and CEO of GE Africa, Jay Ireland. Dr. Bill Baker, president emeritus of New York's PBS station (WNET), presided as the master of ceremonies. The panel discussion was followed by a response from Spain's secretary of state for commerce, Jaime García-Legaz, as well as an address by His Royal Prince Felipe of Asturias. Also participating were James. S. Tisch, CEO of Loewe; Steve Rattner, collaborator with the New York Times and the Financial Times; and Susie Gharib, journalist with PBS.

Left to right Frank Hager, Carlos Padula, Chris Vollmer, Jay Ireland, Gerry Byrne, Prof. Eric Weber, Carmen di Rienzo, Prince Felipe of Spain, Princess Letizia of Spain, Prof. Jordi Canals, William F. Baker, Jorge Sendagorta, Tom Kane and Prof. Luis Cabral



Dean Jordi Canals



His Royal Highness the Prince of Asturias



Jay Ireland, Steven Rattner, James S. Tisch and Susie Gharib

Focus on Companies and the Global Economy

Economic growth in Europe remained the most pressing question and IESE's faculty has continued to keep its alumni and sponsoring companies up to date with developments. In addition to conferences, books, articles, the monthly International Economic Overview and videos posted on the web, the school organized a variety of conferences and Continuous Education sessions on the topic.

A conference on "What Will Companies Be Like in 2020?" included contributions from Jorge Gallardo, chairman of Almirall; Josep Maria Serra, chairman of the Grupo Catalana Occidente; Jesús Acebillo, president of Novartis; Sebastián Escarrer, chairman and CEO of Melià Hotels International; Francisco Reynés, CEO of Abertis; and Pedro Nueno, IESE. A session on structural reform in Spain was opened by Dean Jordi Canals and the discussion was led by IESE professors Alfredo Pastor, Xavier Vives and Antonio Argandoña.

Jorge Gallardo, Jesús Acebillo, Francisco Reynés, Prof. Jordi Canals, Sebastián Escarrer, Josep Maria Serra and Prof. Pedro Nueno



Key Players

Patricia Francis, Prof. Núria Mas, Michel Camdessus, Janne Haaland-Matlary, Denise Kingsmill and Hans Ulrich Maerki



Johan Schröder

IAB Discusses Economic Outlook

IESE's International Advisory Board (IAB) held its annual meeting on the Barcelona campus. Dean Jordi Canals presented an open panel on "The World Economic Outlook" with Michel Camdessus (Banque de France), Patricia Francis (International Trade Center), Janne Haaland-Matlary (University of Oslo), Denise Kingsmill (IAG Group) and Hans Ulrich Maerki (ABB). The session was moderated by Prof. Núria Mas. A second round table on new business opportunities included contributions from Hans Jacob Bonnier (Bonnier AB), Andrea Christenson (Kathe Kruse Puppen), Stanley Motta (Motta International) and Johan Schröder (Schröder Foundation). It was moderated by Prof. Júlia Prats. In July the Spanish economy minister Luis de Guindos addressed a meeting in Barcelona on "Future Scenarios for the Spanish Economy."



Isak Andic and Hans Jacob Bonnier



Andrea Christenson and Stanley Motta

Fostering an Entrepreneurial Mindset

Entrepreneurship plays a central role in the values and activities of IESE Business School. In 2011-2012, the school continued to expand its efforts to support entrepreneurs, as well as contribute to global initiatives aimed at boosting an entrepreneurial mindset in the business world.

IESE's Center for Entrepreneurship and Innovation provided the foundation for many activities. The center is an interdisciplinary working platform that seeks to provide solutions to the challenges involved with new ventures. The center offers entrepreneurs the IESE Business Angels Network, Global Entrepreneurship Week and a wide range of conferences and learning opportunities for students, executives, entrepreneurs and investors. The center's team also offers entrepreneurial counseling for those seeking advice on how to create their own enterprises or seek financing.



Planting Seeds for Economic Growth

In addition, FINAVES, the school's seed capital fund for business projects, particularly those led by students and alumni of IESE MBA programs, kept its investment strategy.

IESE's Business Angels Network offers a dynamic environment that brings together aspiring business founders with investors. In 2011-2012 more than 60 events were held in Barcelona and Madrid.

Members of the network include entrepreneurs, family office members, business owners and investors. The network provides essential help and guidance for entrepreneurs including help in creating a strategic vision, administrative support and marketing advice. The network benefits from the strong support of various partners from the public and private sectors.

The school also plays a key role in Global Entrepreneurship Week, which took place in November 2011. This global initiative, which was supported by high-profile business and government leaders, featured thousands of events that took place in 123 countries over the same week. IESE served as coordinator for all GEW events in Spain. The week included daily meetings with entrepreneurs and included the announcement of candidates for the Ernst & Young Entrepreneur Prize, the IESE Search Fund Conference and the Tech Fair.

In addition to these events, the center provided numerous resources for participants in the MBA, Executive and Global Executive MBA programs, such as course materials and guidance on individual entrepreneurial projects.

Leading-edge Ideas

IESE spearheads high-caliber programs and research in the area of entrepreneurship. The goal of the school is to generate new knowledge that will help in the development of new and/or growing companies. Among the topics that are explored are: new company creation and financing, management of growing companies, venture capital and entrepreneurship. Through these activities and its focus on new venture creation as a driver of economic growth, IESE continued to fulfill its goal of promoting entrepreneurship worldwide.

Within the framework of these lines of research, IESE is also a leader in family business education and research. Through the work of the Family-Owned Business Chair, a wide range of topics related with family business leadership are continuously examined. The Bertrán Foundation Chair of Entrepreneurship also plays a key role in these efforts.

The center is led by 12 IESE faculty members who are experts in different aspects of entrepreneurship, as well as an international executive team of professionals.

Social Entrepreneurship

IESE launched an initiative aimed at providing critical support for social entrepreneurs, in partnership with La Caixa Foundation.

The project provided three areas of support for 20 non-profit projects: 1) a 25,000 euro grant 2) the opportunity to participate in a tailor-made development program for participating entrepreneurs and 3) a 1-year mentorship program.

The educational portion of the program was led by IESE professors and covered relevant areas such as entrepreneurship, finance, marketing, analysis of business problems and leadership. Two to three representatives from each project participated in the class, which had a total of 45 participants. The 20 projects were vetted from an initial pool of 475 candidate projects.

IESE continues to promote entrepreneurs through a range of conferences and learning opportunities, as well as supporting the IESE Business Angels Network, Global Entrepreneurship Week and FINAVES, the school's seed capital fund.



MBA Rethink

The financial crisis has provoked much soul searching about the content and methodology of the MBA. IESE has developed over the years conferences and meetings on this topic. In April 2012, IESE organized a congress on "Rethinking the MBA" that was held in Barcelona that brought together business school academics, recruiters and HR heads to discuss ways in which the MBA needs to change. It was coordinated by Srikant Datar (Harvard Business School) and Jordi Canals (IESE). Prof. Datar's book "Rethinking the MBA: Education at the Crossroads," has become an important reference for improving the impact of MBA programs worldwide.

Business speakers included Michael Griffiths (Roche); Sandy Khan (Microsoft); Martin Danoesastro (BCG); Tim McNicholas (Siemens) and Duarte Braga (McKinsey).

On the academic side there were contributions from Peter Tufano, dean of the Saïd Business School at Oxford University; Bernard Ramanatsoa, dean of the HEC School of Management; Jordi Canals, dean of IESE; Prof. Soumitra Dutta, associate dean of INSEAD; Prof. Martha Maznevki, associate dean of IMD; Prof. Srikant M. Datar, associate dean of Harvard; and IESE professors Pankaj Ghemawat, Mireia Las Heras, Carlos García Pont, Paddy Miller, Alejandro Lago and Sandra Sieber.

Business Ethics and Social Impact



The 17th International Symposium on Ethics, Business and Society was held on the Barcelona campus under the heading "Universal Ethics. Cultural Diversity and Globalization." The opening session was introduced by Domènec Melé, professor of business ethics, who stressed that cultural diversity is relevant for management and policy makers and international organizations. Also leading key sessions were Joan Fontrodona, professor of business ethics and Carlos Sánchez-Runde, professor of managing people in organizations.

Public Leadership Center

IESE opened its Center for Public Leadership and Government. The new center's mission is "to promote the training of senior members of public institutions from across the globe in order to achieve a lasting impact on people and society". The center offered six executive programs with 400 participants. Two of the programs were organized in cooperation with the Harvard Kennedy School.



Healthcare Initiative

The school launched the Center for Research in Healthcare Innovation Management (CRHIM) and health management programs. The aim is to increase management knowledge and capacity in the health sector, including innovations in healthcare provision, management of technological innovations and how they change the way care is provided and organized. The evidence gained will advance the state of knowledge in the field through publications and teaching and learning materials for managerial capacity building.

Within the framework of the center, the school led the Healthcare Management Program, which is designed for managers in senior roles from healthcare organizations across Europe.

IESE also launched the IESE Healthcare Initiative (IHI), which seeks to have a transformational impact on the healthcare industry through the education of leaders, the development of applied research and by creating a forum for industry stakeholders and the IESE community.



Africa Initiative

This year, IESE's Africa Initiative extended its reach through support for the first Advanced Management Program held in Abidjan, Ivory Coast at MDE Business School. IESE also contributed to the launch of a new Program for Management Development (PMD) in Ivory Coast.

Meanwhile the Pan-African EMBA, which is held jointly with Strathmore Business School in Kenya and Lagos Business School in Nigeria, continued to attract high-potential entrepreneurs and executives from across the region.

IESE's Africa Initiative has led to the first AMP being held in Ivory Coast while the Pan African EMBA continues to attract executives.



New Ph.D. Program with CEIBS

A new CEIBS-IESE Ph.D. program was announced at the end of 2011 and the first students joined the program in September 2012. It is the first joint Ph.D. program held by European and Chinese business schools. The program's curriculum will combine European management expertise from the faculty members of IESE with in-depth knowledge and market expertise focused on China from faculty members of CEIBS.



Global Reach

IESE continued to gradually expand its executive education program offerings in Africa, Asia, Europe, Latin America and the United States. Short Focused Programs were also offered on specific topics such as leadership, digital strategy or governance, industry specific programs and public sector management.

The school consolidated its portfolio of AMP offerings for seasoned managers, now led in Barcelona, Madrid, Sao Paulo, Munich and Warsaw. In addition, IESE offered the AMP in Media and Entertainment, which features sessions in New York and Los Angeles. For professionals seeking to take the next step forward in their careers, IESE offered the Program for Management Development (PMD) in Munich and the Program for Leadership Development (PLD) in Barcelona and New York.

Another key international program was the Senior Executive Program (SEP), with sessions in New York and Miami. Together with these activities, IESE also partnered with diverse leading companies to lead a host of custom programs tailored to meet the challenges of specific industries.

The school also carried out the Global CEO Program for China with the three modules being held at CEIBS, IESE (Barcelona) and Harvard Business School. Together with Wharton and CEIBS, the school organized the Global CEO Program - a program centering on three 6-day modules held in Sao Paulo (IESE), Shanghai (CEIBS) and Philadelphia (Wharton).

The Executive MBA and Global Executive MBA programs included modules held in Sao Paulo, New York, Shanghai and Mumbai, as well as Madrid and Barcelona.



Launch of Executive MBA in Sao Paulo

To provide high-quality learning experiences for Brazilian executives, the school successfully launched the Executive MBA program in August 2012 in Sao Paulo. The program is led in conjunction with IESE's Associate Business School in Brazil ISE and follows the same format as its successful predecessors.

A part-time, bi-weekly 19-month program, the IESE Executive MBA is aimed at Brazil's growing number of working executives who, with at least five years of experience, feel the need to improve their management skills. Students accepted into the IESE/ISE Sao Paulo Executive MBA have the opportunity to experience a multilingual business program.

MBA Reunion

More than 800 alumni and friends representing 47 nationalities and 57 different classes met on IESE's Barcelona campus on Saturday for the eighth edition of the MBA Alumni Reunion. In addition, the classes of MBA '86, MBA '91, MBA '96, MBA '01 and MBA '06 celebrated their 5-year MBA reunions with special sessions for each class.



EMBA 30th Anniversary

Some 200 alumni from 30 classes of the Executive MBA joined the EMBA reunion in Madrid in May to mark the 30th anniversary of the program. Eight alumni from the first class – the EMBA '83 – were there, including the 1983 class president Virgilio Oñate. The alumni were welcomed by Monika Borgers, head of the alumni division in Madrid.



Full-Time MBA

| Programs

INNOVATIVE LEARNING EXPERIENCES

In 2011–2012, IESE introduced innovative changes in its full-time MBA, Executive MBA, Global Executive MBA and Ph.D. in Management programs, and offered new executive programs around the world. The following is an overview of key developments in IESE programs during the 2011–2012 academic year.

| Degree Programs

IESE's highly-ranked full-time MBA program was created in 1963 with the support of the Harvard Business School. The two-year program places an emphasis on general management, leadership, global business dynamics, leadership and ethics. The MBA included a total 560 students, with 280 students from 51 countries making up the Class of 2012.

A new course on Leadership and Ethics was offered in the first-year, and eight new courses were offered in the second year. For the first time, the MBA included second-year elective courses in Sao Paulo and Shanghai, in addition to the ones already offered in New York City. This initiative paved the way for modules to be held in other key international locations in the future.

The first-year MBA Capstone Course included leading firms such as ISDIN, Solo Stocks, Swarovski, ING Direct, Pepe Jeans and Nestlé. First-year MBA students developed a range of projects focused on topics such as new regional business development in the banking sector and market entry strategies in Asia for the fashion retail sector.

On May 11, MBA commencement speaker Bruno di Leo, senior vice president of sales and distribution at IBM, praised the class of 2012 for their commitment to learning, noting that they had proven they are more than ready to embark on "this journey that has only just started."

CONFERENCE 2012
AND DOING
24-25, 2012



HELPING COMPANIES IN TALENT RECRUITING

The school's Career Services team aims to help MBA students secure quality positions around the globe. In spite of the challenging conditions in 2011-2012, the Career Services team was able to attain excellent full-time jobs and summer internships.

The long-running IESE-Roland Berger International Case Competition was held March 22-24, 2012. The prestigious event attracted teams from numerous top schools CEIBS, HKUST, INSEAD, Ivey, LBS, RSM and Yale. Taking the 2012 prize was INSEAD.

DOING GOOD AND DOING WELL CONFERENCE

The annual Doing Good and Doing Well conference took place February 24-25, 2012. Close to 800 participants from more than 50 countries came to IESE to take part in this international event. This year's edition included five keynote addresses and 36 panel discussions. Also included within the conference was the IESE CleanTech Venture Seminar, which provides a venue for promising CleanTech entrepreneurs to network with and pitch for funding from venture capital firms.

IESE won the 2011 European VCIC competition (Venture Capital Investment Competition) held in London and was sent to the final world round at the University of North Carolina. IESE came in second worldwide in the event, which is now in its 15th year.

YOUNG TALENT PROGRAM

IESE's Young Talent Program (YTP[®]) has become an increasingly valuable means of attracting high-caliber university students to the MBA program. Through the YTP, candidates are able to gain valuable work experience at a leading company, as well as pre-admission to the MBA program.

INTERNATIONAL EXCHANGE PROGRAM

During the academic year, 83 IESE students went on exchange and the school welcomed 74 students from other leading business schools. MIT, Columbia, Chicago, Kellogg, Wharton, LBS, CEIBS and NYU remained the most popular exchange partners for IESE students. The National University of Singapore (NUS) and Hong Kong University of Science and Technology (HKUST) joined the exchange program. New agreements with schools such as London Business School, Tuck School of Business, University of Michigan Business School and Melbourne Business School now allow IESE students to choose a first or second term for their Exchange Program.

International Exchange Program Partner Schools

BERKELEY. Haas School of Business, U.C. Berkeley, USA
CEIBS. China Europe International Business School, Shanghai, China
CHICAGO. The University of Chicago, Booth School of Business, USA
COLUMBIA. Columbia Business School, Columbia University, USA
CORNELL. Johnson Graduate School of Management, Cornell University, USA
DARDEN. Darden Graduate School of Business, University of Virginia, USA
DUKE. The Fuqua School of Business, Duke University, USA
HEC. HEC School of Management, France
HKU. Hong-Kong University, Hong-Kong
HKUST. Hong-Kong University of Science and Technology, Hong-Kong
IAE. Escuela de Dirección y Negocios, Universidad Austral, Argentina
ISB. Indian School of Business, Hyderabad, India
KEIO. Keio University, Yokohama City, Japan
KELLOGG. Kellogg School of Management, Northwestern University, USA
LBS. London Business School, University of London, UK
MBS. Melbourne Business School, The University of Melbourne, Australia
MGS. Miami Graduate School – University of Miami, USA
MICHIGAN. Stephen M. Ross School of Business at the Univ. of Michigan, USA
MIT. Sloan School of Management, USA
NUS. National University of Singapore, Singapore
NYU. New York University, Leonard N. Stern School of Business, USA
RSM. Rotterdam School of Management, The Netherlands
TUCK. Tuck School of Business at Dartmouth, USA
UCLA. The Anderson School at UCLA, USA
UNC. The Kenan-Flagler Business School, University of N. Carolina, USA
WHARTON. The Wharton School of the University of Pennsylvania, USA
YALE. Yale School of Management, USA
YONSEI. Yonsei University School of Business, South Korea



Executive MBA

IESE's longstanding Executive MBA is designed for high-potential working professionals. Offered in Barcelona, Madrid and, since August 2012 in Sao Paulo, the program includes modules in Shanghai and New York.

The program offers an invaluable opportunity to gain deep business experience through initiatives such as Executive Simulation Week, a Capstone project and the EMBA Entrepreneurs Club.



Launch in Brazil

Further solidifying its commitment to developing global leaders through business education, IESE launched an edition of the Executive MBA in the fast-paced business capital of Brazil: Sao Paulo.

This year marked the 30th anniversary of the Executive MBA program. Some 200 alumni gathered for a special celebratory event on June 5, 2012 on the Madrid campus. Academic sessions were followed by networking activities with graduates and their family members.

Graduation ceremonies at IESE's Executive MBA programs in Madrid and Barcelona featured speeches by some prominent business leaders: Javier Robles, Chairman of Danone; Jorge Sendagorta, Chairman of Sener; and Luis Egido, CEO of Logista.

This year saw numerous new contributors to the Global Leadership Series, including executives from such companies as: Aegis Media, Apple, BCG, Ferrovial, Ficosa, Indra, Red Eléctrica, Sanitas, Unisono, Siemens, Nestlé, AXA, Deutsche Bank and PWC.

Global Executive MBA Program

IESE's Global Executive MBA program for working executives features modules on three continents (Europe, North America and Asia). The program is offered in two distinct formats: monthly and bimonthly.

The two classes of the program held joint modules in Barcelona, New York and Shanghai to boost learning and networking opportunities. Elective modules were also introduced, giving participants a greater opportunity to tailor their learning experience.

In his keynote address at the Global Executive MBA 2012 Graduation Ceremony, Global Vice President of Schneider and IESE alumnus Julio Rodríguez reminded class members of qualities that are essential for leaders. Rodríguez, a board member of one of Europe's leading manufacturing companies, graduated from IESE 15 years ago.



Ph.D. and MRM Programs

IESE's Ph.D. in Management and Master's in Research Management programs prepare graduates to teach and lead research at high-level academic institutions around the world.

This year, IESE's Ph.D. and MRM programs saw international diversity in the programs grow and nine theses were defended by Ph.D. candidates. In addition, a new agreement to launch an IESE-CEIBS Ph.D. program was established. The program will be the first joint Ph.D. program between a European business school and a Chinese business school. In the academic year 2011-2012 there were 42 MRM and Ph.D. students.

| Executive Education

Despite a challenging economic scenario, IESE's international executive education open programs grew over the previous year. IESE programs attracted a record number of participants in Brazil, reflecting the country's expanding economy. The launch of a renovated Global CEO program, in partnership with Wharton and CEIBS was another highlight.

In 2011-2012, IESE offered General Management Programs at eight different locations – Barcelona, Madrid, Munich, New York, Sao Paulo, Shanghai, Nairobi and Warsaw – with more than 1,300 participants from 30 countries. All the programs were extremely successful in terms of participant satisfaction, learning and diversity.

In 2012, IESE was ranked the top business school in the world by the Financial Times.



General Management Programs

Barcelona and Madrid Campuses

In 2011-2012, IESE offered a new edition of the AMP Barcelona program, drawing seasoned executives from around the world. Also during the year, a new edition of the renovated PLD program was launched in March 2012. The new version of the "Program for Leadership Development" (PLD) is organized around three modules over four months, plus a module in which participants can participate in an IESE Short Focused Program of their choice.

The school's longstanding executive programs offered in Spanish (the PADE, PDG and PDD) continued to attract many senior executives in 2011-2012. The programs allow professionals to expand their management knowledge and sharpen their leadership skills at every stage of their careers.



USA: Forging Paths in North America

IESE strengthened its program offerings in the United States. The Senior Executive Program New York-Miami attracted business leaders representing diverse leading organizations including the United Nations, Sotheby's, Heineken, DHL, Cemex, KPMG, Telefónica and Wal-Mart. Aimed at top-tier executives, including CEOs, the SEP features four 5-day modules in New York City and Miami. The program provides a global, general management-focused curriculum combined with valuable networking opportunities.

IESE's Media AMP 2012 included top-level media and entertainment executives from countries around the world such as United Kingdom, France, Italy, Kenya, Nigeria, Spain, Mexico, Colombia and the United States. The program is run in collaboration with the Paley Center for Media. The first and only program of its kind, the Media AMP is an intensive executive education program aimed at preparing top-level, highly experienced executives to lead their media and entertainment companies. The Media AMP consists of four week-long modules conducted over a six-month period. Three modules take place in New York City and one module takes place in Los Angeles.

Connections with Global Leaders

Leadership Forum events, which give participants the chance to interact with prominent players in the industry, are central features of the Media AMP. Leadership Forum speakers this year included Frank A. Bennack, Jr., Chief Executive Officer of Hearst Corporation and Geoffrey Sands, Chair of the PBS Board of Directors.

New Program with NYU Stern

The school is gearing up to deliver a new program, Global Finance and Strategy for Senior Executives through a new partnership with NYU Stern. The program, to be launched in 2013, will feature modules in Barcelona, New York and Shanghai.

Germany: A Stable Commitment

IESE's presence and visibility in Germany continued to grow. Participants in the seventh edition of the AMP Munich program completed their program in March 2012. Overall, participant feedback was extremely positive and the school's alumni are helping boost awareness about IESE within their respective companies.

IESE announced the launch of the Program for Management Development, four one-week modules held in Munich and Barcelona.

Custom programs also continued to grow in Germany and partnerships were formed with large German companies such as BMW and Henkel. With the support of IESE professors, IESE's executive education team in Munich conducted a study to evaluate the specific needs and preferences of German CEOs. The interview sessions with CEOs will allow IESE to form even stronger links with German business leaders and their firms.

China: Strengthening Partnerships

The school offered again the **Global CEO Program for China** jointly with Harvard Business School and CEIBS. This comprehensive program is organized in three modules, with one module taking place at each school. Aimed at Chinese entrepreneurs and CEOs, the program features materials in Chinese and classes are conducted in English and Mandarin.

The **Global CEO Program: A Transformational Journey** was enhanced and opened up for CEOs from all over the world. The program, which explores Asian, European and Latin American markets, is a partnership between IESE, CEIBS and Wharton. The program is organized around three modules, starting with an IESE-led module at IESE's facilities in Sao Paulo, followed by a module on the Wharton campus in Philadelphia, and a final module at the CEIBS campus in Shanghai.

Brazil: Keeping Pace with a Growing Economy

After first launching activities in Brazil 10 years ago, the school led the AMP, the PMD and launched the Executive MBA in Sao Paulo this year. There are currently more than 600 IESE alumni in Brazil.

Brazil was a key focal point for the school this year, reflecting the rapid economic growth of the country. This year, IESE prepared to host its Global Alumni Reunion in Sao Paulo in November 2012. The event, which brings together hundreds of IESE alumni from all over the world, marked the first time the reunion was held in Latin America.

Another key initiative in Brazil was the **Global CEO Program: A Transformational Journey** with CEIBS and Wharton. The program includes a residential module led by IESE faculty members in Sao Paulo.





Poland: A Focus on Central Europe

IESE's Advanced Management Program (AMP) Warsaw continued to grow, drawing senior executives from a wide range of sectors such as finance, insurance, IT, retail and public administration. The program takes place over seven months and features sessions in Warsaw and Barcelona.

Now in its sixth year, the AMP Warsaw is designed to meet the specific needs of Polish business enterprises in a fast-changing European and global context. The intensive program begins with a 1-week residential module in Barcelona, with core sessions held in Warsaw. It culminates with a final module in Barcelona and the program's graduation ceremony.

The program is led by IESE professors with research expertise in the region, and includes cases that focus on companies and business issues relevant to Eastern European business leaders.

Africa: A Long-term Commitment

IESE carried out high-caliber programs in various African countries within the framework of IESE's Africa Initiative, which seeks to further business education in the region.

Notably, IESE partnered with its newest Associated Business School - MDE in Ivory Coast - to offer the Advanced Management Program Ivory Coast, which is based in Abidjan. The program was delivered in French by IESE professors. It marked another major step forward for IESE and the African Initiative. MDE is the third business school that IESE has helped get off the ground in Africa.

For the sixth successful year, IESE's joint AMP with Strathmore Business School in Nairobi drew executives from across the African continent.

The Pan-African AMP Module brought together participants of the Advanced Management Programs at two leading African business schools (Strathmore Business School and Lagos Business School) as a means of fostering collaborative ties between participants, as well as between the two schools.



Custom Programs: Strong Global Partnerships

During the 2011–2012 year, IESE continued to build new partnerships with companies to help them meet their development needs. The team partnered with 48 companies – including 20 new firms – to lead a total of 102 programs. These tailored learning experiences drew 3,558 participants from around the world. Programs expanded both on national and international levels, and clients reflected a wide range of sectors including finance (32 percent), automotive and logistics (14 percent), general industry (11 percent) energy (11 percent) and consumer goods (11 percent). Other clients came from public administration, construction, professional services and media, telecommunications and IT industries.

The Custom Programs team entered into partnerships with 48 companies to lead a total of 102 programs which drew 3,558 participants from around the world.



Public Leadership & Government Programs

IESE's activities aimed at honing the management capabilities of senior-level executives in the public administration sector during the 2011–2012 year were greatly expanded through the creation of the Center for Public Leadership and Government in September 2011. The number of programs and agreements with diverse institutions like the Harvard Kennedy School increased and awareness of the programs in the public sphere grew. We are grateful to Fundación Rafael del Pino for its support in organizing some of these programs.

New Third-Sector Programs

This year, in addition to programs for experienced public officials, IESE held three programs aimed at the Third Sector: the Strategic Management and Social Leadership Program, the Evaluation of Public Policies and Social Programs and the Strategic Management for Leaders of Non-Governmental Organizations.

Of the school's public leadership program portfolio, four offerings were held in collaboration with the Harvard Kennedy School of Government.

Healthcare Leadership Programs

IESE stepped up its commitment to providing education for professionals in the healthcare sector. In recent years, the school has made a strong commitment to the sector with the creation of the CRHIM (Center for Research in Health Innovation Management) and the new HMP (Health Management Program). Other initiatives include a Short Focused Program on the European health market, the MBA second-year elective course; the 19th Meeting of the Healthcare Industry and a series of thriving custom programs. IESE is well regarded for its expertise in the sector at the global level.

Short Focused Programs

IESE offered a complete portfolio of Short Focused Programs covering the topics that are currently most relevant to the business community. Successful existing programs were updated while eight new international programs were added.

Among the key programs offered in 2011-2012 were:

- Global Business: Leadership in a Matrix
- Getting Things Done
- Develop Your Communication Skills
- Managing People Across Cultures
- Advanced Digital Media Strategies
- Developing Leadership Competencies
- Create Effective Virtual Teams
- Management by Projects: Using Projects to Achieve Results
- Finance and Accounting for Non-Financial Managers
- Optimizing Your Retail Business

Industry Meetings

A total of 10 Industry Meetings were offered in Madrid and Barcelona, covering the following industries and areas of expertise:

- 18th Meeting of the Healthcare Industry
- 26th Meeting of the Automotive Industry
- 7th Meeting of the Banking Sector
- Turning Consumers into Fans
- 9th Retail Industry Meeting
- 3rd Meeting of the Insurance Sector
- 14th Luxury Goods Industry Meeting
- 5th Meeting of the Sales and Marketing Officers
- 18th Meeting of the Telecommunications and the Information Society
- 16th Food and Beverage Meeting



International Faculty Program

With its goal of helping develop business educators, IESE offers the International Faculty Program (IFP) at the Barcelona campus each year. The IFP prepares business school professors to make contributions to their institutions through the development of critical teaching and leadership skills.

This year's edition brought together 34 professors from diverse universities throughout Europe (Spain, Sweden, Hungary, Croatia, Bulgaria, Kazakhstan, Poland or Switzerland), Africa (Angola, Ghana, Ivory Coast, South Africa or Nigeria), Asia (Pakistan) and Latin America (Chile).

The 3-week program concentrated curricula courses on methodologies in management education, research and development. Participants were introduced to the school's global approach to business education, which takes a general management perspective and places an emphasis on rigorous research and the central role of people in managerial decision making.



HBS – IESE Committee

A Legacy of Excellence

The Harvard–IESE Committee held its annual meeting in Boston on June 18, 2012. Participants in the meeting analyzed various innovations in MBA programs, such as supporting entrepreneurial initiative and adapting to globalization. In addition, the group discussed admissions trends, the impact of demographic changes on MBA programs and employment opportunities for students following graduation, among other topics. Another topic tackled by the committee was the global strategy of business schools.

Founded in 1963, the Committee meets regularly to discuss topics of mutual interest and exchange viewpoints on business management, joint research projects and educational initiatives. The longstanding relationship between the two schools contributed to the launch of the full-time MBA Program at IESE in 1963 – the first of its kind in Europe. It has also led to many international executive education offerings such as the Global CEO Program for China.

Faculty members attending this year's meeting from Harvard Business School were W. Carl Kester, Richard H. K. Vietor and Srikant M. Datar. Participating on behalf of IESE were José Luis Nueno, Joan Enric Ricart, Eric Weber and Jordi Canals.

Faculty & Research

WORLD-CLASS TEACHING AND KNOWLEDGE DEVELOPMENT

Our faculty's commitment to research and new ideas development is rooted in IESE's mission. Professors aim at developing new knowledge and concepts with the potential to have a deep impact on both the practice of management and academia. This dual impact, and the development of a holistic system including both areas, is a key element of IESE's work.

While IESE faculty work across all business disciplines and subjects, there are some interdisciplinary areas where research impact has been more visible over the years. These include strategy, leadership, entrepreneurship, ethics, globalization, family business, growth markets, markets and governments, digital economy, and corporate governance and sustainability.

IESE professors are prolific producers of cases, books and journal articles, as well as frequent participants at international conferences and workshops held around the world. Faculty members seek to maintain a balanced emphasis on high-quality teaching and research.

In 2011–2012, IESE professors carried out numerous research projects, with critical support provided by the school's Research Division and IESE's Research Centers and Chairs. Some faculty members also got grants from the European Research Council (ERC), including ERC grants received by professors Fabrizio Ferraro, Victor Martínez and Xavier Vives. Marie Curie Fellowships were awarded to professors Marta Elvira, Morten Olsen, Gaizka Ormazabal and Miguel Antón.

In addition, IESE faculty members were the recipients of various international prizes. Among those who were recognized for their contributions to the management field were Pankaj Ghemawat, who received The Thinkers 50 Book Award for his book "World 3.0: Global Prosperity and How to Achieve It," published by Harvard Business Press and Antonio Dávila, who received an Accenture Award for his article "Building Sustainable High-Growth Start-Up Companies: Management Systems as Accelerator" in the *California Management Review*.



| Faculty

In 2011–2012, IESE's faculty included 100 full-time professors, all of whom hold doctoral degrees from top universities, from 28 different countries, a reflection of the school's aim to provide a global business perspective to students. In addition, the school had 54 external collaborators, 8 visiting professors and 80 researchers.

The school seeks to support all faculty members in their roles as outstanding teachers and researchers. Throughout their careers at IESE, professors take part in career development initiatives and carry out personalized development plans to ensure professional growth. These plans help map out the teaching, research and institutional service that professors carry out at IESE, as well as future goals.

| Research

New management knowledge generated by IESE professors is disseminated through the school's management portal and review, *IESE Insight*, as well as through other prestigious journals.

IESE was proud to host numerous high-profile research events in 2011–2012, such as the EDEN Doctoral Seminar on Strategic Management in March 2012 and the XVII Symposium of Business Ethics and Society, organized by the Chair of Business Ethics in May 2012.

In 2011–2012, professors published 59 articles in refereed journals, 22 books and 23 book chapters. IESE faculty members produced 110 business cases focusing on diverse companies in different geographic locations. IESE faculty published their papers in the top journals in each field like *Accounting Review*, *Academy of Management Journal*, *Econometrica*, *Harvard Business Review*, *Organization Science* and *Strategic Management Journal*, among others.

| IESE Insight

FACULTY RESEARCH ACTIVITY

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Faculty with PhD	99%	99%	99%	99%	100%
Nationalities represented	26	28	28	27	28
Articles in refereed journals	44	55	58	74	59
Course materials produced	144	199	167	171	191

The impact of IESE's quarterly management review *IESE Insight* continues to grow. At present, *IESE Insight* has 13,460 subscribers and includes more than 18,247 documents. The online portal is the most visited page within the IESE domain, with more than 18,000 visits per month between the portal and the review.

IESE Insight continues to grow as a prominent international channel for spotlighting research carried out by the school's professors, as well as leading faculty experts at other prestigious schools. Among the well-known authors who contributed to the publication from other institutions in 2011-2012 were Elizabeth Moss Kanter of Harvard Business School; Boris Groysberg of Harvard Business School; Mauro Guillén of Wharton; Jeffrey Sonnenfeld, Yale School of Management; Daniel Franklin, The Economist; Don Hambrick, Smeal College of Business, Pennsylvania State University; and Arnaud De Meyer, Singapore Management University.

The school also maintains a special agreement with Harvard Business Publishing to distribute *IESE Insight* articles.

International Academic Conferences

International Conferences 2011-2012

19th CIF Annual Symposium, organized by: CIF, Madrid, March 20, 2012

EDEN Doctoral Seminar on Strategic Management, organized by: Prof. Joan Enric Ricart & EAISM, Barcelona, March 5-9, 2012

Conference Economics of the Public-Private Partnerships, organized by: IESE Public-Private Sector Research Center (PPSRC), Barcelona, April 20-21, 2012

XVII Symposium of Business Ethics and Society, Barcelona, May 14-15, 2012

Innocreative Meeting, IESE Business Angels Network Family Offices and Finaves, May 21, 2012

25th EBEN Academic Conference, Barcelona, September 20-22, 2012

Juan Antonio Pérez López Colloquium, Barcelona, June 18-19, 2012

XII Public-Private Partnerships Colloquium, organized by: IESE Public-Private Sector Research Center, Barcelona, June 14, 2012

Research Awards and Recognitions



Professors Marta Elvira, Carlos Rodríguez-Lluesma, Elena Reutskaja and Pankaj Ghemawat

During the year, IESE professors received numerous awards. Among these faculty members were:

Awards and Recognitions

Dávila, A., 2011 Accenture Award for his article in the *California Management Review* "Building Sustainable High-Growth Startup Companies: Management Systems as an Accelerator."

Ghemawat, P., The Thinkers50 Book Award 2011 for his book *World 3.0: Global Prosperity and How to Achieve It*, Harvard Business Press, 2011.

Pastor, A. and Muns, J., 2011 Premio Godó de Periodismo awarded by the Fundación Conde de Barcelona for his article "La crisis del año 20XX" ("The crisis of the year 20XX"), *La Vanguardia*, December 12, 2010.

IESE Alumni Research Excellence Awards

The 2011 IESE Research Awards were presented to faculty members during the annual meeting of the Alumni Association Executive Committee. The awards are aimed at recognizing outstanding research and teaching accomplishments of IESE faculty members. Recipients of the awards were:

Elvira, M. and Rodríguez-Lluesma, C., IESE Research Excellence Award awarded for their course "Capstone-Executive Career Leadership."

Ghemawat, P., IESE Research Excellence Award awarded for his book *World 3.0: Global Prosperity and How to Achieve It*, Harvard Business Press, 2011.

Reutskaja, E., IESE Research Excellence Award awarded for her article "Search Dynamics in Consumer Choice Under Time Pressure: An Eye-Tracking Study," published in the *American Economic Review*, Vol. 101, No 2, 2011, pages 900-926.

Research Centers and Academic Chairs

IESE's centers and chairs are essential to the school's research activities. Many leading companies help fund these entities through their financial contributions, and collaborate with centers and chairs on certain research initiatives. For example, the Public-Private Sector Research Chair seeks to improve communication and collaboration between businesses and public administration.

The center serves as a platform for a team of IESE professors to come together to generate new ideas and research on public-private sector issues. Topics addressed include IT infrastructure and financial regulation and two new centers have opened on the subjects of healthcare and public leadership.

Strengthening its commitment to the healthcare sector, the school opened the Center for Research on Healthcare Innovation and Management (CRHIM), a joint venture between IESE and Accenture. The center seeks to contribute to transforming the healthcare industry through executive education and applied research.

CHAIRS

Within the Research Division, IESE's 18 chairs serve as hubs for generating and supporting faculty research activities. These chairs, supported by corporate endowments and held by leading professors in their fields, link academic disciplines and the business world.

Abertis Chair Regulation, Competition and Public Policy Prof. Xavier Vives	Family Business Chair Prof. Josep Tàpies
Alcatel-Lucent Chair Prof. Antonio Dávila	Grupo Santander Chair Financial Institutions and Corporate Governance Prof. José Manuel Campa
Anselmo Rubiralta Chair Strategy and Globalization Prof. Pankaj Ghemawat	José Felipe Bertrán Chair Governance and Leadership in Public Administration Prof. José Ramón Pin
Banco Sabadell Chair Emerging Markets Prof. Alfredo Pastor	"La Caixa" Chair Corporate Social Responsibility and Corporate Governance Prof. Antonio Argandoña
Bertrán Foundation Chair Entrepreneurship Prof. Pedro Nuño	Nissan Chair Corporate Strategy and International Competitiveness Prof. Bruno Cassiman
Chair of Business Ethics Prof. Domènec Melé	PricewaterhouseCoopers Chair Corporate Finance Prof. Pablo Fernández
Carl Schroeder Chair Strategic Management Prof. Joan Enric Ricart	Seat-Volkswagen Chair Human Resources Prof. Carlos Sánchez-Runde
CELSA Chair Competitiveness in Manufacturing Prof. Frederic Sabrià	Schneider Electric Chair Sustainability and Business Strategy Prof. Pascual Berrone
Crédit Andorrà Chair Markets, Organization and Humanism Prof. Josep Maria Rosanas	
Eurest/Compass Group Chair Excellence in Services Prof. Philip Moscoso	

IESE Publishing



Early in the academic year, IESE Publishing launched its new, easy-to-use website where users can choose from among 26,000 titles. It has home pages in Spanish and English and another specifically designed for Latin America, IESEP LATAM and a search facility, LATAM, for users seeking information on Latin America.

The new design shortened the buying process. The user can make the most of these improvements in the space "my account" and can consult their favorite documents without having to search for them each time and can share their list with all their contacts.



Alumni in Focus

IESE's alumni are an integral part of the school's global community and the school relies on their valuable support. By August in 2012, the total number of IESE graduates grew to 40,044. At the same time, the percentage of graduates who are members of the IESE Alumni Association also expanded.

A significant highlight during the year was the 50th Global Alumni Reunion, which was held in Madrid in November 2011. The event drew a record of more than 2,800 IESE graduates from around the world and invited guests. Speakers at the meeting focused their attention on the challenge of how to achieve sustained and sustainable growth based on ethics, knowledge and innovation.

Following the 2011 GAR, the Alumni team turned to the organization of the 2012 Global Alumni Reunion, which will be held in Brazil and will clearly help accelerate IESE's activities in Latin America.

Throughout the day, numerous presentations and panel discussions took place, led by Isidro Fainé, president of La Caixa and Caixabank; Ángel Cano, CEO of BBVA; Hans Ulrich Maerki, board member of ABB; Ferran Adrià, chef and co-director of the Fundació El Bulli; Carlos Cordón-Cardó, vice president and professor of pathology at Mount Sinai Medical School; José Manuel González-Páramo, member of the Executive Committee of the European Central Bank; Jesús M. Prieto, director of hepatology at the Clínica Universidad de Navarra; and Susan Segal, CEO of the Americas Society and Council of the Americas, among others. The next day, a host of cultural activities were organized.



Overall, the international activities of the Association expanded, in order to support the increasingly global alumni community and IESE program promotion. In 2011-2012, 89 sessions were organized outside of Spain, registering more than 4,100 attendees, a 4 percent increase over the previous year. In terms of networking opportunities, the Association supports the organization of informal meetings that strengthen links among graduates who live outside Spain.

The Alumni team stepped up the number and quality of Continuous Education sessions offered, with a participation growth rate of 26 percent. It also boosted the number of e-conferences accessible for alumni. More than 61 new e-conferences were made available, providing members with 177 sessions during the year.

Continuous Education sessions took place at a wide range of international cities such as London, Warsaw, Munich, Paris, Shanghai, Sao Paulo and New York. At the same time, the school's campuses hosted various high-level speakers who shared their insights with IESE alumni. Speakers included Peter Löscher, president and CEO of Siemens; Romano Prodi, former prime minister of Italy and former president of the EU Commission; and Howard Schultz, CEO of Starbucks.

Another highlight came on April 17, 2012, when Prof. Xavier Vives led a session with alumni titled, "Quo Vadis Europa?" on IESE's Barcelona campus. The meeting, organized by IESE's Public-Private Sector Research Center, was also addressed by John S. Reed, chairman of the MIT Corporation. Vives discussed the content of the EEAG Report on the European Economy 2012 published by CESIFO.

In Munich on May 7, 2012, alumni heard from Prof. Siegfried Russwurm, Siemens' CEO of the Industry Sector, who is also a member of IESE's International Advisory Board. Prof. Franz Heukamp moderated the session, which focused on the topic of effective leadership in times of uncertainty.

Taking aim at e-commerce, IESE Prof. Evgeny Káganer led a session for alumni on May 11, in which he described how large as well as local merchants can take advantage of social commerce to capture new audiences and improve products and services.

All of the Alumni Association's Continuous Education sessions in 2011-2012 were specifically aimed at helping entrepreneurs and executives as they faced the challenges of the uncertain business environment.

MAIN DATA

	2008-2009	2009-2010	2010-2011	2011-2012
Alumni	33,878	36,124	38,031	40,044
Countries represented	106	109	109	122
Sessions in Spain*	191	190	190	196
Sessions outside of Spain	72	80	85	89
Association participants	29,381	29,231	32,178	35,758

* Includes the Continuous Education Programs, class reunions, regional chapter meetings and the Global Alumni Reunion.





IESE's Community

A MISSION-DRIVEN INSTITUTION

IESE Business School is committed to the development of leaders who aspire to have a deep, positive and lasting impact on people, firms and society; to inspiring leaders to work with a spirit of service and integrity, basing their actions on the highest standards of professionalism and accountability; and to educating leaders to whom we can confidently entrust the future of business and society.

Believing that businesses are above all communities of people who work better in an atmosphere of trust, IESE's mission and core values are articulated in its programs and school culture and carried out by faculty and staff who lead by example. These emphasize: respect for others; commitment to the common good of companies and society; humility; learning and listening; teamwork.

With these values as a foundation, IESE programs are structured around five pillars of leadership development:

- Human and ethical values
- International character
- General management perspective
- Transformational impact
- Knowledge development

IESE is the Graduate Business School of the University of Navarra. The University is an initiative of Opus Dei, a Personal Prelature of the Roman Catholic Church, with activities on every continent. The school's ethical and moral values are based on the Christian tradition. These values emphasize the intrinsic rights and dignity of every person, and constitute the linchpin of any successful organization and society at large.

| Our People

IESE's highly diverse community of faculty and staff carry out activities at the school's campuses and offices in Barcelona, Madrid, New York City and Munich. Following the school's mission, IESE seeks to provide a context setting that fosters the professional and personal growth of faculty and staff members. In view of this goal, the People Division provides a range of activities and services aimed at creating a supportive and inspiring work environment. These include flexible work hours, personal and professional development opportunities and functional mobility within the organization.

Professional Development Opportunities

People development at IESE begins with its orientation program, which consists of introductory and training sessions and special mentoring during the first six months.

The school also emphasizes functional mobility as an integral part of its organizational culture. IESE departmental heads and other staff members have the opportunity to shift roles or take on new assignments, allowing them to broaden their knowledge and grow as professionals.

IESE's People Division organizes a host of courses for staff on topics aimed at expanding their knowledge and their capability sets. Key topics of these sessions have included:

- Learning and development sessions
- Professional techniques
- Coaching
- Mentoring
- Self-management
- Decision making
- Service orientation
- Time management
- Position-specific training
- Work-life balance
- Foreign languages
- Technology
- Health and safety at work

Family-friendly Context

IESE aspires to create a work environment that is supportive to families. To this end, it offers a range of policies that provide advantages such as:

- Education and professional development
- Flexible timetable
- Flexible holidays
- Aid to parents of children up to three years old to help reduce the cost of day care or pre-school
- Counseling and support for expatriates and their families
- Fellowships and scholarships for employees' spouse and children at IESE and University of Navarra programs
- University of Navarra Hospital services

The school has obtained the Family Responsible Company (FRC) certificate, which recognizes companies with policies that allow its employees to balance work and family life.

Accessibility for Disabled Employees

IESE seeks to offer special opportunities for disabled employees and suppliers.

Commitment to Women

IESE is committed to increasing the number of women who hold senior positions, where they increasingly lead effective bottom-line performance, corporate governance and risk management. To attract high-level candidates to its programs, IESE offers scholarships to outstanding female applicants to its core degree-awarding programs - the MBA, Global Executive MBA and the Executive MBA - as well as some executive education programs.

The school has a Gender Equality Plan and promotes women to senior executive positions.

Commitment to Young Professionals

The school places a focus on helping young entrepreneurs and business leaders prepare for the future. This is accomplished through the support of key events such as Global Entrepreneurship Week, an initiative that features events worldwide aimed at helping aspiring businessmen and women launch their careers.

Endorsed by numerous world leaders, GEW aims at inspiring a future generation of entrepreneurs who have the potential to create innovative and sustainable firms and make a positive impact on their communities. Events organized in connection with the initiative range from large-scale competitions to small networking gatherings. They involve scores of students, educators, business leaders, non-profit leaders and government officials.



A Healthy Environment

As part of its goal to promote an optimal work setting, IESE's Health and Safety Committee works with on-campus medical and security services to provide a number of services. Through its policies, the school facilitates regular physical exams and safety and security training sessions to minimize work-related risks. Moreover, IESE facilitates medical insurance for employees and their families, as well as a pension plan for retirement.



Supporting Business Schools Globally

Over the years, IESE has helped develop and grow 15 associated business schools, which are located in four continents. In 2011 and 2012, IESE helped launch MDE Business School in Ivory Coast, which has created the Advanced Management Program for executives in the region.

BUSINESS SCHOOLS DEVELOPED WITH IESE'S SUPPORT

- AESE - Associação de Estudos Superiores de Empresa, Lisbon, Portugal. Founded in 1980.
- CEIBS - China Europe International Business School, Shanghai, China. Founded in 1994.
- ESE - Escuela de Negocios. Universidad de Los Andes, Santiago de Chile, Chile. Founded in 1999.
- IAE - Escuela de Dirección y Negocios, Universidad Austral, Buenos Aires, Argentina. Founded in 1978.
- IDE - Instituto de Desarrollo Empresarial, Guayaquil, Ecuador. Founded in 1992.
- IEEM - Instituto de Estudios Empresariales de Montevideo, Universidad de Montevideo, Montevideo, Uruguay. Founded in 1986.
- INALDE - Instituto de Alta Dirección Empresarial, Universidad de la Sabana, Bogota, Colombia. Founded in 1985.
- IPADE - Instituto Panamericano de Alta Dirección de Empresa, Universidad Pan-Americana, Mexico City, Mexico. Founded in 1967.
- ISE - Instituto Superior da Empresa, Brazil. Founded in 1996.
- LBS - Lagos Business School, Pan-African University, Lagos, Nigeria. Founded in 1991.
- MDE - Business School (IHE-Afrique), Abidjan, Ivory Coast. Founded in 2003.
- PAD - Escuela de Dirección de la Universidad de Piura, Peru. Founded in 1979.
- SBS - Strathmore Business School, Strathmore University, Nairobi, Kenya. Founded in 2005.
- School of Business Administration University of Asia and the Pacific, Manila, Philippines. Founded in 2001.
- UNIS Business School, Universidad del Istmo, Guatemala. Founded in 1977.

Social Impact and Responsibility

As stated in its mission, IESE seeks to make a positive and lasting impact on society. The school's view is that organizations are essentially communities of people and must emphasize the intrinsic rights and dignity of every individual. Only through ethical and responsible management practices can human dignity be respected.

The first responsibility is to develop IESE's mission and commitment to professional excellence and integrity in management education and the corporate world. IESE also wants to make sure that students, senior executives and corporate partners benefit from the best learning context at IESE. The school also tries to foster a professional context where faculty and staff grow professional and personally.

IESE is a member of the United Nations Global Compact, an initiative to promote corporate responsibility and sustainability in business education. It is also a signatory of the Principles for Responsible Management Education, an engagement platform for business schools around the world. As such, it is committed to continued progress in the implementation of the six Principles for Responsible Management Education (PRME) initiative, which is inspired by the UN Global Compact. These principles provide a guiding framework for integrating responsibility and sustainability in a systemic manner.

The school also actively participates in the Working Group on Curriculum Change and the PRME.

The school is committed to corporate social responsibility through its mission and through initiatives such as the Doing Good and Doing Well conference on responsible business.



IESE is also committed to helping establish centers of excellence for executive education in emerging nations by offering practical advice, teaching materials and programs. It has associate schools in several Latin American countries, Asia and Africa.

Through the Africa Initiative, IESE provides support for the Niger Foundation Hospital, which is located in Enugu, Nigeria. The hospital focuses on fighting mortality among women and children and improving preventive medicine education in the region. For example, the school carries out an annual Christmas campaign to raise funds for the hospital, with the support from Eurest.

An offshoot of this commitment to CSR is IESE's Doing Good, Doing Well Conference – Europe's leading student-run conference on responsible business. This year's event was held Feb. 24–25, 2012 on the Barcelona campus, with the theme of "Achieving Sustainability in Business and Society." The event also included a CleanTech Venture Seminar Career Fair and Sustainability Fair. DGDW brought together more than 800 students, faculty and professionals from all over the world to discuss current trends and initiatives on a broad range of issues including:

- Social entrepreneurship
- Microfinance
- Healthcare
- Energy and environment
- Social investment
- Development
- Careers in responsible business

Also building upon IESE's commitment to CSR is the research portal *IESE Insight*, which includes a print-friendly management review and is published monthly. *Insight* provides straightforward articles, as well as multimedia material, that summarize research led by IESE faculty members. It is published in English and Spanish. Following IESE's focus, articles often delve into the ethical and humanistic aspects of management. See <http://insight.iese.edu>.

IESE continually interacts with business firms to deepen our understanding of the challenges they face in meeting new CSR challenges. The following research centers receive sponsorship from major firms and seek to explore key issues that fall within the domain of social corporate responsibility. They include:

- The Center for Business in Society
- International Center for Work and Family
- Center for Emerging Markets
- Entrepreneurship Innovation Center

IESE also organizes many research events that focus on companies' role and impact on society. IESE hosted the 17th International Symposium on Ethics, Business and Society on the school's campus in Barcelona on May 14–15. The theme of the event was "Universal Ethics, Cultural Diversity and Globalization." Other key conferences and events include the Family-Responsible Companies Forum and the Diversity Symposium.

Care for the Environment

IESE places a priority on the sustainable use of natural resources through the ongoing reduction of energy consumption, responsible water usage and the minimization of waste generation. IESE's environmental Action Plan features eight key goals that fall under two lines of action: the sustainable use of resources and environmental awareness. The Environmental Action Plan report is available on IESE's website. IESE's Operations Division oversees these initiatives within the framework of its overall activities. Among the key activities taken by the school are initiatives addressed to:

- Reduce energy consumption
- Facilitate responsible water consumption
- Reduce CO2 emissions
- Manage waste generation
- Environmental protection

Governance

IESE's Dean and top management team set the school's strategy, manage programs and run operations. The Dean reports to the President of the University of Navarra. Governance is also provided by the Executive Committee of the Alumni Association and the International Advisory Board. The U.S. Advisory Council also provides guidance for the school's activities in North America and around the world.

The Alumni Association is governed by an Executive Committee that approves educational activities, alumni reunions and budget. Alumni chapter presidents, the Executive Committee and class presidents and secretaries are all members of the Governing Board.

IESE MANAGEMENT TEAM

Dean: Jordi Canals
Associate Dean: Eric Weber
General Secretary: Fernando Peñalva
General Administrator: Jaime Alonso
Director of the Madrid Campus: Francisco Iniesta
Associate Dean for MBA Programs: Franz Heukamp
Associate Dean of Executive Education: Josep Valor
Associate Dean of the Ph.D. Program and Research: Marta Elvira
Associate Dean of Faculty: Frederic Sabrià
People: Teresa Gener
Alumni Division: Mireia Rius
Associate Director of the Madrid Campus: Juan Antonio Galán



ALUMNI ASSOCIATION EXECUTIVE COMMITTEE

President:
Jorge Manuel Sendagorta, Sener, PADE-90

Vice Presidents:
Joan Molins, Cementos Molins, PDG-71
Tomás García, Grupo Villa Mir, MBA-88

Board Members:
Salvador Alemany, Abertis, PDD-74
Juan Asúa, BBVA, MBA-89
Alejandro Beltrán, McKinsey, MBA-98
José Felipe Bertrán, Fundación Bertrán, PADE-65
Núria Cabutí, Random House Mondadori, MBA-92
Jordi Canals, IESE
Aurora Catá, Seeliger y Conde, MBA-89
Carlos Costa, BCG, MBA-86
Christopher James Daniels, Lloyds, MBA-00
Antonio Esteve, Esteve, PDD-87

Baldomero Falcones, FCC, MBA-72
Joaquim Faura, Telefónica, MBA-78
Antonio González-Adalid, Rea, MBA-75
Alan Pace, Citibank, MBA-94
Gloria Perrier-Chatelain, SAP, EMBA-93
M^a del Mar Raventós, Codorniu, PADE-01
Mireia Rius, IESE, MBA-94
Javier Emilio Robles, Danone, PDG-90
Julio Rodríguez, Schneider, PDG-97
José Luis de Rojas, Aegis Media, MBA-88
M^a del Pino Velázquez, Unisono, MBA-91
Rafael Villaseca, Gas Natural Fenosa, MBA-76

IESE International Advisory Board

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Mango
Spain

Simone Bagel-Trah
Henkel
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Hans-Jacob Bonnier
Bonnier
Sweden

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Banque de France
France

Andrea Christenson
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International Trade Center
Switzerland

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Li & Fung Group
China

Toyoo Gyohten
Institute for International Monetary
Affairs
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Switzerland

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Daimler
Germany

Liz Mohn
Bertelsmann
Germany

Stanley Motta
Motta Internacional
Panama

N. R. Narayana Murthy
Infosys Technologies
India

Rafael del Pino
Ferrovial
Spain

Mariano Puig
Fundación Puig
Spain

María del Mar Raventós
Codorniu
Spain

Helena Revoredo
Prosegur
Spain

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Schröder Foundation
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The Netherlands

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Citi
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Werner Wenning
Bayer
Germany

George Yeo
Kerry Group
Hong Kong

Ermenegildo Zegna
Ermenegildo Zegna
Italy

IESE U.S. Advisory Council



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President Emeritus
Channel Thirteen

Gerry Byrne
Vice Chairman
Penske Media Corporation PMC

Tom Castro
President & CEO
Time Warner

Vin Cipolla
President
The Municipal Art Society

Carmen Di Rienzo
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V-Me Network

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Glazen Creative

Frank J. Hager
CEO, Opp CAP

Claire Huang
Head of Marketing, Global Markets
Bank of America

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President & CEO
GE Africa

Tom Kane
Former Chairman
CBS

Steve Murphy
President
Christie's

Katherine Oliver
Commissioner, Media & Entertainment
New York City Office

Kate O'Sullivan
Director, Strategic Relations
Microsoft Corporation

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CEO, Stelac Advisory Services

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American Management Association

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Automatic Data Processing ADP

Kathryn Wilde
CEO
Partnership for New York

Gary Knell
President
National Public Radio - NPR

Sponsoring Companies

IESE is very grateful to the partner companies that contribute in a very special way to young faculty development, research projects, chairs and research centers, and the educational projects that the school promotes.

ABERTIS	FMC FORET	MULTIASISTENCIA
ACCENTURE	FOSTER WHEELER	MUTUA MADRILEÑA
ACCESOGROUP	FUNDACIÓN BERTRÁN	NEGOCENTER
ADECCO IT	FUNDACIÓN COMSA EMTE	NEORIS
ADP	FUNDACIÓN HORIZONTE	NESTLÉ
AENA	XXII	NEXTRET
AF STEELCASE	FUNDACIÓN MARÍA	NISSAN
AGBAR	FRANCISCA ROVIRALTA	PALEX MEDICAL
AGROLIMEN	FUNDACIÓN RAMÓN	PANRICO
AIRBUS	ARECES	PENTE ICT ANALYST
AIR LIQUIDE MEDICINAL	GARRIGUES	PEOPLEMATTERS
ALCATEL	GAS NATURAL FENOSA	PEPSICO
ALHAMBRA EIDOS	GENERAL CABLE	PHILIP MORRIS
ALLIANZ	GENERAL ÓPTICA	PLÁSTICOS TA-TAY
ALPHABET	GFT GROUP	PORTAVENTURA
ALTAIR MANAGEMENT	GINMOVIAN	PORT DE BARCELONA
CONSULTANTS	GRUP CATALANA OCCIDENT	PPG
ARBORA & AUSONIA	GRUPO BANCO POPULAR	PROSEGUR
ARDANUY INGENIERÍA	GRUPO BARCELÓ	PWC
AREAS	GRUPO CELSA	RANDSTAT
ARTEOLIVA	GRUPO CODORNÍU	RAY HUMAN CAPITAL
ASCENSORES ERSCE	GRUPO DAMM	RED ELÉCTRICA DE ESPAÑA
ASEPEYO	GRUPO ELOSA	REDUR
A.T. KEARNEY	GRUPO ENDESA	REMITSA INVEST
ATRIAN	GRUPO ESTEVE	REPSOL
AYESA ENGINEERING	GRUPO GESTESA	REUTERS
BACARDI	GRUPO LECHE PASCUAL	REYAL URBIS
BALAGUER-MORERA &	GRUPO LOGISTA	RICOH
ASOCIADOS	GRUPO MAHOU-SAN	ROCA
BANC SABADELL	MIGUEL	ROCHE
BANKINTER	GRUPO NOVARTIS	ROLAND BERGER
BARCLAYS	GRUPO PARERA	SAGARDOY ABOGADOS
BASF	GRUPO PUIG	SANITAS
BBDO	GRUPO SANTANDER	SANOFI AVENTIS
BBK	GRUPO TELEFÓNICA	SCHNEIDER ELECTRIC
BBVA	GRUPO VILLAR MIR	SDL-TRIDION
BP	HENKEL	SEAT
CAIXABANK	HEWLETT PACKARD	SENER INGENIERÍA Y
CAMBRA DE BARCELONA	HUERTA DEL CARMEN	SISTEMAS
CAPIO SANIDAD	IBERDROLA	SEUR
CAPRABO	IBM	SIEMENS
CATALUNYACAIXA	ICL	SIKA
CEMENTOS MOLINS	IDOM	SOCIAL TRENDS INSTITUTE
CITI	IMS HEALTH	SOLVAY
COALIMENT GRANOLLERS	INDRA	SONY
COMSA EMTE	INLANDGEO	STAIG GRUPO INMOBILIARIO
CORPORACIÓN ASESORA	INTERMAS NETS	SWAROVSKI
COVAP	INVERSIONES SINFIN	TALDE VENTURE CAPITAL
CREDIT ANDORRÀ	HOLDING	TANDBERG
CUATRECASAS	IN2	TECHNO TRENDS
DANONE	ISS FACILITY SERVICES	TETRA PAK
DELOITTE	IZASA	TEXSA
DEUTSCHE BANK	JOHN DEERE	THE ROYAL BANK OF
DIAGEO	JOHNSON CONTROLS	SCOTLAND
DKV	KELLOGG	TOUS
ENAGAS	KONSAC	TOWERS WATSON
EPSON	KPMG	UNNIM
ERES RELOCATION	LABORATORIOS LETI	URALITA
ERICSSON	LA CAIXA	VALINSA
ERMENEGILDO ZEGNA	LEAR CORPORATION	VESTAS
ERNST & YOUNG	LENER	VOCENTO
ESPIRITO SANTO	MANGO	WILLIS
INVESTMENT	MARTINSA-FADESA	WÜRTH
ESTATES & WINES	MECALUX	ZANINI AUTO GRUP
EUREST	MERQUINSA	ZARDOYA OTIS
EVERIS	MICRO-BLANC	ZURICH
EXPERIAN	MIQUEL Y COSTAS &	
FICOSA INTERNATIONAL	MIQUEL	

Financial Information



The deepening of the European financial crisis during 2011-2012 and its effects on the economy continued to create uncertainty. By keeping to our established goals and specific investment strategy, IESE's economic activity remained generally stable.

Total revenue for last year was 88.1 million euros, growing last year's income by 0.9 million euros. This increase was due to the MBA program, which included a pool of almost 300 new candidates with an excellent academic level. Other degree programs (EMBA, GEMBA, PhD) as well as diverse Executive Education programs maintained stable levels, following the levels of activity established in 2010-2011.

In terms of other sources of income, it is worth noting that the school maintained income linked with research projects, as well as income from Alumni Association fees.

Expenses grew to 87.5 million euros. The increase was due to increases in faculty, learning development and programs.

Annual results, expressed in euros, have been prepared based on IESE's accounting records from all programs and activities. They reflect all of the economic flows of the activities. Legal requirements and accounting principles have been applied to convey a fair image of the school's assets, financial situation and surplus.

As the graduate business school of the University of Navarra (an entirely not-for-profit entity), IESE's accounts are audited together with the rest of the University of Navarra accounts (available at www.unav.edu). The budget criteria are to balance revenue and expenses and, in the event that year-end results are positive, to allocate surplus to investment plans and research and learning projects for the following year.

The accounts have been compiled in accordance with the provisions specified in the Corporate Law Code in Spain and the New General Accounting Standards, whose main organizing characteristic is that of a nonprofit organization. In addition, accounts follow the standards and procedures of the Spanish Association of Accounting and Business Administration and the fiscal regulations that the university is subject to. The application of Spanish accounting standards obtains a set of financial statements that are not materially different from those that would have been obtained applying US GAAP or International Financial Reporting Standards (IFRS).

Due to its nonprofit status, IESE is exempt from corporate taxes, in accordance with existing legislation. The school finances its activities through revenues from programs and research projects. Aside from its own teaching and research revenue and alumni contributions, IESE receives funding from strategic partners, individuals and business sponsors.

The IESE Alumni Association allocates part of its revenue to initiatives such as the MBA scholarships, the development of young faculty and research projects. Our corporate partners support IESE through gifts allocated to similar activities. Lastly, "Other income" reflects financial revenues which include the interest earned on the funds which go to scholarships, research and academic chairs. Programs and research expenses include all direct expenses related to these activities, except for faculty and support staff, which are compiled jointly under the personnel category.

Estudios y Ediciones IESE is a limited liability company with ties to IESE. Its publishing activity includes book publishing and distribution, marketing of cases to businesses, journals and business magazines.



IESE's activities in the USA are carried out by IESE USA Inc., which has its own accounting records, not included in this report. This is also the case of activities led by IESE GmbH, the German entity which leads all the school's activities in this geographic area.



IESE INCOME STATEMENT

In €

	2008-2009	2009-2010	2010-2011	2011-2012
REVENUE	75,384,874	76,232,955	87,251,462	88,120,669
Programs	67,024,205	68,041,553	78,102,921	79,355,441
Research projects	1,871,716	2,096,921	1,943,636	2,341,622
Alumni and sponsoring companies	4,759,618	5,031,783	5,026,110	4,644,386
Other income	1,729,335	1,062,698	2,178,795	1,779,221
EXPENSES	74,359,735	75,089,521	85,932,713	87,550,254
Personnel	33,710,446	33,859,449	38,045,061	40,155,630
Direct expenses, programs and research	17,116,236	16,097,804	17,393,646	19,146,631
General services*	7,031,903	7,294,346	8,145,139	8,461,956
Facility services**	8,372,935	7,923,564	8,199,380	8,214,955
Other expenses	1,455,715	2,291,805	4,593,598	3,112,506
Extraordinary items	792,941	505,326	952,915	864,126
Depreciation	3,719,732	4,117,228	4,352,975	4,511,121
Development projects	2,159,827	3,000,000	4,250,000	3,083,329
DIFFERENCE	1,025,139	1,143,433	1,318,749	570,415

* Includes the expenses of library administration, publishing, marketing, communications, information technology and services.

** Includes all expenses associated with use of the buildings.

| Main Areas of Activity

| Programs

Degree Programs

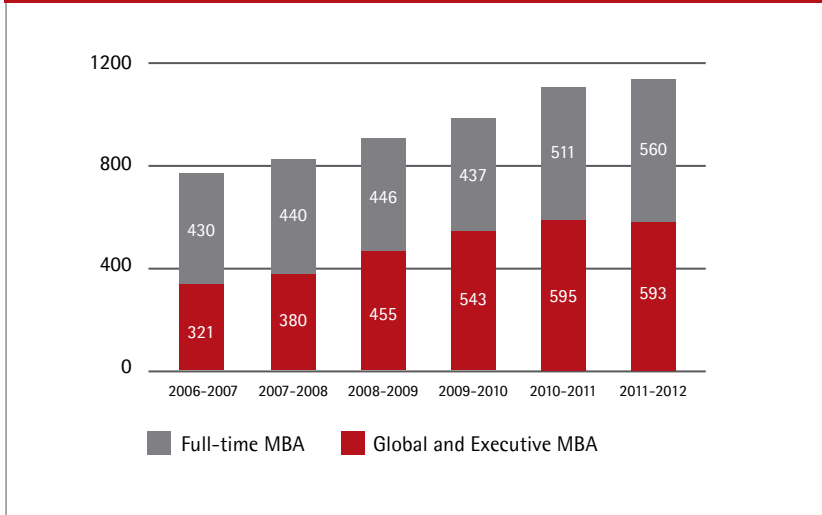
Compared to the previous academic year, IESE's MBA programs grew by 4% in terms of students in 2011-2012. This expansion target, set in 2009-2010, was possible thanks to an effective promotional effort and admission process.

The total income from the MBA programs during academic year 2011-2012 was 38.6 million euros, of which half came from the full-time MBA program. During 2011-2012, 43 students from 20 countries enrolled in the Master of Research in Management and the Ph.D. in Management. IESE also offers an intensive program for economics and business management professors, the International Faculty Program, which enrolled 34 professors from 17 countries during academic year 2011-2012.

Executive Education

Income from the executive education programs was 41.2 million euros, corresponding to long executive programs (AMP, PMD, SEP, PADE, PDG and PDD); custom programs (custom-designed for business); and short programs: short focused programs, seminars, industry meetings and others.

EVOLUTION OF STUDENTS IN THE MBA PROGRAMS



| Research

RESOURCES FOR RESEARCH

During academic year 2011–2012, 13.2 million euros were allocated to direct research and personnel expenses: researchers and administrative support, as well as the allocation of faculty salaries corresponding to research activity. This funding came mostly from IESE competitive research grants, agreements with companies and institutions, and other sources. Estudios y Ediciones IESE, S.L. also contributed funds from its publishing revenues, including those from the sale of books and cases.

Additionally, the Alumni Association contributed more than 835,000 euros to fund research projects and faculty development in academic year 2011–2012.



Chairs and Research Centers

Research is coordinated not only through academic departments, but also by academic chairs and research centers (see the chapter on faculty and research). This structure promotes knowledge exchange among several areas and encourages interdisciplinary projects. Currently, IESE has 18 academic chairs and 14 research centers (see page 40).

This academic year, their research effort has resulted in the publication of more than 400 documents, including books, articles, cases, conference papers and other publications, both scientific and academic. This knowledge is available to IESE's alumni, companies and, to a large extent, the business and academic community at large.

Chairs usually are endowed by the individual or company after whom the position is named for. Every year, the IESE professor who holds the chair invests the yield of that endowment in her or his research projects, after subtracting a capital charge to preserve the value of the endowment funds.

Research centers are led by IESE professors who, in some cases, have their own staff to conduct research and develop academic activities. Although they are not set up as separate entities, each center finances itself, usually through competitive public research funding and through agreements with companies and institutions.

Dissemination of Intellectual Output

The school's intellectual production is published and distributed through IESE Publishing, which distributes teaching materials, and *IESE Insight*, which publishes content on business management.

Both brands, IESE Publishing and *IESE Insight*, belong to Estudios y Ediciones IESE, a Limited Liability Company, with a turnover of around 1,3M, which has legal ties with IESE and conducts the school's publishing activity, part of its promotional effort and other marketing activities.

IESE Publishing distributes business-related cases and teaching materials in Spanish. It offers cases from IESE, Harvard Business School, INSEAD (France), Stanford, Darden and from a group of schools in Latin America. It also makes other educational materials available, including books, technical notes, DVDs and articles. Currently, the IESE Publishing catalog lists more than 26,000 products related to business management.

In 2011-2012, the sales of business cases reached 245,100 copies, a 3% jump over last school year. And the number of subscribers almost tripled since 2006-2007, from 11,200 to more than 31,000.

The *IESE Insight* brand doubles as the school's business knowledge portal and its management magazine, with the goal of becoming a go-to source of information for international academic institutions. The portal received over 13,000 visits monthly in 2012.

The school also publishes the quarterly *IESE Alumni Magazine*, in Spanish and English, financed through advertising. It has a circulation of 38,000 and reaches alumni in over 122 countries.



IESE Alumni Association

INTRODUCTION

The IESE Alumni Association was founded in 1959 to support entrepreneurs and managers who had finished an IESE program through continuing education opportunities in management and entrepreneurship.

During the 2011-2012 academic year, 2,545 people enrolled in IESE's long programs, which confer alumni status upon completion and give access to the Alumni Association. After completing a program, 81% of participants joined the association. During this academic year, the rate of affiliation among IESE's 40,044 alumni was 41%, one of the highest among international business schools.

The association now has members from 122 countries, served through 31 regional chapters.

RESULTS

Despite the difficult economic context, our alumni continued to support the school and its Alumni Association, to the point that income from Alumni contributions (i.e. member fees) fees increased by 0.4% over the previous year to 4.184 million euros.

IESE ALUMNI ASSOCIATION			
In €	2009-2010	2010-2011	2011-2012
INCOME	4,116,427	4,264,541	4,253,344
Alumni contributions	3,983,611	4,168,949	4,184,160
Sponsorships	132,816	95,592	69,184
EXPENSES	3,237,033	3,313,804	3,417,480
Association services	1,844,478	1,881,530	1,944,569
Personal expenses	914,522	932,000	970,812
General expenses	478,033	500,274	502,099
FUNDS FOR SPECIAL PROJECTS	879,394	950,737	835,864

SERVICES

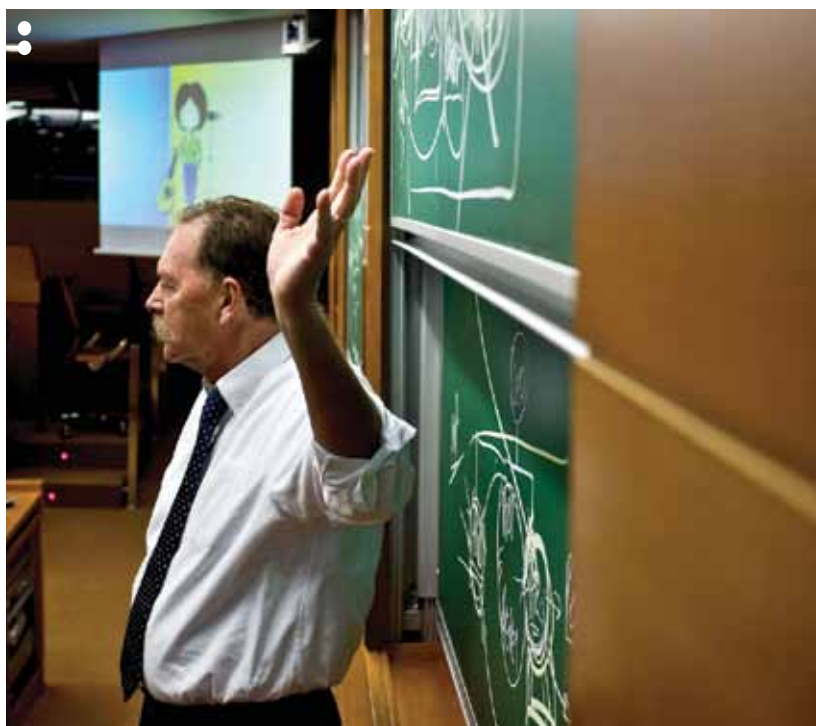
In 2011–2012, expenses related with services the Association offers its members remained stable as compared with the previous year, at approximately 1.9 million euros. In total, 35,758 participants took part in activities, the cornerstone of which is the Continuous Education Program. In an increasingly global scenario, the program expanded its presence in several countries thanks to the enthusiasm and continued support from Regional Alumni Chapters.

Also this year, 285 sessions were held, 234 of which were part of the Continuous Education Program, which represented 56% of service expenses. A relevant activity was the Global Alumni Reunion in Madrid, which had 2,800 attendees. In addition to this reunion, 44 class reunions open to all IESE alumni were held for the 297 graduated classes, with 2,768 participants in attendance.

SPECIAL PROJECTS

The Alumni Association through its Executive Committee decide to allocate resources to key areas within IESE, such as development of new professors and research programs. Through their support in these areas, IESE graduates contribute toward positioning IESE among the best business schools in the world.

Every year, the association's executive committee sets priorities in its help to IESE. In 2011–2012, it gave out 150,000 euros in scholarships for MBA students with an outstanding academic record. That same academic year, it awarded three Research Excellence grants, each worth 10,000 euros, to IESE professors. Also, 216,435 euros were allocated to the school's research activities and 439,429 euros to help faculty development.



Faculty Development & Fellowships



IESE makes an ongoing effort to attract donations to fund ongoing strategic projects such as developing young professors, student grants, large-scale research projects, internationalization of the school and building up the faculty. This effort helps to ensure sustainable growth and competitiveness at the international level.

Fellowship Program

One of the priorities of corporate development is to fund student grants and scholarships. Each program sets specific criteria for awarding financial support to students; the general goals are to attract some of the best candidates and promote diversity among participants. With the help of several institutions, IESE allocated a total of 3.1 million euros to fellowships during the 2011–2012 academic year. Detailed grant information is available on each of the programs' websites. The grant program generally aims to promote enrollment of students from growth economies, especially women, and to increase the enrollment of students from Africa. A portion of grant money is therefore set aside to support professors from emerging countries in their doctoral studies.

Some contributions are donated exclusively to fund grants, while other contributions from sponsors are unrestricted and the school allocates them to student grants. The Alumni Association is among the grant donors, and contributed 150,000 euros toward helping support MBA students.

IESE also manages other organizations' grant programs, such as Madrid's regional government Lidera program, which awards several grants for women entrepreneurs attending business management programs. Two additional important grant contributors are the Fundación Rafael del Pino and the Lilly Foundation.

Other Supporting Organizations

To help fulfill its mission, IESE benefits from the contributions of several foundations. These are independent entities with their own governing bodies and no legal ties to IESE. They are therefore free to make decisions independently, in accordance with their own statutes. However, they give IESE support. More information about these foundations can be found in their own annual reports.

IESE INTERNATIONAL FOUNDATION

This foundation supports the development of IESE's teaching and research projects. Specifically, the foundation focuses on raising funds internationally to finance activities related to teaching and research by appointing foundation presidents, disbursing grants and organizing seminars and conferences, as well as through publications. The foundation is included in the Register of Foundations published by the Ministry of Education of Spain.

One of the main projects of the IESE International Foundation in 2011-2012 was to raise scholarship funds for highly qualified foreign students who recently started a Master of Research in Management or Ph.D. program at IESE. During the past academic year, the foundation awarded scholarships to eleven students from different countries. The program's objective is to train future professors and researchers.

THE U.S. IESE FOUNDATION

The IESE Foundation is a U.S. 501(c)3 nonprofit organization. Its mission is to support management-related research and education programs in the fields of economics, sociology, psychology and other areas of interest. It pursues these objectives by supporting other nonprofit organizations in the U.S. and other countries with programs and activities that are aligned with its mission. It raises funds through contributions from individuals, corporations and other foundations.

The activities carried out by the IESE Foundation include the support of the Continuous Education Program sessions for IESE alumni. The foundation is continuing its fundraising campaign in the U.S. and around the world to help IESE establish a research center in New York and fund other activities.

FUNDACIÓ IESE

Fundación IESE promotes and develops comprehensive academic, cultural and professional education. Among other initiatives, it provides funding for tuition, board and grants for university students and researchers. The Foundation is listed in the Register of Foundations published by the Generalitat de Catalunya, the regional autonomous government of Catalonia.

From 2007 to 2012, it developed fundraising campaigns for the Kianda Foundation Kimlea School, which promotes education and well-being among women in Kenya. It has funded 50 scholarships through contributions. It also allocated funds to the ISBI–Informal Sector Business Institute in the East Lands Nairobi slum, one of the largest in Africa. This organization helps train microentrepreneurs with the support of Strathmore University.

It is the objective of Fundación IESE to continue its international collaborative work with IESE Business School to expand education opportunities for managers in several countries. In this respect, it is supporting the new IESE centers in New York and Munich through fundraising campaigns, and has actively participated in the expansion of IESE's Madrid campus.

INTERNATIONAL FOUNDATION FOR EDUCATIONAL DEVELOPMENT

The goal of this nonprofit foundation based in Spain is to support cultural and education initiatives. To this end, it awards university scholarships, provides funding for cultural and educational centers, promotes scientific research, supports university and educational initiatives as well as school libraries, and carries out social and economic development and volunteer work.

The foundation has partnered with IESE for ten years, during which time it has helped build some of the facilities used by the school, such as the ones added in the expansion of the Barcelona campus, inaugurated in January 2007. The foundation led a broad fundraising campaign that benefited from both businesses and individuals, especially alumni. The foundation is listed in the Register of Foundations published by the Generalitat de Catalunya, the regional autonomous government of Catalonia.



| Exhibits

Exhibit I. IESE Faculty Articles in International Refereed Journals 2011 and 2012

- Almandoz, J., "Arriving at the Starting Line: The Impact of Community and Financial Logics on New Banking Ventures," *Academy of Management Journal*, Vol. 55, No. 6, 2012, online version.
- Amit, R. and Zott, C., "Creating Value Through Business Model Innovation," *Sloan Management Review*, Vol. 53, No. 3, 2012, pp. 41-49.
- Anderson, C., Brion, S., Moore, D., and Kennedy, K., "A Status-Enhancement Account of Overconfidence," *Journal of Personality & Social Psychology*, Vol. 103, No. 4, 2012, pp. 718-735.
- Argandoña, A., "Beyond Contracts: Love in Firms," *Journal of Business Ethics*, Vol. 99, No. 1, 2011, pp. 77-85.
- Argandoña, A., "La ética y la toma de decisiones en la empresa", *Universia Business Review*, Vol. 30, 2011, pp. 22-31.
- Argandoña, A., Bilbeny, N., Camps, V., Calsina, M., Castiñeira, A., Palazzi, C., Requejo, F., Ribera, R., Román, B., Sáez, F., Segurá, M., Torralba, F., and Vallès, J.M., "Code of Ethics for Politicians," *Ramón Llull Journal of Applied Ethics*, No. 3, 2012, pp. 9-16.
- Ariño, A., "Building the Global Enterprise: Strategic Assembly," *Global Strategy Journal*, Vol. 1, No. 1-2, 2011, pp. 47-49.
- Armengou, J., Aguado, A., and Ormazabal, G., "Sistema integrado para toma de decisiones en el diseño de estructuras de hormigón", *Informes de la construcción*, Vol. 64, No. 527, 2012, pp. 391-400.
- Armstrong, C.S., Dávila, A., Foster, G., and Hand, J.R.M., "Market-to-Revenue Multiples in Public and Private Capital Markets," *Australian Journal of Management (University of New South Wales)*, Vol. 36, No. 1, 2011, pp. 15-57.
- Arranz, L., Canela, M.A., and Rafecas, M., "Relationship Between Body Mass Index, Fat Mass and Lean Mass with SF-36 Quality of Life Scores in a Group of Fibromyalgia Patients," *Rheumatology International*, 2011, online version.
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- Arranz, L.I., Canela, M.A., and Rafecas, M., "Fibromyalgia and Diet-Related Diseases: Does Health Professional Advice Make Sense?," *Journal of Pharmacy and Nutrition Sciences*, Vol. 1, No. 2, 2011, pp.119-124.
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Exhibit II. Madrid Alumni Chapter Board

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Peru Hugo Alegre, MBA-91

Asia

China Myra Yu, MBA-99
India Vinay Kothari, MBA-92
Japan Kenji Tomino, MBA-08

* Chapter representatives

Exhibit IV. Independent Audit Report



KPMG Auditores S.L.
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Arcadio M. Larraona, 1
31008 Pamplona

Independent Auditors' Report

To the Executive Committee of
IESE Business School

We have audited the accompanying income statement of IESE Business School (the "Entity"), which forms part of the University of Navarra, as described in note 1 to the income statement, for the year ended 31 August 2012, in addition to a summary of the significant accounting policies and other explanatory information (referred to collectively as the "financial statement").

Administrator's responsibility for the Financial Statement

The Administrator of the Entity is responsible for the preparation of the financial statement in accordance with the financial information reporting framework applicable to the Entity, specified in note 2 to the accompanying income statement, which apply to the preparation of a financial statement of this type, and with the internal controls deemed necessary by the Administrator of the Entity to enable the preparation of a financial statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying financial statement based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of any accounting estimates made by the Administrator of the Entity, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statement presents fairly, in all material respects, the results of IESE Business School's operations for the year ended 31 August 2012, in accordance with the financial information reporting framework applicable to the preparation of a financial statement of this kind.

KPMG Auditores, S.L.

Gregorio Moreno Fauste

21 December 2012







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