

CEO REPORT

FEBRUARY 2016



TOASTMASTERS
INTERNATIONAL



| MISSION • VISION • VALUES |

Toastmasters International Mission

We empower individuals to become more effective communicators and leaders.

District Mission

We build new clubs and support all clubs in achieving excellence.

Club Mission

We provide a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth.

Toastmasters International Envisioned Future

To be the first-choice provider of dynamic, high-value, experiential communication and leadership skills development.

Toastmasters Brand Promise

Empowering individuals through personal and professional development.

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GLOBAL SUPPORT

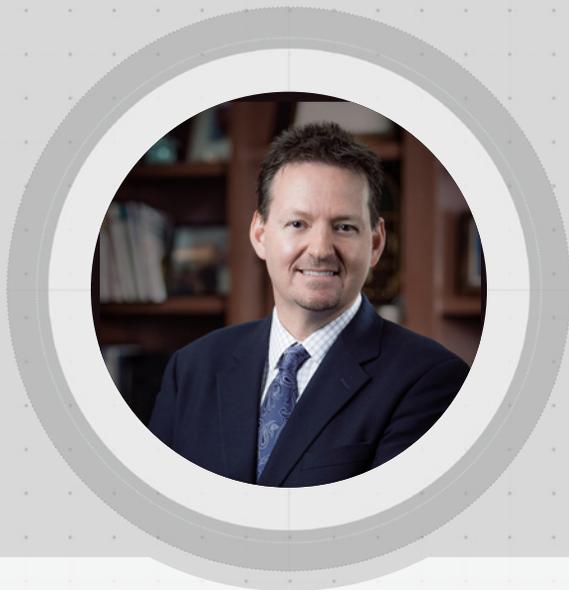
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“ I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do. ”

—
LEONARDO DA VINCI

| TOASTMASTERS DISTRICT MISSION |

**WE BUILD NEW CLUBS
AND SUPPORT ALL CLUBS IN
ACHIEVING EXCELLENCE.**



| FROM THE CEO |

In January 2016, it was my privilege to meet and speak with many district leaders at Mid-year Training. Whether from Florida or California, Alberta or New Delhi, our district leaders are charged with the execution of the district mission. I was pleased to learn that the changes the Board of Directors made to the mission in 2013 have been internalized. The leaders, nearly without fail, were able to verbalize the tenets of the mission:

- **Building new clubs**
- **Supporting all clubs in achieving excellence**

However, many district leaders informally reported that they spend less than half their time focusing on the mission. Other topics, such as conflict resolution, conferences, contests and meetings, occupy much of their time. Most admitted that their conferences do not focus on the accomplishment of the district mission. And while district-sponsored events, such as Toastmasters Leadership Institute, support the achievement of the mission, many others do not.

Refreshingly, those leaders were willing to commit to focusing more of their time on this mission that has been assigned to them and for which they have primary responsibility. Several expressed relief at the freedom the mission gave them to set other things aside.

I encourage each of you to help your district leaders by actively participating in building new clubs and supporting all clubs in achieving excellence. Implicit in this action is a commitment to not distract the leaders from this focus, and that we help them by not only talking about accomplishing the mission, but, more importantly, by helping them do it.

A handwritten signature in black ink, appearing to read 'Daniel Rex'.

Daniel Rex



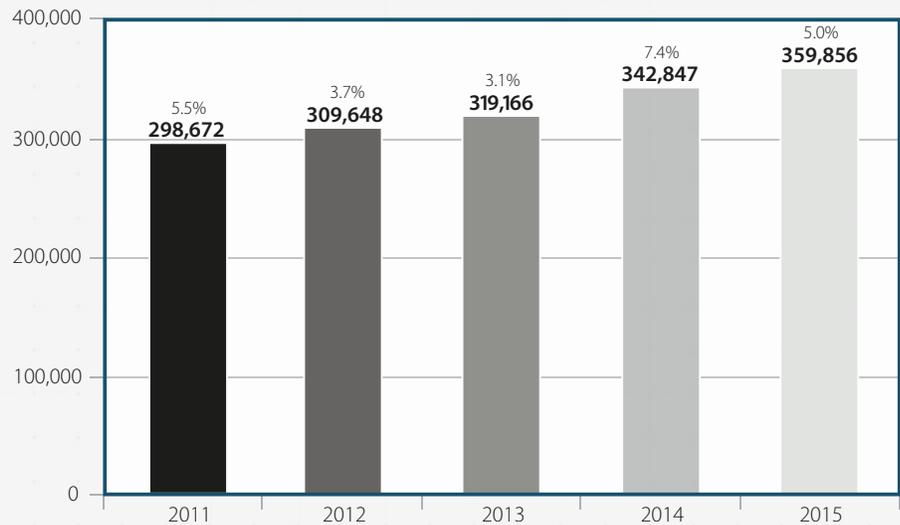
We build new clubs and support all clubs in achieving excellence



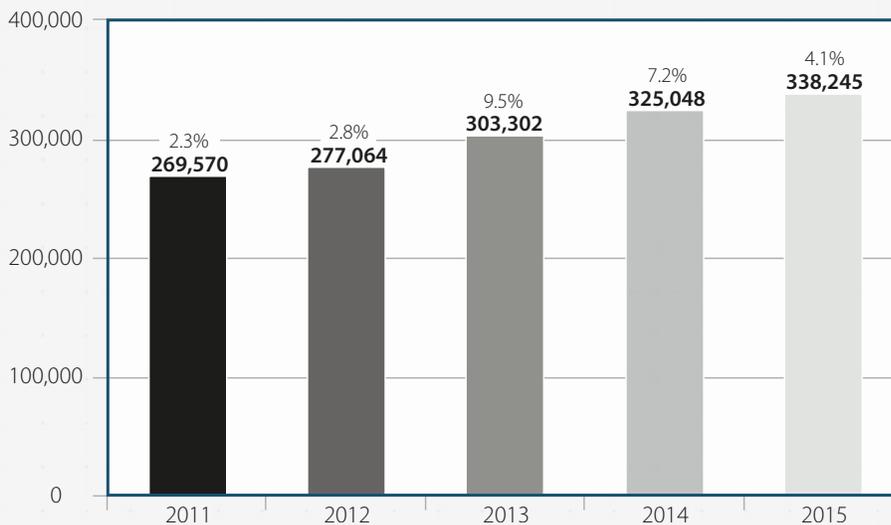
Membership Growth

The organization's membership growth remains steady. During the last renewal period (April through September 2015), membership grew by 5.0% to 359,856. This chart measures membership as of September 30 and includes all membership types.

TOTAL MEMBERSHIP



MEMBERSHIP PAYMENTS



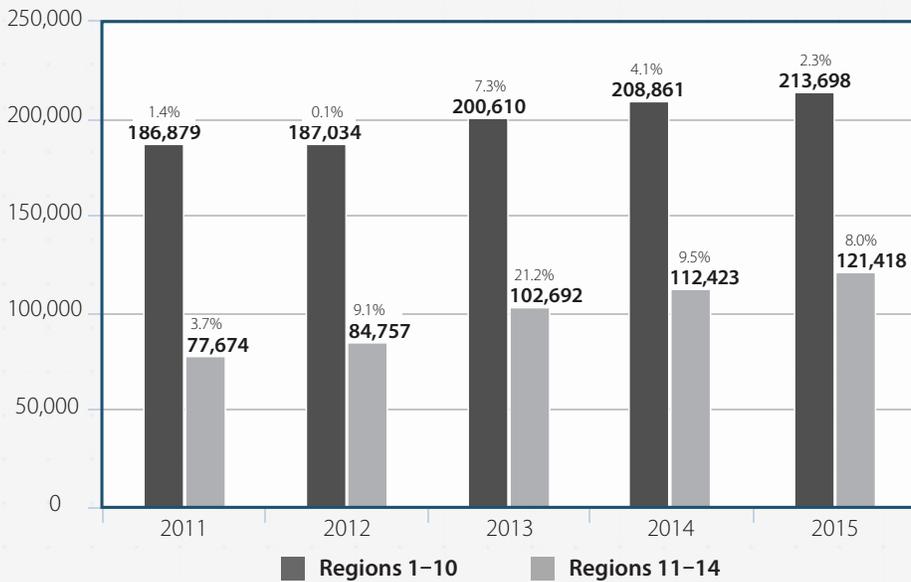
Membership Payments

Growth in membership payments remained strong for the first six months of the 2015–2016 program year (July through December). As of December 31, payments totaled 338,245, a 4.1% increase over the same period in the 2014–2015 program year. Membership payments include new, charter and renewing members.

We build new clubs and support all clubs in achieving excellence.



TOTAL PAYMENTS: Regions 1 to 10 vs. 11 to 14



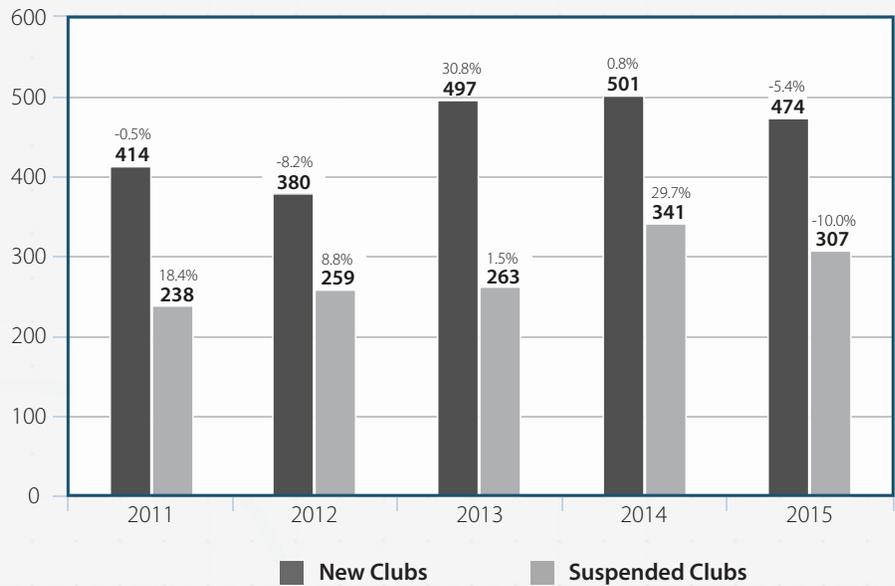
Payments by Region

Regions 1 to 10 are comprised of districts in the Americas, and regions 11 to 14 are the rest of the world. For the first half of the 2015–2016 program year (July through December), regions 1 to 10 increased membership payments by 2.3% and regions 11 to 14 increased them by 8.0%. These payments do not include undistricted clubs.

Club Growth

For the first half of the 2015–2016 program year (July through December), the number of chartered clubs decreased by 5.4% over the same period in 2014–2015. In addition, the number of suspended clubs decreased by 10.0% to 307.

NEW AND SUSPENDED CLUBS





District Reformatations

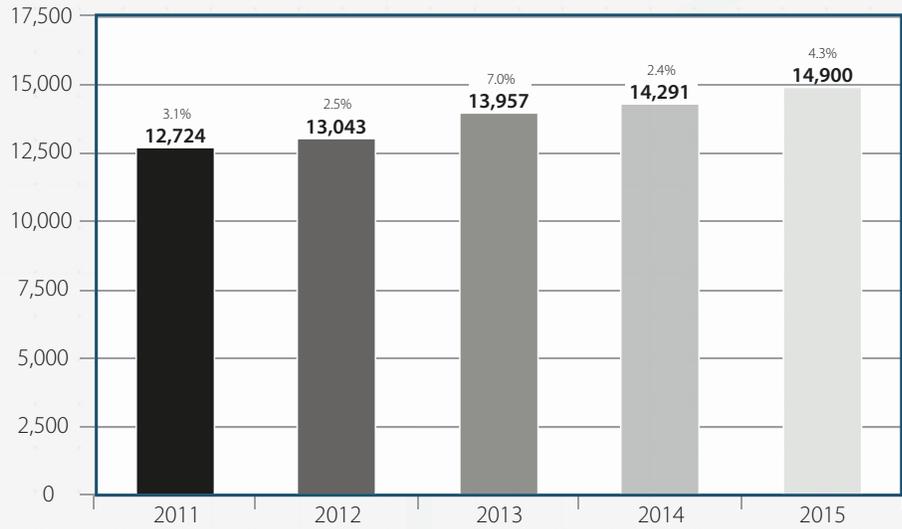
On July 1, 2016, Districts 4, 42, 51 and 85 will reform into Districts 101, 99, 102 and 88, respectively.

DISTRICT	NEW DISTRICT	REGION	EFFECTIVE DATE OF REFORMATION
4	101	Northern (Bay Area) California	July 1, 2016
42	99	Alberta and Saskatchewan, Canada	July 1, 2016
51	102	Malaysia (peninsula)	July 1, 2016
85	88	China	July 1, 2016

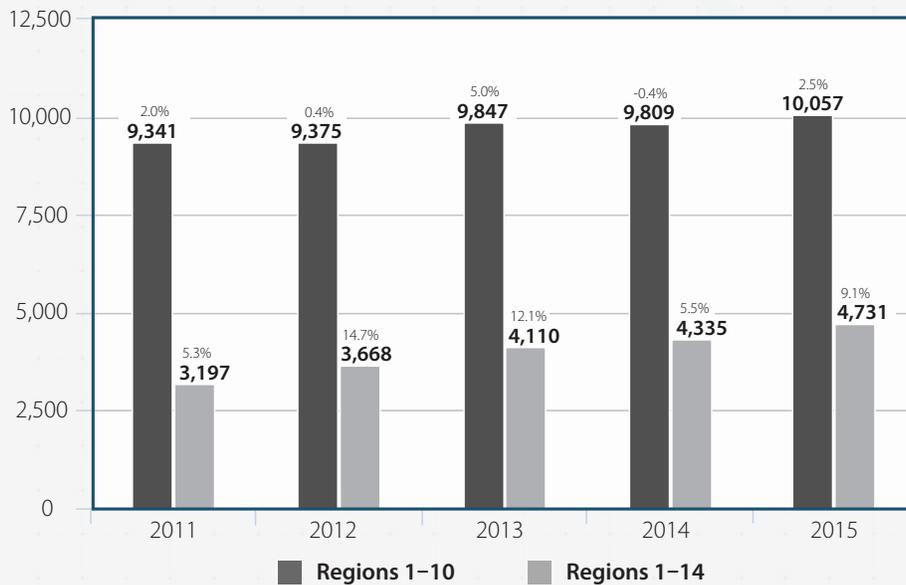
Paid Clubs

For the first half of the 2015–2016 program year (July through December), total paid clubs increased by 4.3% to 14,900. In regions 1 to 10, paid clubs increased by 2.5% to 10,057. In regions 11 to 14, paid clubs increased by 9.1% to 4,731. Paid clubs by region does not include undistricted clubs.

PAID CLUBS



PAID CLUBS: Regions 1 to 10 vs. 11 to 14





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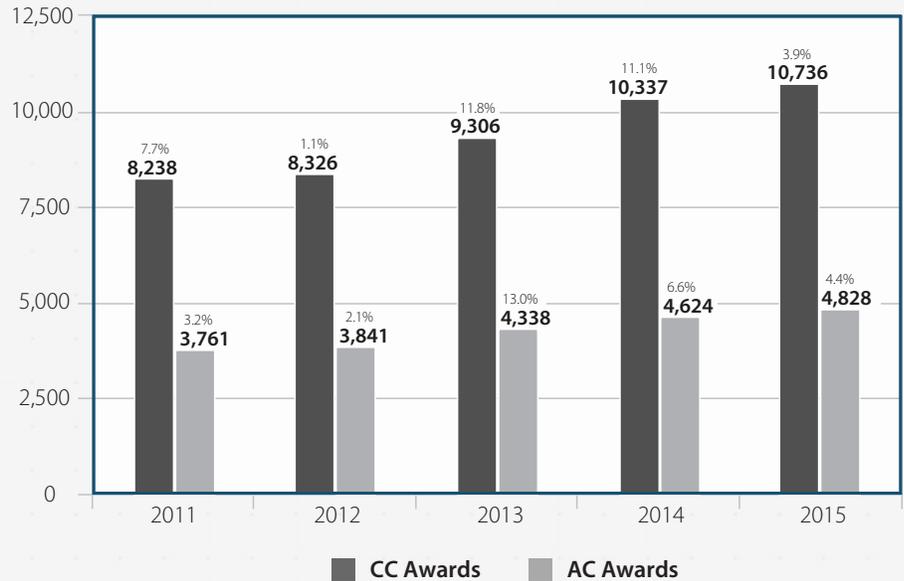


Education Awards

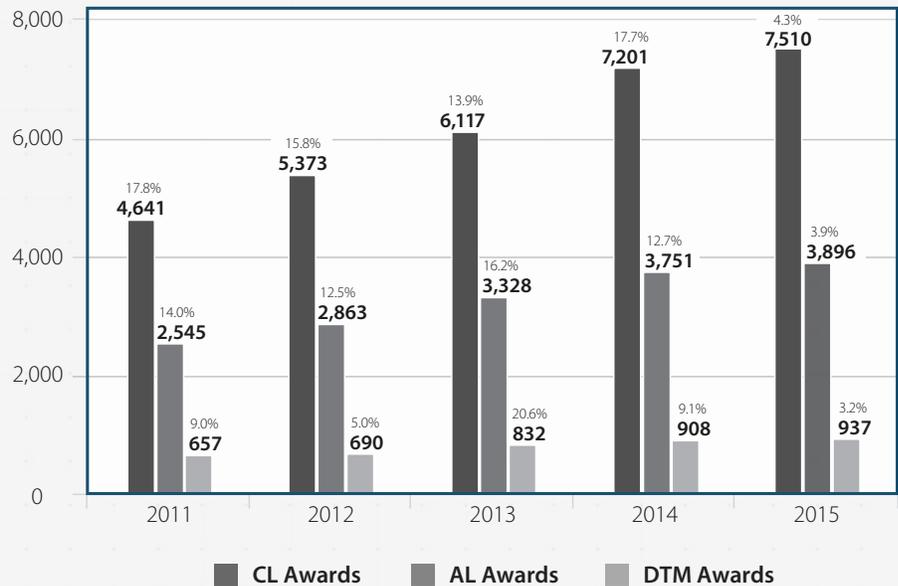
The number of education awards completed by members continues to grow. From July 1 through December 31, 2015, Competent Communicator awards increased by 3.9%, to 10,736, over the same period in 2014–2015, and Advanced Communicator awards increased by 4.4% to 4,828. The total number of communication awards increased by 4.0% to 15,564.

Competent Leader awards increased by 4.3% to 7,510. Advanced Leader awards increased by 3.9% to 3,896 and Distinguished Toastmaster awards increased by 3.2% to 937. Total leadership awards increased by 4.1% to 12,343.

COMMUNICATION AWARDS



LEADERSHIP AWARDS

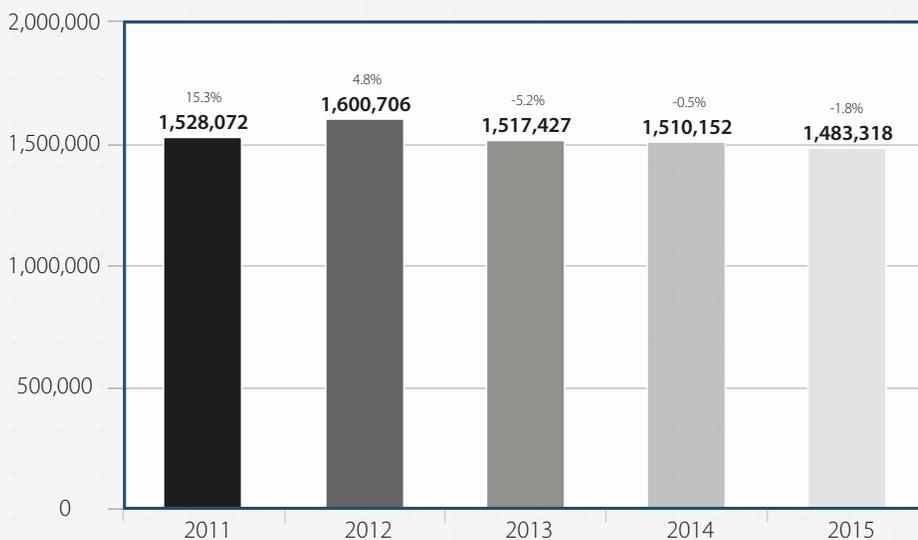


BY THE NUMBERS



EDUCATION AND PRODUCT SALES

Education and Product Sales

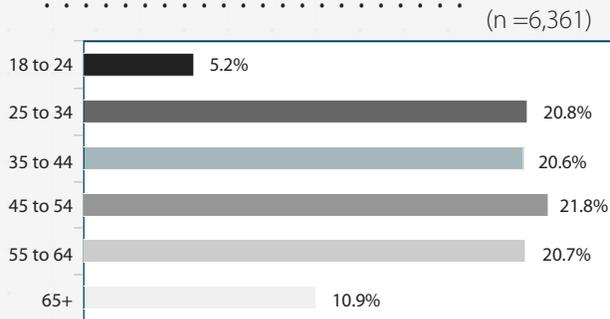


For the first half of the 2015–2016 program year, education and product sales decreased over the same period in the 2014–2015 program year by 1.8% to \$1,483,318. These sales include education, marketing and promotional products sold through the online store, the store at World Headquarters and the International Convention store.

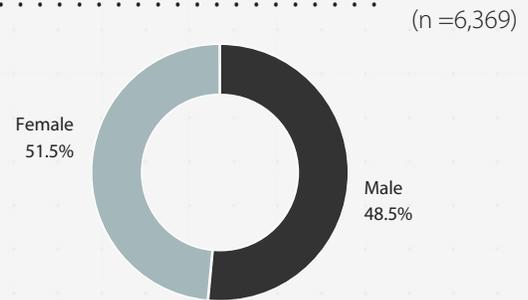
TOASTMASTERS DEMOGRAPHICS

November 2015 Member Survey Results

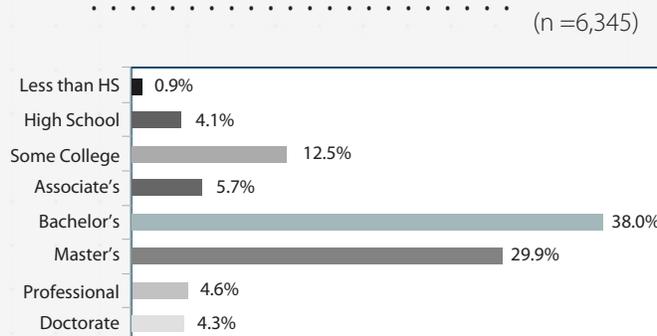
AGE



GENDER



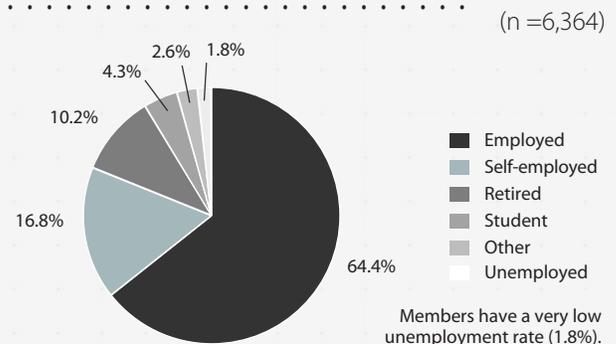
EDUCATION



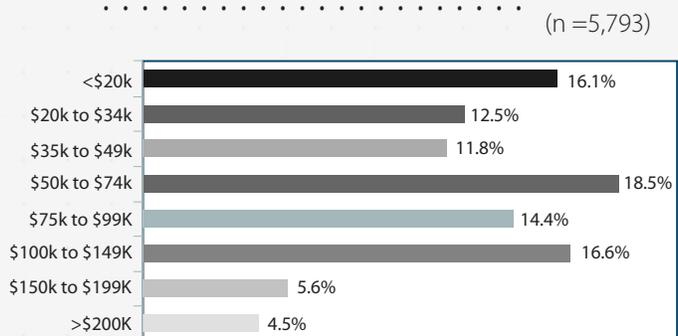
Highly Educated

Toastmasters members are a highly educated population. Over 75% have at least a Bachelor's degree or higher and nearly all members (95.0%) have attended college.

EMPLOYMENT



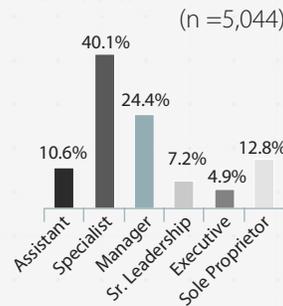
INCOME



High Earners

Approximately 26.7% of members earn \$100,000 or more and 41.1% earn more than \$75,000 per year.

Position



Industry



LANGUAGES



2.8 Average Household Size

21.6% Survey Response Rate

101 Countries Participated

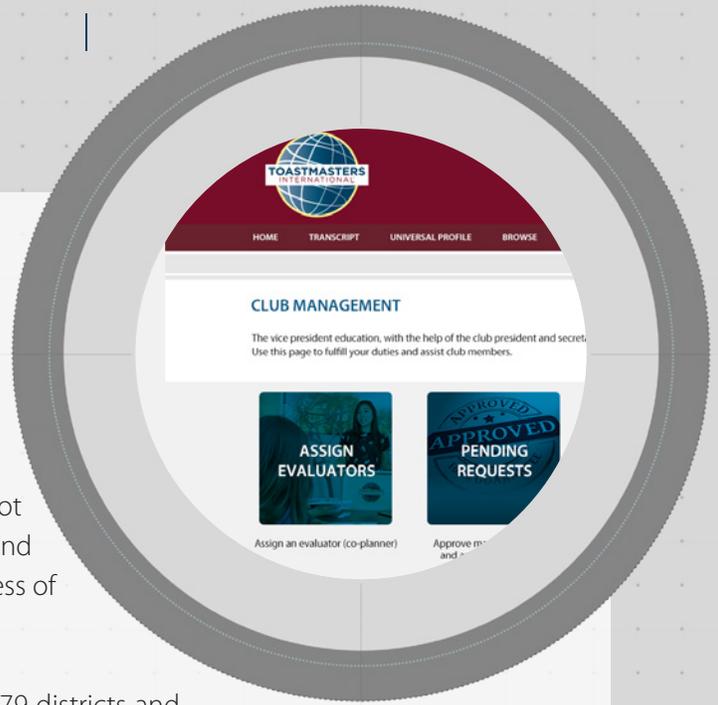
Sampling

A simple random sampling method was implemented to select a representative sample of Toastmasters members for the online survey. A total of n=6,150 members completed the survey, giving the results a +/-1.2% margin of error with a 95% confidence interval.

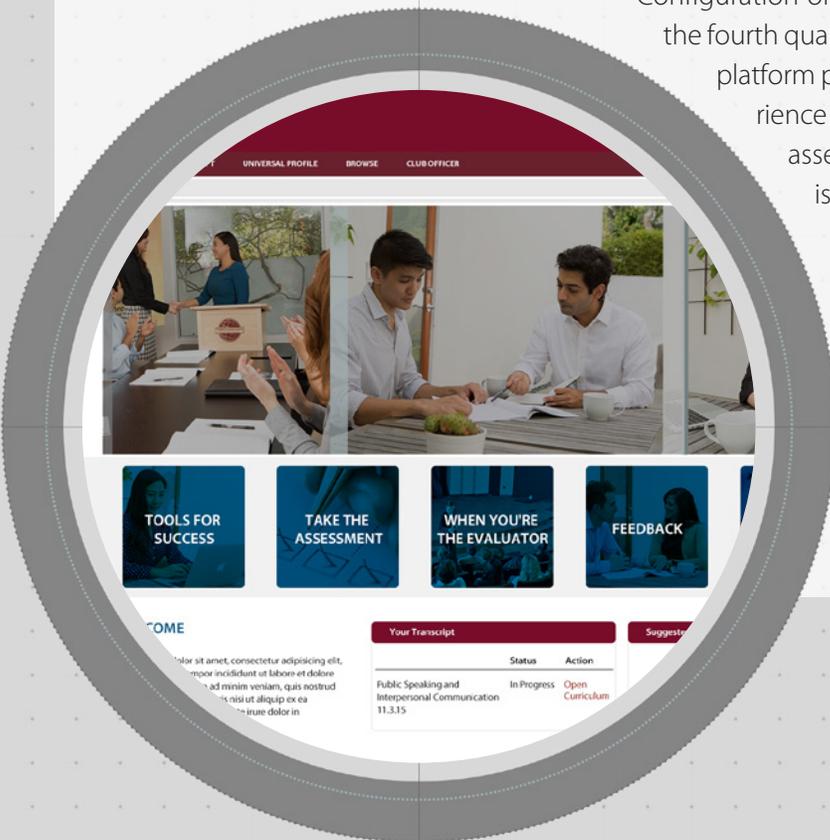
Revitalized Education Program

Much progress has been made in the development of the revitalized education program (REP). A pilot was conducted to test the educational content in the REP from July through December 2015. The purpose of the pilot was to gather feedback from members about the usability and value of the program’s learning projects as well as the success of the projects in the club environment.

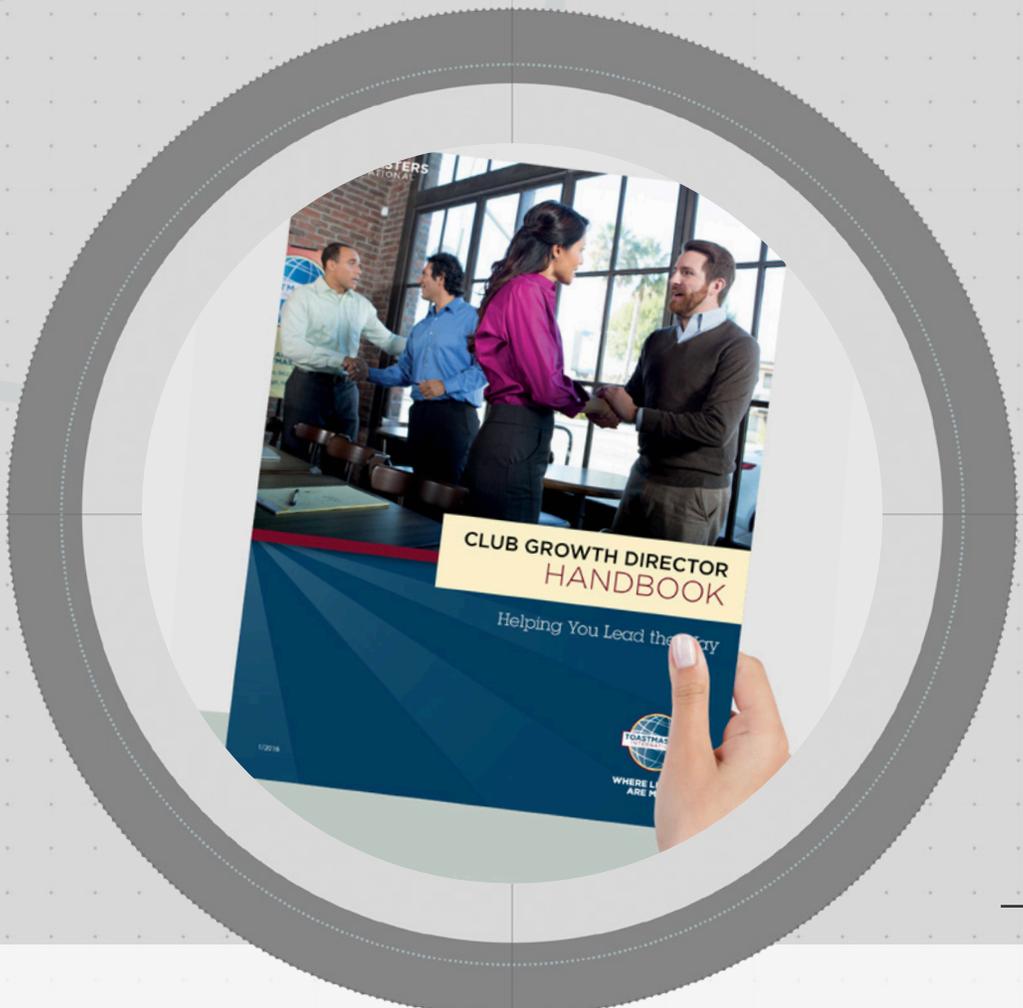
More than 800 members participated across 23 countries, 79 districts and 168 clubs. Learning Masters, Chief Ambassadors and individuals provided feedback through project surveys, and each REP project was reviewed by at least six members. The development team analyzed all comments to determine the changes needed to strengthen the program. Member feedback indicated that project evaluations should more closely align with the content to strengthen the evaluation experience and that certain project assignments require clarification. Content updates will be finished in early 2016.



Configuration of the learning management system began in the fourth quarter of 2015. The team worked closely with the platform provider to design and optimize the user experience for members. In March 2016, testing begins to assess the functionality of the system. Once this is complete and the content is integrated with the platform, the focus will shift to implementation, including alpha and beta testing of the educational materials in the learning management system.



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Club Growth

In July 2015, the Club Growth Toolkit was released to help new Club Growth Directors (CGDs) adapt quickly to their role and to provide valuable tools to automate workflow. The program features three elements:

- **The Club Growth Director Handbook**, which defines the role and responsibilities, and offers practical steps to engage in club-building activities
- **The Lead Management System**, which helps a club-building team process, track and manage all new club inquiries
- **A Seminar** that provides strategies on how to find and engage champions for new clubs, including corporate clubs

Taken together, these three tools facilitate a more productive business-development team that rallies around building healthy clubs.

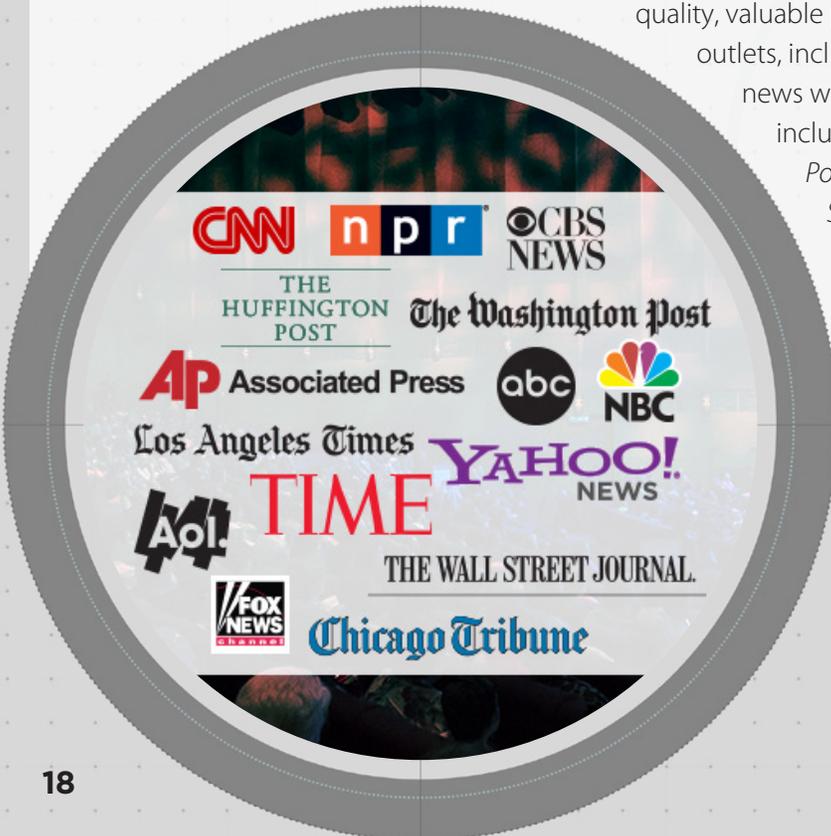
Magazine Printing

World Headquarters embarked on a three-month pilot program to print the *Toastmaster* magazine locally for distribution to approximately 12,000 members in Malaysia, Singapore and Brunei. Initial feedback has been positive with respect to print quality, and cost savings have been realized. On average, members in these countries report that they are receiving the magazine prior to the issue month and up to two weeks earlier than when it is printed and distributed from the United States. Toastmasters is optimistic about extending this pilot program for a longer term and will consider other local printing relationships around the world where there is a clear opportunity to improve delivery time and reduce costs.



Publicity

In the last six months, the organization has received high-quality, valuable publicity in major international media outlets, including television, magazines, newspapers, news websites and radio. Prominent examples include *Business Insider*, *CNBC*, *The Huffington Post*, *Time*, *U.S. News & World Report*, *The Wall Street Journal*, *Yahoo! Finance*, *CBC News* in Canada, *Daily Mirror* in Sri Lanka and *Saudi Gazette* in Saudi Arabia.



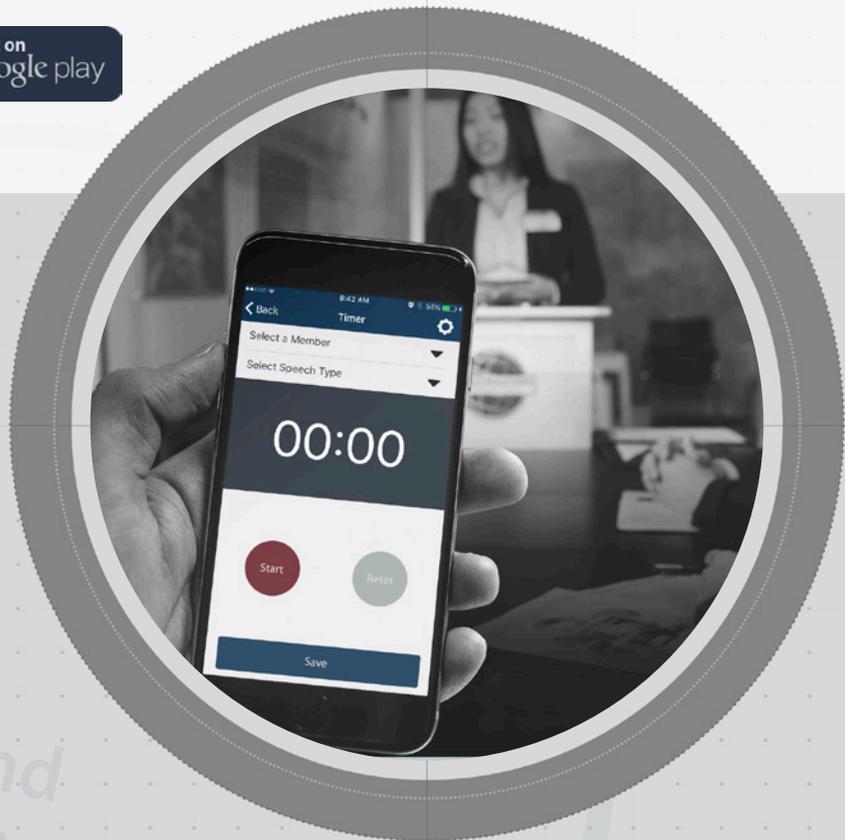
Mobile App



Toastmasters recently released a new mobile app that is available to download for Android (Google) and iOS (Apple) users. Members can use the app to monitor their progress and their club activities. Current features include:

- Configurable Ah-Counter to fit club preference
- Word of the Day and grammar tracker
- Speech timer with indicators (green, yellow, red)
- Section for member progress and history
- Club activity approval process by club officers

As part of an ongoing effort to expand and improve the digital offerings for members, future features and tools will include video recording, audio recording, GPS and other devices to enhance the club and member experience.



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