

Communications Bulletin

London based communications: not a capital idea

According to the 18th century Scottish writer William Shenstone "Nothing is certain in London but expense." Do you really need to have advisers *in London*? When was the last time you saw your Financial Communications team face to face? Did you go to them, or did they come to you and how much did that cost? Is your company really important to them, or are you just another client? Have they assigned a senior member of staff to your account?

The days when you *had* to have a London Financial Communications team are over. Bristol based Performance Communications combines the expertise of a multi-award winning PR agency with specialists in Investor Relations communication and multi-media applications. They have access to exactly the same real-time financial information as any London based organisation. Plus, they are on the doorstep, ready to react, respond and to

relate to your business in a way that no City based firm can match. Visit www.performancecomms.com

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IR update Summer 2007

Performance Communications' Director of Financial Communications and Investor Relations Alan Bulmer looks at the current hot topics and how best to manage them.

Non Executive Directors

There is a more structured role for Non Exec Directors post Higgs but many Annuals and websites have failed to pick up on this and show rather standardised reporting on their relationship with or understanding of investors. The buy side is raising the pressure on direct contact and within the FTSE100 that is happening. A Director of Hermes told a recent IR Society Conference in London that he was "surprised at how open and well informed some Non Execs are, with an ability to talk about issues." It is time for those outside the FTSE100 to follow suit.

Financial reporting

XBRL is coming. It's already up and running in the USA where the SEC is recommending it to companies. Currently only under discussion here, I expect the pace to quicken as it makes life much easier for analysts.

Activist investors

The FSA has issued new guidelines for hedge funds or specialist investment funds who force change on companies.

They are mainly a reiteration of past guidelines, but they will be watching more closely for those who overstep the mark.

Corporate Governance

A senior Governance Analyst at F&C Fund Managers lists Board composition, executive remuneration, shareholder rights, transparent reporting, anti corruption, political influence, environmental issues and quality of emerging market listings. These also apply to smaller companies as F&C have active small cap funds, like many city investment institutions.

Alan's topical tips for an effective IR programme:

- Don't be afraid to organise your own meetings. Investors like to see you without a broker/bank present.
- Failing that, tell your sponsor who you want to see, not just their best (commission generating) clients. There are several good targeting databases available where Performance Communications can assist in selection.
- Find out in advance what are investors real concerns and sectors of interest. Most fund managers and analysts will respond to a Perception

Study if they know that their views are confidential to the Company concerned and not going anywhere near banks or brokers. The Study also provides a start for benchmarking your progress.

- Never underestimate how busy fund managers are. Analysts and fund managers do their homework before meetings so a short presentation plus Q&A should be no more than 45 minutes, preferably less.
- The City thinks that some IR is too close to spin or propaganda. Don't just detail the latest results, tell them where the Company is aiming to be in 5 years time.
- Do not hide information. Transparency is vital.
- Ease of access. Make sure they can get to you without necessarily having to go via a broker

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Is IR relevant to you?

Michael Mitchell of the Investor Relations Society underlines the importance of IR in an increasingly complex financial world.

The last twelve months have seen an unprecedented wave of new regulation and legislation for companies to deal with including IFRS, FSA regulations and of course the new Companies Act. Company management have also had to face up to new types of activist shareholders and private equity funds. So keeping up to date with best practice and ensuring that communications with stakeholders are effective is ever more important.

The Investor Relations Society represents those working in investor relations both in companies and also as advisors for associated services.

The objectives of The Investor Relations Society are to promote excellence in investor relations through:

- Carrying out research, publishing information and providing education and training;
- Increasing awareness of investor relations techniques and best practice;
- Providing a forum for members to exchange views and share knowledge and experiences;
- Representing the views of the members to regulatory bodies, the investment community and government; and
- Supporting high professional and ethical standards in the practice of investor relations.

Much of the benefit of being a member of the Society comes from being able to talk to others in the same profession and to have a resource which can give impartial advice and technical guidance. All of the Society's meetings are webcast and archived for consultation by members. In addition members have access to a knowledge bank on our website.

We are always interested to hear how we may be able to assist regional and smaller companies. If you are interested in joining the Society or learning more about what we do please contact:

Michael Mitchell,
General Manager,
Investor Relations Society
Tel: 020 7379 1763 or
Email: Michael.Mitchell@irs.org.uk

Making the most of your spending...

get that website right!

Why have an IR section?

It is imperative that companies with an investor base provide access to concise corporate and financial information via their website as research shows that it is the first port of call for analysts and investors keen to research a company.

What must be in the most basic IR section?

1. A large and obvious link to the IR section's homepage from the homepage of the corporate website
2. IR homepage - should be a 'highlights' page of the information you have of relevance to an investor
3. Company overview, structure and strategy from an investor point of view
4. Introduction to senior management and a personalised introduction to the head of IR with contact details

5. Current and archived annual reports and presentations as downloads
6. Financial calendar covering a minimum of one year
7. Regulatory releases and earnings announcements

How can we help?

Creating an IR website or website section needn't be a painful or expensive process. Performance Communication's IR website team can help you develop the format and structure as well as draw together the necessary content. Our financial communication specialists can also help you create the content to be specifically investor and analyst friendly.

For advice on developing your IR website please contact Roz Bulmer on **Tel +44 (0)117 907 6517** or email Roz@performancecomms.com

Roz Bulmer
Director,
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Getting the message across

No matter how successful they are in running their company, there are plenty of Chairmen, Chief Execs and FD's who do not look forward to those set piece events in the company's financial calendar. The AGM, the annual report, interims, the occasional trading statement, - all will have swarms of analysts, investors, fund-managers and the business and financial press reaching for their mouse and phone as they attempt to look behind what has just been announced. Getting those corporate messages right is vital to manage your reputation, promote and protect your brand:

It has to look right on the website and be easy to find. How will the financial press react? Are you adequately prepared for that 10.30 teleconference

with your major investors? Perhaps you ought to consider a short podcast or webstreamed interview? Are you happy with that Powerpoint presentation you are making to fund-managers over the next couple of days? How will staff react? What will your customers/clients make of it?

Performance Communications holds regular half-day bespoke sessions on media and presentation training. Recording and playing back performances and giving advice on how to improve. Taking place at a location to suit you, the course aims to boost both confidence and performance so that 'on the day' you will get the messages right and impress your audience. For advice on a course that would help you contact Richard@performancecomms.com

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