

EXTRACTS FROM PRESENTATIONS AT THE AGM 16 JUNE 2009

PEREGRINE RIVIERE (CHAIRMAN)

Good evening Ladies and Gentlemen and a very warm welcome to you in these cultured surroundings. I would like to thank the Royal Festival Hall for allowing us to use this wonderful venue this evening and also to J Sainsbury for providing the drinks for our reception after the AGM.

This will be my last address to you as Chairman of the Society and I would like to say how much I have enjoyed my time both as Chairman and Treasurer and to thank the Board and the executive team for their support. I only intend to say a few brief words as and then we'll open the floor to take any questions you may have of the board. The meeting will end with the formal resolutions on which I'll invite you to vote.

2008 was a very successful year for the Society. We grew our membership to record levels, we expanded our education programme with students taking the CIR exam from a number of overseas countries and we had a very successful conference and awards dinner. The Society ended the year with record reserves and a strong executive team. This has put us in a good position to weather the economic downturn which has really hit us in 2009.

The environment is now much tougher for any voluntary organisation and we have unfortunately lost a number of members, although I am pleased to say that most companies have recognised the importance of keeping their investor relations effort going, and are continuing to support the Society. Direct sponsorship from our service provider members has also come under pressure, but we are pleased that our friends are continuing to help us in any ways they can. The Board is determined to maintain services to members and we will utilise reserves in 2009 to do this.

As you will have seen we have already had a very active events programme in the first half of the year and we have continued with our professional development programme. The 2009 Conference was very successful and was enhanced by the addition of Evan Davis as the conference moderator and Vince Cable as the closing speaker.

In 2008 the influence of the Society continued to grow, supported by the activities of our Policy Committee lead by Mark Hynes. It was particularly satisfying that the Financial Services Authority announced proposals for enhanced disclosure of interests in derivative instruments including Contracts for Difference which substantially reflected the submissions of the Society based on our consultation with

members. Members of the Committee continue to attend the IR and Markets Committee of the 100 Group to discuss areas of mutual interest. This influential group of FTSE 100 Finance Directors says it relies heavily on the IRS to highlight IR issues of concern. In addition the Committee has arranged discussions with Sir Christopher Hogg of the Financial Reporting Council, and the Association of Investment Companies. We have found that this is a very valuable way of sharing experience with other organisations working in the same field as our members and further meetings are planned for 2009. We have responded to Treasury and FSA consultations and we will consult with members to obtain their views and alert them to issues of concern as they arise. When required we will develop positioning papers on issues which are important to our members and use them to obtain a higher profile for the industry with commentators and the financial press.

During 2008 we continued to develop our publications for members. 'Informed', the quarterly journal of the Society, is well regarded by readers and has been expanded to include regular features on overseas financial markets as well as technical updates, news and comment. We also published four new IR Essentials Guides which are available free to members on our

website and also for sale in hard copy form. Our weekly Bulletin has been reformatted for easier reading on-line and is now distributed to approximately 2,500 subscribers worldwide.

Whilst any possible signs of recovery from the downturn are encouraging, I believe the outlook for industry will remain very challenging for some time to come. We will be looking at sensible ways in which we can contain our own cost base and will continue to market the Society actively to new members. I am confident as I had over the Chairmanship to Richard Davies that we have a strong Board and executive team and I know that Richard will be an inspirational leader for the Society in these challenging times ably supported by John Dawson as Deputy Chairman. I am also delighted to welcome Emma Burdett and Lisa Williams to the Board. I am sure that they will bring new ideas and support for the Society.

I will now hand over to Ian Arnold our Treasurer who will deliver his report for the year. After that we will take any questions from the floor on the Report and Accounts.

IAN ARNOLD (TREASURER)

Summary of financial results

	2008 £k	2007 £k
Net cash at bank and in hand	319.4	313.8
Surplus on ordinary activities before tax	28.6	9.5
Retained reserves	262.2	236.6

As you will have seen from the Annual Report, the Society is in a strong financial position with cash deposits of over £300k; and a clear vision of how it will provide benefits to members in the future.

The net surplus for 2008 increased to just under £29k, compared to £10k in the prior year. This increase was due primarily to increased membership, and to growth in our education programmes both in the UK and overseas. We are blessed with a very strong in-house team who have worked so hard to deliver these results in an ever changing environment.

As Peregrine has said, times are changing and the result for the current year (2009) will be very different. We have seen a significant reduction in levels of sponsorship as investment banks re-adjust in the post credit-crunch environment; and we are seeing some memberships lapsing. Both of these risks have been

highlighted in the Annual Report. The end result for 2009 is likely to be a deficit of over £50,000.

Nevertheless the Board is comforted by a healthy level of reserves and cash on the balance sheet; and it remains resolute to maintain the quality of services that it provides.

Cost control will always be a key financial goal for the Society going forward, but the quality of services will not be compromised.

In line with best practice we have published a set of KPIs for the Society and I will briefly summarise how we have performed against these in 2008.

Summary of KPIs

	2008	2007
Cash reserves above £200,000	Yes	Yes
Membership base above 600	Yes	No
Annual dinner, conference and 20 other events	Yes	Yes
90 new CIR students & 200 course attendees pa	Yes	Yes

Before I hand you back to Peregrine to take questions from the floor, I would like to personally thank Peregrine for his significant contribution to the Society over the past few years and in particular the last two years when he has been Chairman. Under his Chairmanship the Society has improved its financial health and

has become increasingly recognised externally. In particular the influential group of FTSE 100 Finance Directors say they rely heavily on the IR Society to highlight IR issues of concern, and we were a strong voice in the debate that led to the FSA requiring enhanced disclosures in derivative instruments including Contracts for Difference. Please could you join me in thanking Peregrine in the usual way.....

Richard Davies is a noble successor and I look forward to his drive and enthusiasm moving the society forwards in these more troubled times.

I will now hand you back to Peregrine to take questions from the floor.