



AGM Presentations

PEREGRINE RIVIERE, Chairman

I am very pleased to see so many members here this evening. I am sure this has everything to do with your support of good governance and nothing to do with the anticipation of a trip to the top of the BT Tower, for which we would like to express our thanks to BT Conferencing for their hospitality this evening. I only intend to say a few brief words as chairman, 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.

2007 was another successful year. The year has been one of change and development to set the groundwork for the future expansion of the Society. We have put in place a much more robust membership management process, expanded our education and training programmes in the UK and overseas, invested in an updated website and corporate identity and relaunched the Best Practice Awards programme.

We have been active in lobbying for improved transparency with the FSA and other regulators, we have established a close working relationship with the 100 Group finance directors and we are positioning the Society as the definitive voice of investor relations professionals in the UK.

To this end, I think all issuers would welcome more clarity on market manipulation, which is becoming ever more rife in these volatile and uncertain markets. It is not enough for us to throw up our hands in horror at short selling, which is of course a legitimate investment strategy. After all, companies seldom complain when manipulation sends their share price up! But we can demand more action over the market abuse that occasionally goes hand-in-hand with short selling.

The FSA's recent action on rights issues disclosures shows they can act quickly when there are heightened risks of market abuse: but in so doing, they have created uncertainty as to the future direction of their disclosure regime. It is also inconsistent with their feet dragging over CFD disclosure, which has a much wider day-to-day impact. Our markets are crying out for transparency and the thorough policing of suspicious trading patterns: issuers need the FSA to take a firm and clear stance.

As Ian will tell you shortly the Society is in a very sound financial position. It is our objective to plough back our revenue into services for members subject to maintaining adequate reserves, and this is what we have done. The bedrock of our financial stability is dependent on the level of paying members and I am pleased to say that as of today we have 625 members compared to 600 at the year end.

The professional development programme including the Certificate in Investor Relations goes from strength to strength – 155 candidates have now qualified with us and over 150 candidates are studying for the exam. We are delighted that we now have students studying in Egypt and Russia and we hope to have other overseas students joining later this year.

Our conference in May was very successful with excellent feedback from those who attended; and as a treat for those of you who were not able to attend we have a clip of the introductory highlights to show you what you missed - more of which are available on our website. [Video presentation].

In line with best practice we have this year published a business review and I hope you will take a moment to read this as it gives an excellent summary of your Society's strategy, business model and key performance indicators.

In the year under review we said goodbye to Lynda Ashton, Jill Sherratt, Andy Mann and Ragnall Craighead and we thank them for their work for the society over many years. In their place we welcomed to the Board John Dawson, Reg Hoare and Karen Keyes who have already made a great contribution to our work. In the Bedford Street office we said goodbye to Tony Workman and Kelly Creely and have welcomed Richard Knight and Marise Higgs both of whom are making a tremendous contribution to the

development of the Society. I will also thank Michael Mitchell and Rachael Shaw who are continuing to do sterling work. In the turbulent market conditions of today I think it is even more important for companies to pro actively engage with their investors. An experienced IRO can make a huge contribution at times like these. At the conference in May we heard from Sir Stuart Rose how important investor relations had been to him when he was re-establishing the company's credibility with investors. The credit crunch has tested business models – sometimes to destruction. Boards have had to change tack and refocus. At times like these it is essential that a two way dialogue with investors is maintained. Investors need to understand and endorse management's strategy and management need to know what investors think of them. IR provides this two way conduit. We need to keep it open.

We will therefore continue as a Society to explain the benefits of good corporate communications and to encourage more medium and small sized companies to join our Society and utilise the resources of knowledge, training and good practice which we can provide.

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

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 increasing benefits to members in the future.

The net surplus for 2007 reduced to just under £10k, compared to £21k in the prior year. This decrease was in line with planned reinvestment in member benefits, particularly in education and in a website redesign.

Cost control remains a key financial goal for the Society going forward. And we will continue to operate under strict financial controls within a clear governance framework.

Reserves are a healthy £237k on the balance sheet and the focus going forward is to balance financial stability with the quality of the services we provide.