

Quality of management ?most important? for investors

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Analysts and investors say how they judge companies in MORI survey

The most important factor investors and analysts take into account when judging a company is the quality of its management, according to a new IRS report based on MORI research. This one factor leads all other measures by 34%, and is the top criterion for the third year running.

Over all, in terms of relations with the media with investment community, analysts and investors say openness, frankness and honesty are key - level pegging with communication as the factor that makes for outstanding relations with the investment community. Many analysts and investors (51% of analysts and 55% of investors) say they have seen an improvement in the quality of corporate investor relations in the past two years.

The majority of investors and analysts say most companies would benefit from an increase in the number of non-executive directors. Interestingly, the gap has narrowed between those analysts who agree and disagree with this statement.

Around a third of investors and analysts expect there to be a single global accounting standard within the next five years.

Richard Davies, Deputy Chairman of the Investor Relations Society, commented, "This practical piece of research builds on four consecutive year's analysis and evaluates significant trends and issues in investor communications.

"This year the IRS has introduced a survey of UK and European investor relations officers, looking at the main issues affecting them from the issuer's perspective.

"This report makes essential reading for all those working in investor relations and highlights the importance of clear and transparent communication from companies to markets."

European IROs The vast majority of UK and European IROs believe that hedge funds should disclose their short positions. The majority of UK and European IROs did not believe that there were adequate levels of disclosure in their own markets.

The average number of days UK senior managers spend on the road is lower than their

European peers. UK and European IROs have seen a two thirds increase in the amount of time their senior managers devote to IR over the last two years.

Effective Investor Relations 2006 Building on four consecutive years' findings, Effective Investor Relations 2006 aims to offer those involved in Investor Relations a guide to what the market values in a company. It provides a practical model for companies to build competitive advantage on the basis of open and transparent communication. This year sees the introduction of a survey of UK & European IROs, looking at the main issues affecting them from an issuer perspective.

Technical Note: MORI interview 100 investors and 45 analysts over the telephone between 23 June and 27 July 2005.

This annual MORI survey of the financial community in Great Britain is one of several conducted by the MORI Reputation Centre among key audiences, which include business and financial journalists, MPs and captains of industry. The fieldwork for the IRS survey took place between 17 October and 4 November 2005. Forty-six UK and 64 European IROs completed the on-line survey carried out by Richard Davies Investor Relations.