Ph.D. Supervisor

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Ph.D. Thesis Presentation

To the
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“Perception and Effectiveness of the Investor Relations Function in Greece”

- Main question: The value that the IR adds to the company and how is organised
- Empirical study using Grounded Theory approach
- It is the first research study of IR in Greece
- Semi-structured interviews include 15 sections

Characteristics of the Greek Market

- The equity idea increased dramatically in the 90s
- There are today over 300 listed companies at Athens Stock Exchange (ASE)
- The ASE is divided into three (3) sub-markets:
    - Main Market
    - Parallel Market
    - Small Technology Market
- The Capital Markets Committee (CMC) is the Greek “SEC”
- There are 15 Dual Listed firms, mainly ASE and LSE
- Of which 4 are Listed on ASE and NYSE/NASDAQ

Target Groups of the Research

Listed Firms	■ 50 ASE Listed Companies, that consist the Morgan Stanley Greek Index (CEO, CFO, IRO)
Fund Managers	■ 10 Greek Mutual Fund Managers
Analysts	■ 10 Greek Brokerage Analysts ■ 10 Global Analysts

SEMI-STRUCTURED INTERVIEWS

Sections	
	■ Organisation of the IR function ■ International IR aspects and consultation ■ Substitution effects for the IR function ■ Macro aspects of the IR function ■ Executing of the IR programme ■ Company meetings with Analysts and Fund Managers ■ Telephone conversation with Analysts and Fund Managers ■ Company feedback on sell-side Analysts’ reports

SEMI-STRUCTURED INTERVIWS (Contd)

Sections	
	■ Mailing information to Analysts and Fund Managers
	■ Proactive roadshows and increasing Analyst coverage
	■ Email data base management and distribution of info
	■ Conference calls as a voluntary disclosure medium
	■ Disclosure via internet sites
	■ Section information
	■ Opinions on company’s relationship with Analysts

REGULATORY ENVIRONMENT

Sources	■ Corporate law 2190/1920 ■ Presidential decrees-amendments to the 2190 law ■ Committee on CG in Greece - Blue Book on CG ■ Capital Market Commission recommendations ■ ASE recommendations (December 2000) ■ European and OECD guidelines

PRINCIPLES ON CORPORATE GOVERNANCE IN GREECE

Issues (Blue Paper)	
	■ The Rights and Obligations of Shareholders ■ The Equitable Treatment of Shareholders ■ The Role of Stakeholders in Corporate Governance ■ Transparency, Disclosure of Information and Auditing ■ The Board of Directors ■ The Non-executive Members of the Board of Directors ■ Executive Management

AGENCY PROBLEM

Relationships	■ SHAREHOLDERS vs. MANAGERS ■ SHAREHOLDERS vs. CREDITORS ■ LARGE SHAREHOLDERS (INSTITUTIONAL INVESTORS) vs. SMALL SHAREHOLDERS (RETAIL)
ISSUES	■ In Greece, the problem is located at the “Large vs. Small Shareholders relationship” ■ Specifically, how the large shareholders use the inside information (while running the companies)

PILOT STUDY

TARGETS	◆ Five interviews completed ◆ “Confidentiality”issue
FINDINGS	■ Interviewing is the most effective ■ “Sponsoring” by the president of ASE needed ■ “Sponsoring”by the supervisor needed ■ Recording only parts and not all ■ Helping them as well ■ Testing Hypothesis probably not needed

GOING ON FORWARD

- Continue with Interviews (2H 2001)
- Write up regulatory and legal chapters (3Q 2001)
- Continue to collect data
- Keep updated with current theory and empirical research
- Analyze data (1H 2002)