



ASSOCIATION FOR
INVESTMENT MANAGEMENT
AND RESEARCH[®]

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21 November 2003

Mr. David Wright
European Commission
17 Place de la Bourse
75082 Paris Cedex 02
France

Dear Mr. Wright:

As you know, the Association for Investment Management and Research (“AIMR”)¹ has long supported the European Commission’s position on requiring listed companies to provide quarterly financial reports to their shareholders. A recent survey of our European membership describes just how strong this support is.

A resounding 86% of the more than 1,279 responses said summary information would improve the quality of financial information available to investors in EU markets, while 89% said comprehensive financials would improve the quality of financial information. On this latter question, fully 52% said comprehensive quarterly updates would improve the quality of information significantly.

The survey, which ran from 21 October to 31 October, was sent to all of AIMR’s 5,564 European members. The 1,279 replies represented 23.1% of those polled. Members were asked, among other things, whether they thought summary quarterly financial information – as proposed by the Commission – and comprehensive quarterly financial updates – full financial statements, together with associated notes and assumptions – would improve the quality of financial information in the EU.

The support for quarterly reporting was confirmed by another question in the same survey. This question asked respondents to rank the usefulness of different reporting requirements. In this question, comprehensive quarterly reporting ranked better than even half-yearly reporting, with 69% of respondents ranking comprehensive quarterly reporting in the two highest (of six) categories, compared with 67% who ranked half-yearly reporting the same way. Summary quarterly reporting was ranked in the top two categories by 30% of respondents.

Moreover, the responses were generally uniform across all markets. For example, even in the UK, more than 84 % of respondents said comprehensive quarterly financial updates would improve the quality of information available to investors, including more than 48% who said it

¹ The Association for Investment Management and Research is a global, non-profit organization of nearly 67,000 investment professionals from more than 116 countries and territories, with 5,540 members located in Europe, including members located in all 15 EU Member States and all 10 accession countries. Through its headquarters in the U.S. and 125 Member Societies and Member Chapters worldwide, AIMR provides global leadership in investment education, professional standards, and advocacy programs.

would improve the quality significantly. More than 80% of UK respondents also said summary quarterlies would improve information quality, though just 24% said it would improve the quality significantly. Likewise, 64% ranked comprehensive quarterly updates in the top two categories of usefulness.

Elsewhere, more than 92% of respondents in The Netherlands said comprehensive quarterly reporting would improve information quality, including 46% who said it would improve quality significantly. More than 97% of respondents from Spain said comprehensive quarterly reporting would improve the quality of financial information, including 69% who said it would improve the quality significantly. Indeed, more than 90% of Spanish respondents ranked comprehensive quarterly reporting in the top two categories.

The respondents to this survey are investment professionals, the people who every day are charged with the responsibility of investing the pensions and savings of tens of millions of Europeans. These are the investment managers and securities analysts who must try to make sense of the information they receive from securities issuers to determine whether an individual investment is appropriate for their customers. And their message is strong and unequivocal: quarterly reporting will provide useful and quality information that financial markets need to survive.

If you or your staff have questions or seek amplification of our views, please feel free to contact James C. Allen, CFA, by phone at 1.434.951.5558 or by e-mail at james.allen@aimr.org.

Sincerely,

/s/ Frederic P. Lebel

Frederic P. Lebel, CFA
Co-Chair
European Advocacy Committee

/s/ James C. Allen

James C. Allen, CFA
Associate, AIMR Professional Standards &
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