



2008-10-12 Financial Week

Summary:

In September 2008, the holding company for United Airlines saw its stock crash to a penny when an old story about UAL's 2002 bankruptcy was linked to Google Finance and Bloomberg. In October, Apple's stock dropped 9% in minutes amid Internet rumors that Steve Jobs had suffered a heart attack. Later the same month, Morgan Stanley's stock dropped 25% amid Web rumors that the deal with Mitsubishi UFJ's was faltering.

To head off rumors before they send shares diving, Financial Week reports on measures IR teams are taking. These include:

- Using alert services and monitoring Web sites, blogs and message boards to catch rumors
- Ignoring rumors that don't have traction
- Publicly responding to rumors that appear to have traction through a press release to ensure compliance with Regulation FD
- Calling key shareholders to deal with less widespread rumors

Internet rumors are still relatively rare compared to more traditional rumors, often spread between analysts and hedge funds, which can require 20% of an IRO's time.

Link to Original:

<http://www.financialweek.com/apps/pbcs.dll/article?AID=/20081012/REG/310139982&template=printart>

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Internet Rumor Mill Now Grinds Large-Caps
