

## Inspiration. A report mix from mines, bikes, tyres, oil and gas

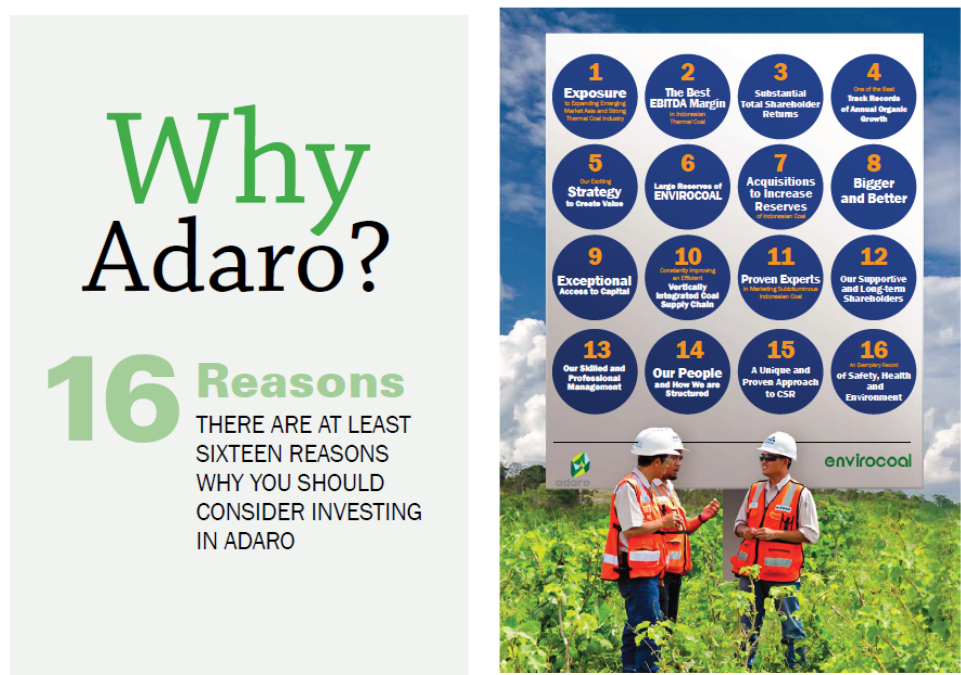
By Reg Pauffley

I like this time of the year, it's the time I get to look at lots of annual reports from around the world for the ReportWatch ranking. It involves a truly global mix of companies, and so always turns out to be interesting. I'd like to share with you some of the annuals that I've reviewed this year, not necessarily those that are amongst the top ranking, but ones that I feel are doing something that's worth taking a look at.

Annuals that stand out, in my view, because of exceptional content or writing, or because they add real value online. Annual reports with an approach that might inspire your thinking next time round!

I'll start with **Adaro Energy**, which is a leading Indonesian Mining and Energy Group. It's a magazine style report, which works well overall and includes a lot of information that's delivered in a very user-friendly, engaging manner. Cameron Tough, Head of Investor Relations, says the report is based loosely on respected business magazines, such as the Harvard Business Review. The cover sets the scene well, with a strong title and a number of headlines from articles within the book. The one that stands out the most is **'16 reasons to invest in Adaro'**. From page 6 to page 37, the reader is presented with one reason per double page spread, it's compelling. Why don't more companies include this?

Although two thirds of this report has great read appeal, the accounts section really does need some attention in the way it's presented.



Use this link to download the report:

[http://www.adaro.com/files/Adaro\\_Energy\\_2010\\_Annual\\_Report\\_English\\_1.pdf](http://www.adaro.com/files/Adaro_Energy_2010_Annual_Report_English_1.pdf)

Next up is **Harley Davidson**, which I want to bring to your attention, not for the beauty and spirit of its products, which are of course legendary, but for the way it's written. Its style truly reflects the nature and personality of the company. The introduction, which appears on page one sets the tone of voice for the report. No pedestrian 'annual report speak' here!

*"There's only one way to get anywhere in this world—and that's to make some decisive moves. Not fence-straddling. Thumb-twiddling. Buck-passing. Or chewing it over. And not running it up the flagpole. Instead, you rev it up, lean into it and go.*

*That was the story of Harley-Davidson in 2010. A year of putting strategy into high gear. A year when we went beyond fighting headwinds to seizing opportunities. A year of shifting preparation into iron-clad progress. All of it customer-led.*

*Now it's time to twist the throttle. And lean forward."*



#### Winning on Familiar Turf

You see them on a lone bike surrounded by wide-open spaces or among a small cluster of friends heading out on a salty Sunday for a braided coffee and breakfast. You see them at motorcycle rallies in places with names like Leavenworth and Memphis, or caught in the act of firing up the Madras River Valley, or caught in the act of firing up the bike just to go across town at the first sign of spring. They are customers for life, whether they have been riding a Harley-Davidson motorcycle for three decades or three seasons.

Even as Harley-Davidson continues to extend its reach and influence among young adults and in global markets, our brand strength among core riders remains without parallel. In 2009, 2008 and again in 2010, in the midst of everything the economy could throw our way, we not only protected our leadership position among U.S. riders, we built on it, with a 54.9 percent heavyweight market share and an even higher share in the core 35-plus age demographic.

How do we continue to maintain our unspooled brand strength and grow our market leadership, year in and year out? Products like the new Road Glide® Ultra and the 103 cubic inch engine available as an option on numerous models give loyalists reasons to trade in and trade up. Outstanding dealerships provide customers with an experience that's unrivaled in the industry. And the ability of Harley-Davidson Financial Services to provide one-stop financing and insurance serves as a strategic competitive advantage for the Company.

But above all, chalk up this success to the pure magic that happens whenever a rider rolls on the throttle on a brilliant early summer morning. As Harley-Davidson looks through the curves and turns into our future, we see great opportunity for continued growth among core customers.

Order yourself a copy, it's a report that really is enjoyable to read. The only 'but' -and there's always a 'but'- the financials are in the basic 10-K format. Or go to <http://investor.harley-davidson.com/annual.cfm> to download the 2010 book and previous years, which if you've got the time are worth looking through too.

Now for an interesting example of online reporting; **Shell** ([www.shell.com/annualreport](http://www.shell.com/annualreport) ).

I like this because it provides choice and a good level of added value. When you click on the link, the landing page presents you with the opportunity to enter one of the four publications that Shell produces; Annual Report and Form 20-F, Annual Review and Summary Financial Statements, Sustainability Report, and Investors' Handbook. It doesn't matter which one you enter, you are connected with all four, there's a tab in the top left hand corner that allows you to interchange from one to the other. The interactive chart tool is excellent, it allows you to make a wide range of comparisons with the current year and with past years over a wide variety of performance indicators.

I really like the fact that you can turn each chart that you create into a slide or a print-out. The download manager is very useful too, it allows you to put together just the areas or pages that are of interest to you. I would also imagine that the Excel downloads are extremely useful.

Here's the 'but' for this one - I would like to see a much greater use of video, both talking heads of senior management and short films explaining areas of operation.

Overall, however, this is a good role model for others to follow.

The screenshot shows a Windows Internet Explorer browser window displaying the Shell website. The address bar shows the URL: [http://www.shell.com/home/content/investor/financial\\_information/annual\\_reports\\_and\\_publications/](http://www.shell.com/home/content/investor/financial_information/annual_reports_and_publications/). The page title is "Annual reports and publications - Shell Worldwide". The main content area is titled "Annual reports and publications" and features a large banner image of a woman looking at a computer. Below the banner, there is a text block stating: "The 2010 Annual Report and Form 20-F, the 2010 Annual Review including Summary Financial Statements, the 2010 Sustainability Report and the 2010 Investors' Handbook are now available for online reading and as download in PDF format." Below this text, there are four publication tiles, each with a thumbnail image and a brief description:

- ANNUAL REPORT 2010**: The full, comprehensive financial report on 2010 (192 pages). [Online - opens in new window](#)
- ANNUAL REVIEW 2010**: The summarised overview (40 pages). [Online - opens in new window](#)
- SUSTAINABILITY REPORT 2010**: A public record of our progress in contributing to sustainable development (40 pages). [Online - opens in new window](#)
- INVESTORS' HANDBOOK 2010**: An overview of our operational performance over five years, including maps (88 pages). [Online - opens in new window](#)

The page also includes a search bar, a navigation menu, and a footer with links to "About our website", "Main areas", "About Shell", and "Tools".

**Michelin** pleasantly surprised me. Through its very user-friendly 2010 Annual and Sustainable Development Report, it delivers a great deal of

insight into who and what Michelin is and how the company will continue to grow in the future.

It uses charts, graphs and soundbites of information to great effect; the 'Key Indicators', pages 6 to 9, which cover key financial, social and environmental indicators, is a great example of this.

The report is broken down into 6 key chapters; Corporate profile and governance, Challenges and strategic vision, Customers and markets, People, partners and shareholders, Natural resources and the environment, and Financial, social and environmental performance. Each contains a stand alone 'Focus' piece covering a specific area of interest. I found the focus on 'The challenges of innovation' very informative.

The complete detailed financials are in a separate document that French companies refer to as the Registration Document. Both are available on the website as downloadable PDFs.

It's a shame that the online version is just a click through of the printed version, but I strongly recommend that you order a printed copy.



Use this link to download the report:

[www.michelin.com/corporate/EN/finance/document](http://www.michelin.com/corporate/EN/finance/document)

Finally, I would like to highlight **Anglo American**.

It's the boldness and directness of this report that caught my attention, and the way it communicates and reflects the overall theme ('Delivering Real Excellence') throughout the report. You get a real sense and feeling of the character and strength of the business. It's presented in a clean and crisp manner and has great read appeal. The highly informative narrative is very

well supported by the use of soundbites, graphics, charts and high quality creative photography. I very much like the 'strategy in action' section, which is in fact part of the OFR.

The online version is well done, it too is clean, crisp and easy to navigate, but (here we go again) doesn't really add any additional value and to me it doesn't capture or convey the same character and strength that the printed version does.

You can download the report at

[www.angloamerican.com/investors/reports/20011rep](http://www.angloamerican.com/investors/reports/20011rep) but I would strongly suggest that you send off for a printed version. To order a copy, you have to first click on 'contact' at the top of the screen and then 'request a copy' in the left hand menu.

16 OPERATING AND FINANCIAL REVIEW: Strategy in action Anglo American plc – Annual Report 2010

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We own, operate and grow world class mining assets in those commodities that we believe deliver the best returns through the economic cycle and over the long term.

**\$1.6 bn**  
ATTRIBUTABLE SPEND TO DATE  
ON THE MINAS-RIO PROJECT

**92 km**  
OF THE 529 KM PIPELINE  
INSTALLED TO DATE

At the Minas-Rio project in Brazil, contractors work on the pipelines that will ultimately transport iron ore 500 kilometres from the mine in Minas Gerais to the purpose-built port being constructed at Açú in Rio de Janeiro state.

**STRATEGY IN ACTION**  
**DELIVERING REAL VALUE TO ALL OUR STAKEHOLDERS**

**INVESTING – IN WORLD CLASS ASSETS IN THE MOST ATTRACTIVE COMMODITIES**

**A unique and balanced portfolio**  
In order to realise its ambition of being the investment of choice, Anglo American has a clear strategy of deploying capital in those commodities that deliver superior long term, through-the-cycle returns for its shareholders.

We aim to focus on those commodities in which we have advantaged positions and on large scale assets with long lives, low cost profiles and with clear expansion potential. These include copper, diamonds, iron ore, metallurgical coal, nickel, platinum and thermal coal.

**World class near term growth pipeline**  
The development of our first five near term strategic growth projects (Barro Alto, Los Bronces, Kolomoia and Minas-Rio) is progressing well, with the first production of nickel from the Barro Alto project on schedule for March 2011. The four projects are well placed on their respective industry cost curves, have long lives, and are on track to enter production from 2011 onwards, in what is expected to be a growing commodity demand environment.

**4**  
**KEY STRATEGIC GROWTH PROJECTS**

For more information on our projects, see page 18

I hope you enjoy checking out these Annual Reports as much as I have. Let me know what you think at: [reg.p@creativeconsortia.com](mailto:reg.p@creativeconsortia.com).

Read also my web pages and comments on corporate reporting on: <http://whosdoingwhatincorporatereporting.com/>