Number in brackets indicates report ranking. Vs. refers to reports compared in industry benchmarking. Companies not ranked or referred to in other sections of this survey are not indexed. Best picks are ranked in alphabetical order in their section.

COMPANY INDEX

INDEX

WORDY INDEX

[Words or topics as referenced in the Germany reporting chapter: A-Z report card]

Accountable - Addressing - Adjusting - Affecting results - Audited - Before - BEIA - Biographies - Clarity - Conflict of interest - Critically selected - Gateway - Debt profile - Disconnected - Figures booklet - Form 10-K - Form 20-F - Governance - Bild

ANNUAL REPORTS THE GLOBAL TOP 200

ANNUAL REPORT ON ANNUAL REPORTS 2003 2

3

3

3
ANNUAL REPORT ON ANNUAL REPORTS 2003

199 N/R SMBC (Sumitomo Mitsui Banking) Japan B - Finally a Japanese bank that discloses about risk and controls.

197 MITSUBISHI Japan B - A scrambler. And the MD&A doesn't help.

195 WOLFORD Austria B - A fashionable use of graphs.

193 L'OREAL France B - Makeup change for cover only. Same report for years.

191 N/R ALLIANZ Germany B - A calendar as a bookmark is handy. But the EVA story is far from convincing.

189 N/R BOUYGUES France B - "Excellent performance overview, and management statements that... state" (a panelist).

187 N/R ALTRIA U.S. B - Parent of Kraft and Philip Morris: smoke for ops, lack of fire for the rest.

185 N/R EADS Netherlands B - Some well-built graphs start telling the story of the pan-European fledgling.

183 N/R METRO Germany B - Praktiker aber nicht Extra. Go back to N°181.

181 N/R BUHRMANN Netherlands B - The worthy first glance is made hazy.

179 N/R T-ONLINE Germany B - "Share performance vs. peers rather daring, and not only in this industry," says investor.

177 N/R BAUSCH & LOMB U.S. B - Breaking the chairman's statement with blanks hurts the retina.

175 N/R ST ENGG Singapore B - "Productivity Data" not that often encountered as key figures.

173 N/R ROYAL & SUN ALLIANCE UK B - Guide to highlights still a plus. The rest is not wealthy.

171 N/R INCEPTA UK B - Active in investor relations? Why then being so basic on shares?

169 N/R HEINEKEN Netherlands B - Is froth a problem? For down-under refreshment, check at N°40.

167 N/R DEUTSCHE TELEKOM Germany B - "Key information now hard to find or not elaborated on," says CC specialist.

165 N/R ROCHE Switzerland B - "Substantially expanded pipeline" is enlightening. What's missing then?

163 N/R INFOSYS Technologies India B - An extraordinary batch of ratios, superior governance and share info in a poor design.

161 N/R RANDSTAD Netherlands B - Food for thought. But doesn't work up to best in class.

159 N/R LIMITED BRANDS U.S. B - Sexy body work (in magazine format) that also delivers well for financial layout.

157 N/R LUFTHANSA Germany B - "InfoFlyway"? Yes, but the reader misses a flight path to check in.

155 N/R FORD MOTOR U.S. B - Where have all the good times gone? Ask Henry? Or follow Harley?

153 N/R SYNGENTA Switzerland B - "Several gaps in information and dated design don't inspire confidence," writes panelist.


149 N/R HSBC UK B - Yes, it's rich in content. Why keep on laying it out such an accentuating way?

147 N/R YAMAHA MOTOR Japan B - "Numerical targets in fiscal 2005": include free cash flows, equity ratio. Ride to N°15.

145 N/R FRESENIUS Germany B - Clinical.

143 N/R ABB Switzerland B - Disservice of new imported layout: lack of readability.

141 N/R DEUTSCHE BANK Germany B - Risk: 15 pages five years ago, 50 now.

139 N/R TUI Germany B - Hapag-Lloyd's owner doesn't travel light but reports quite fairly.

137 N/R FRANCE TELECOM France B - 2001 "comparable", "consolidated", "withdrawal" table adds to the commotion.

135 N/R SKANSKA Sweden B - Why having watered down that strategic objectives section?

133 N/R KONE Finland B - Not uneasy to handle yet layout requires more than maintenance.

131 N/R FORTUM Finland B - Didactic: "Calculation of Key Figures".

129 N/R MAN Germany B - A trucker: industrial and functional.

127 N/R AUDI Germany B - Sporty? Matter of taste. Check also relatives (N°55 and 76).

125 N/R BASF Germany B - Rich in content. But was there a need for two documents? No.

123 N/R TUI Germany B - Top 20 customers disclosed.

121 N/R TUI Germany B - "Key information now hard to find or not elaborated on," says CC specialist.

119 N/R BHP BILLITON Australia-UK B - 34 charts, dozens of nice pics and useful maps for community reporting.

117 N/R REXAM UK B - Top 20 customers disclosed.

115 N/R MITSUBISHI ELECTRIC Japan B - The first book makes up significantly for its budget-sized sequel.

113 N/R ROYAL & SUN ALLIANCE UK B - Guide to highlights still a plus. The rest is not wealthy.

111 N/R INTERBREW Belgium B - Bottoms up. Lost much of its last year's fizz.

109 N/R RENAULT France B - Sounds like -worthy-French-engineer's meeting minutes. Too heavy to carry.

107 N/R INTERBREW Belgium B - Bottoms up. Lost much of its last year's fizz.

105 N/R FORTUM Finland B - Didactic: "Calculation of Key Figures".

103 N/R MAZDA U.S. B - Age of an age? Financial historical data over 46 years -with compound growth.

101 N/R DBS Singapore B - Some good features hampered by decreasing communication.

100 N/R BHP BILLITON Australia-UK B - 34 charts, dozens of nice pics and useful maps for community reporting.

99 N/R MAN Germany B - Rich in content. But was there a need for two documents? No.
NEWCOMERS—OR COMEBACKS
(Rank this year)
Charles Schwab (3), Harley-Davidson (15), Telus (18), Pepsico (32), Teijin (41), Johnson & Johnson (43), ConocoPhillips (44), Mylan Laboratories (47), AIG (American International Group) (50), Giza Specialty Chemicals (59), Santoff-Jinheliadu (69), Snap-On (71), Carefour (73), Bow Chemical (79), Roettl Berndtler (82), JM (86), CBC (Canadian Imperial Bank of Commerce) (91), Ljubljana-Volksbank (97), Fedex (99), Ream CSG, Fortum (98), Kone (118), BPM Bilstein (119), BMP Pfaus (120), Neat (164), Danwei House (125), Masco (126), Johnson Matthey (127), Yamaha Motor (128), Vodafone (129), Arcutest (132), Matsuhash Electric (135), Limited Brands (130), Infosys Technologies (138), Scania (146), Incepta (147), Lindt (150), Rauch & Lomb (151), Bahnmann (152), Polo Ralph Lauren (153), EADS (154), Toto (160), Boeing (161), Abbott Laboratories (162), Man (165), Tui (170), BT (British Telecom) (175), Franco Telecom (176), Baxter (177), Nike (178), United Overseas Bank (191), ABB (192), Munich Re (193), SE (Engt (194), T-Direct (195), Siemens (196), Metro (197), Allianz (198), Allianz (199), ANA (All Nippon Airways) (205), SMBC (Sumitomo Mitsui Banking) (209)

DISPLACED
(Rank last year) (reason for not ranking)
E.ON (38) (now ranks lower than top 200), International Paper (41) (now ranks lower than top 200), British American Tobacco (83) (report not received by July 15, 2003), Tyco (86) (report not received by July 15, 2003), Ahold (89) (report not published by survey completion date), Fortis (95) (report not received by July 15, 2003), Textron (96) (now ranks lower than top 200), Solvay (126) (report not received by July 15, 2003), Zurich Financial Services (128) (now ranks lower than top 200), NTT Docomo (129) (now ranks lower than top 200), AMR (130) (report not received by July 15, 2003), All Nippon Airways (131) (report not received by July 15, 2003), Genzyme (133) (company not selected), American Express (136) (now ranks lower than top 200), First Pacific (138) (new ranks lower than top 200), Vodafone (139) (new ranks lower than top 200), GE (General Electric) (140) (report not received by July 15, 2003), Aetna (141) (new ranks lower than top 200), Boots (142) (now ranks lower than top 200), Ch. Hansen (143) (new ranks lower than top 200), Lily (144) (now ranks lower than top 200), GSK (GlaxoSmithKline) (145) (report not received by July 15, 2003), Royal Bank of Scotland (150) (report not received by July 15, 2003), SSL (Société Générale de Surveillance) (151) (new ranks lower than top 200), Wal-Mart Stores (152) (report not received by July 15, 2003), Gucci (153) (new ranks lower than top 200), General Dynamics (156) (report not received by July 15, 2003), AHP (157) (new ranks lower than top 200), Tata (158) (report not received by July 15, 2003), AGI (171) (report not received by July 15, 2003), Renault-Peugeot-Citroen (172) (now ranks lower than top 200), Activis (173) (now ranks lower than top 200), Hartford Financial Services Group (174) (new ranks lower than top 200), Intel (175) (now ranks lower than top 200), Amnesty International (176) (new ranks lower than top 200), John Hancock (177) (report not received by July 15, 2003), Sonera (178) (merged with Telia). TeliaSonera (report not received by July 15, 2003), Yahoo! (186) (report not received by July 15, 2003), Esso (187) (new ranks lower than top 200), OMV (190) (report not received by July 15, 2003), Ingram Micro (191) (new ranks lower than top 200), Vikram (192) (report not received by July 15, 2003), Sonera (193) (report not received by July 15, 2003), Sun Microsystems (194) (report not received by July 15, 2003), Micron (195) (report not received by July 15, 2003), Microsoft (196) (report not received by July 15, 2003), Philips (197) (report not received by July 15, 2003), Allianz (198) (new name for holding controlling Philip Morris and Kraft Foods), Kao (199) (now ranks lower than top 200), Fiat (199) (report not received by July 15, 2003)

REPORT CHECKUP?
Why did your report rank there? Or didn’t rank? Would you like to know how your annual report scores on all evaluation criteria? Order a QUICK REPORT SCAN for US$ 400, Euro 350 or £ 250 (price valid until Dec. 31, 2003, invoice sent with scan report). Besides the score breakdown, it contains edited remarks resulting from our desk research and a meter of strong and weak points. Order? Just e-mail to c@sit-com.net
We have identified at least 15 key attributes that make better - and greater- annual reports. Those belong, sum up or are directly related to our more complex criteria used for report evaluation. Here are one award and ten other noteworthy picks for each report feature.

### Report Delivery
**Award:** Ciba Specialty Chemicals (Switzerland)

**Picks:**
- ADIDAS
- AZEO NOBEL
- ASML
- BNP PARIBAS
- CASCADAS
- DANONE
- M-REAL
- MANNPOWER
- MERCK KGaA
- MUNICH RE
- MYLAN Laboratories
- NOVARTIS
- PEARSON
- READER'S DIGEST
- SAG
- WPP

### Design and Visuals
**Award:** Harley-Davidson (U.S.)

**Picks:**
- AVNET
- BEKAERT
- CARREFOUR
- CASCADAS
- INFINEON Technologies
- NOVARTIS
- PEARSON
- READER'S DIGEST
- TPG
- WPP

### Use of Covers
**Award:** Nike (U.S.)

**Picks:**
- AVNET
- BEKAERT
- CARS
- CASCADAS
- DANONE
- KINjal
- MANNPOWER
- MUNICH RE
- MYLAN Laboratories
- NOVARTIS
- PEARSON
- READER'S DIGEST
- SAG
- WPP

### Report Theme
**Award:** Charles Schwab (U.S.)

**Picks:**
- AIG
- BARCLAYS
- BNP PARIBAS
- CASCADAS
- CATERPILLAR
- ENGINES
- FINANZER
- FORD
- HONDA MOTOR
- KINjal
- MANNPOWER
- MUNICH RE
- NOVARTIS
- PEARSON
- READER'S DIGEST
- SAG
- TPG
- WPP

### Executive Statement
**Award:** Charles Schwab (U.S.)

**Picks:**
- AIG
- BARCLAYS
- BNP PARIBAS
- CASCADAS
- CATERPILLAR
- ENGINES
- FINANZER
- FORD
- HONDA MOTOR
- KINjal
- MANNPOWER
- MUNICH RE
- NOVARTIS
- PEARSON
- READER'S DIGEST
- SAG
- TPG
- WPP

### Financial Highlights
**Award:** Danone (France)

**Picks:**
- AVNET
- BNP PARIBAS
- CARREFOUR
- CASCADAS
- INFINEON Technologies
- NOVARTIS
- PEARSON
- READER'S DIGEST
- TPG
- WPP

### Financial Review
**Award:** BCE (Bell Canada Enterprises) (Canada)

**Picks:**
- AIG
- BNP PARIBAS
- CARREFOUR
- CASCADAS
- INFINEON Technologies
- NOVARTIS
- PEARSON
- READER'S DIGEST
- TPG
- WPP

### Share / Investor Information
**Award:** UPM-Kymmene (Finland)

**Picks:**
- ADITYA BIRLA
- CHARLES SCHWAB
- ELECTROLUX
- ENGELNARD
- HONDA MOTOR
- MANNPOWER
- MUNICH RE
- MYLAN Laboratories
- NOVARTIS
- PEARSON
- READER'S DIGEST
- SAG
- TPG
- WPP

### Business at a Glance
**Award:** SCA (Sweden)

**Picks:**
- AG
- DANONE
- FACEBOOK
- FERRELL
- HONDA MOTOR
- MANNPOWER
- MUNICH RE
- MYLAN Laboratories
- NOVARTIS
- PEARSON
- READER'S DIGEST
- SAG
- TPG
- WPP

### Financial History
**Award:** Bebida (Belgium)

**Picks:**
- AIG
- BNP PARIBAS
- CARREFOUR
- CASCADAS
- INFINEON Technologies
- NOVARTIS
- PEARSON
- READER'S DIGEST
- TPG
- WPP

### Use of Covers
**Award:** Nike (U.S.)

**Picks:**
- AVNET
- BEKAERT
- CARS
- CASCADAS
- DANONE
- KINjal
- MANNPOWER
- MUNICH RE
- MYLAN Laboratories
- NOVARTIS
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- WPP

### Report Theme
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### Financial Highlights
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- TPG
- WPP

### Share / Investor Information
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**Picks:**
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- CHARLES SCHWAB
- ELECTROLUX
- ENGELNARD
- HONDA MOTOR
- MANNPOWER
- MUNICH RE
- MYLAN Laboratories
- NOVARTIS
- PEARSON
- READER'S DIGEST
- SAG
- TPG
- WPP
**EXCELLENTLY SELECTED COMPANIES**

See inside front cover flap.

**REPORTS RECEIVED AND EVALUATED**

Best in the fast release and delivery of annuals: Denmark, Finland, Hong Kong, The Netherlands, Canada, Japan, Germany, Sweden. Worst in producing and mailing their reports: Italy, Spain, Korea, Belgium, France.

91% of Danish reports requested were received, most of them less than 4 months after the fiscal year-end. 60% of U.S. reports were received within 6 months of the fiscal year-end. 70% of French reports requested were received, but most of them after June 15.

**REPORTS RANKED**

2002 (200 best reports for year ended 2001)

1999 (200 best reports for year ended 1998)

**MAPPING OUT REPORTING PRACTICE**

The table indicates the quantity and quality of information and the level of disclosure on 8 key reporting aspects. It should be seen as a snapshot of reporting practice and not about the standards themselves—standards may raise while practice doesn’t follow or lags behind.

**OPERATIONS SEGMENTATION**

- North America
- Japan
- Andean States
- British Isles
- Germany
- France
- Scandinavia
- Southern Europe

**FINANCIAL GOVERNANCE**

- Share Items
- Risk Management
- Social & Environmental

**OPERATIONS & RISK**

- Operations
- Governance
- Share Items
- Risk Management
- Social & Environmental

**REPORT MANAGEMENT**

- VOLVO (Sweden)

**PRODUCTIVITY AND RETURN ANALYSIS**

- TOTAL ANALYSIS
  - RATIO AND RETURN ANALYSIS AWARD: INFOSYS Technologies (India)

**SOCIAL AND ENVIRONMENTAL REPORTING**

- SOCIAL AND ENVIRONMENTAL REPORTING AWARD: NOVARTIS (Switzerland) – NOVOZYMES (Denmark)

**RISK FACTORS AND MANAGEMENT**

- RISK FACTORS AND MANAGEMENT AWARD: CITIGROUP (U.S.)

**USE AND VALUE OF CHARTS**

- USE AND VALUE OF CHARTS AWARD: PEPSICO (U.S.)

**FINANCIAL OBJECTIVES & OUTLOOK**

- FINANCIAL OBJECTIVES & OUTLOOK AWARD: TELUS (Canada)

**GEOGRAPHY MAPPING**

- GEOGRAPHY MAPPING

**VOLVO is the only company whose report has made top 10 since the inception of our survey. This justifies a special award for report management over the years. Compared to others, but also in the special context faced by the company (failed merger, successful acquisition, sale of largest business, etc.).**
ACCOUNTABLE: BCE (Bell Canada Enterprises) (Canada)
“In April, your board of directors, recognizing that the primary job of the Board is to be accountable to shareholders—not to run the company—repositioned the positions of Chairman and CEO.” [Chairman’s Message, p. 10].

Actions taken? “The director stock option program has been eliminated,” minimum share ownership for directors has been increased, shares options “will be only for management.” Furthermore, BCE produces a clear, communicative and nevertheless highly substantial MD&A. An example for hundreds of companies, southbound and elsewhere.

ADDRESSING: JENOPTIK (Germany)
“to our shareholders” (Message written on an envelope glued on p 2). The appealing—though not most practical—way to wrap it surely makes it a read. What’s inside? The departure message of Prof. Dr. Lothar Späth is addressed to all shareholders, without overlooking the “numerous private investors” and “employer-investors” and the “lovely old (and yet modern) hometown” formal but warm and not lacking in substance. In case you would ignore it, the Jena, Eastern Germany-based company is involved in cleaning systems and electro-optics. This is... illustrated through unseen yet interesting visuals, just requiring some “Facility Engineering”.

ADJUSTING: E.ON (Germany)
“Switched on!” [Report theme, front cover].

“Summary of financial highlights” (p 10).
If by chance one stumbles across that page, what’s inside? Pro forma figures are missing (including two unknown companies). 2000 looks OK. (If you forget the “net financial position”). 2001 is footnoted as “Adjusted for discontinued operations and goodwill amortization.” Free. But still for the same year is footnoted as “not adjusted for goodwill amortization.” 2002 is “restated.” Just been footnoted? Let’s just read it. We don’t even refer to the previous one and looks beheaded... or at least footnoted p 190.

AFFECTING RESULTS: EDS (U.S.)
“Do this strong box, we bring a fresh perspective...” (Chairman’s and EDS’s statement, front cover).

Fresh! The “leading global services company” is only capable of producing a tedious 10-K “on recycled and recyclable paper” not covered and mostly illegible even for the patient shareholder (while the hurried analyst is of course busy watching a website).

“Liquidity and Capital Resources” (p 25).
Do you really think that a table giving credit ratings for long-term and short-term debt stands as a replacement for a debt profile? We don’t.

“Factors that May Affect Future Results – Results of Operations” (p 15).

There’s good side, though. EDS stands among the still rare reports clearly stating “at long last” the impact of foreign currency translation and acquisitions and divestitures, as well as the dependence on one customer (the former parent company, that is).

AUDITED: IBM (U.S.)
“We did not audit the financial statements of the company’s Business Consulting Services Reporting Unit (which includes the consulting practice acquired from us as discussed in note 1)... Those statements were audited by other auditors whose report thereon has been furnished to us...” [Report of Independent Accountants PromoterWelt/Hauscupp LLP, p 9].

Unfortunately, note C doesn’t provide other auditors’ identity. Neither does it say if an independent auditor was asked to check the value of the transaction. A declaration of independence is much needed here. Too.

BEFORE: LOGICA (UK)
“**all references to profit before tax, operating profit, margins, cash flow and earnings per share are before goodwill, restructuring costs, amounts written off investments and exceptional items.” [Footnote to Chief Executive’s Review, p. 7].


BEIA: UNILEVER (Netherlands-UK)
“Operating margin REIA (Financial highlights).

We’ve got EBI, EBITDA, EKU (What else?), etc. In what looks like another Sbarro-Denny’s learning bow, the task of defining that BEIA was given (!) to the two chairmen: read Before Exceptional Items and Amortisation of Goodwill and Intangibles.

“Fresh thinking for clean living” (p 28)? Perhaps, but being in soap doesn’t seem to clean up smoke-screens. That said, it made a silly act as Carpe diem, not as refreshing as an Axe spray, it delivers rich, clearly segmented and investor-driven contents.

BIographies: InfosYS Technologies (India)
“Transparency and corporate governance not only attract global capital, but also build credibility with clients...” [S. D. Shibulal, Executive Director, p 15].
Set forth, for M$11 managers: their qualification, age, date of joining, experience, previous job, and gross remuneration. And a 11-page corporate governance report is included.

CLARITY: Boots (UK)
“We did not store or share inadvisable innovation and change, while cutting costs and maintaining our commitment to managing for value.” [Inside front cover].

“Just year we said Boots was in transition. Today the shape of the business we are creating is very clear.” [Chairman’s statement, p 1].

Innovative? Where are the new products or services shown? Costs do not appear in the 5-year financial record. Voluntary Dividend cover “Before exceptional items” (Qualm) is stable. And shareholder return among lowest in peer group. Close? Who will be able to read that inanimate report, made of 5 charts and no illustration?

CONFLICT OF INTEREST: DEUTSCHE TELEKOM (Germany)
“Corporate governance.” “Avoiding conflicts of interest...” There were no instances of conflict in 2002.” [p 10].

Can someone explain why the Chairman of the Board of Management of Deutsche Telekom is the same person as the Chairman of the Supervisory Board of T-Online, which is 71.90% controlled by the former? Is this good governance? And doesn’t this show a conflict of interest? And shouldn’t governance also imply manners? After all, the new chairman was in charge for less than seven weeks during the fiscal year under review. The previous one was not even referred to and looks beheaded... or at least footnoted p 190.

CRITICALLY SELECTIVE: ARROW ELECTRONICS (U.S.)
“Selected financial data” (p 9).

Very selected indeed. 9 basic indicators occupy 1/3 of the 2002-2000 “nine environmental commitments” (quote) is only.

Where are the new products or services shown? Those statements were audited by other auditors whose report thereon has been furnished to us...” [Report of Independent Accountants PromoterWelt/Hauscupp LLP, p 9].

“Management’s Discussion and Analysis etc.” (p 10).

To another illustration of the damage caused by the innumerable directives to the post-Enron regulations. Except for... exceptions, special charges, restructuring, write-downs... and a number of rules that had turned into exceptions in the “bubble” financial world, a discussion is hardly found, and the analysis is mainly limited to those items. Worse, accounting policies — of course “critical” and trimming with “recently issued” standards— now weigh more than the financial review. And to cap it all, make it as illegible as possible!

CUTAWAY: ACCOR (France)
“Understanding and managing water, energy and waste in an Accor hotel” (p 94).

This headline is followed by a cutaway spreading over two full pages and showing almost 20 items or actions needed + a list of “nine environmental commitments” only to understand, well-managed and integrated reporting (and not fat-fetched, contrary to many) about key sustainability issues.

DEBT PROFILE: SAPPi (South Africa)
“Managing the balance sheet” (headline on pp 8-10).

The report answers promptly: “Over the past year we have changed our debt maturity profile from an average of three years to an average of seven years.” (p 8). And a chart supports that.

DISCONNECTED: GSK (GlaxoSmithKline) (UK)
“Connecting...” (Title of the annual report... 2001)

It seems even more difficult to connect with the investors real-time world than to manage a post-merger pipeline. On March 12, 2001, GSK was answering a request for an annual report 2002 by sending a 2001 report. Who did that? We Don’t! As no business card was included. By mid-July 2003, and after four written requests, GSK 2002 was still on the road. Disconnected is the word.

FIGURES BOOKLET: MITSUSHITA ELECTRIC (Japan)
“Financial Highlights” (p 9).

Why using a misleading “to say the least”- broken scale for last year’s loss only?

“Strong foundation for growth.” (p 4).

Assuming that every investor receives the Fact Book an improper title for what is a figure book, and mind the layout not made consistent with the report), this allows to check the foundations and offers outstanding supplementary information to what would otherwise just stands as another average Japanese report. 26 pages of statistics spanned over 5 or 6 years (incl. sales and income over 35 quarters), backed by charts and readable tables, showing segment data, and even listing major recent alliances and the number of patents.

FORM 10-K: NEW YORK TIMES (U.S.)
“The core purpose of The New York Times Company is to enhance society by creating, collecting and distributing high-quality news, information and entertainment.” (Inside cover).

Considered as one of the best newspapers in the world, it just produced a non-createable, non-entertaining and non-communicative document just made up of a basically wrapped 10-K!

Continued on page 10.
How do reports of key market players stack up on each of our 5 sets of criteria in a dozen of major industries? One of e.com’s most demanded - and challenging - exercises is to compare and benchmark international reporting practices. Behind our “Annual Report on Annual Reports” lies an extensive research that includes the creation of peer groups, whether inside industries or among broad rivals, against national or regional competitors, or versus best practice across the board or the oceans.

How does your report compare with key competitors - or challengers - in your industry? Who does best on what criteria? Comparing with peers, benchmarking analyses. We have here simplified them for survey and comparison purpose. Report value note: The line drawn between the different points charted doesn’t reflect a trend and is there for illustrative linking purpose only. Company value note: Like for the rating and ranking, the industry benchmarking is based on report assessment and may not be interpreted as a judgment of companies as such. It does not represent directly an offer to buy, sell, hold or trade the securities to which the reports cited, ranked or benchmarked in this survey are related.

**CARS: FORD, DAIMLERCHRYSLER, TOYOTA, VOLKSWAGEN**

We’ve got the industry No’ 2, 3, 4 and 5 here. Don’t look for No’ 1 (General Motors) sending over its report hasn’t been a concern since 2000 (ranked No’ 106 then): other priorities, no doubt. Remember Ford making a No’ 1 report? Its only edge is now on visuals, but in a tie with the more - too - compact Toyota. The rest is a standard U.S. model, neither worse nor better. It seems to look built more than forward. VW is more the utility vehicle: more volume, more figures, more on segments, more in dashboard, less on the pilots, less in style. After having struck a balance, Toyota has largely Americanized its financials: for better on info, and for worse on com, segments, etc. A crossfire but no crossover at DaimlerChrysler that has remained Deutsch über alles. For better: clarity, structure - or worse: board, size. Check also: Honda, PSA, Renault, Audi, Porsche. Is BMW (report) somewhere on the road?

**FOOD AND CARE PRODUCTS: UNILEVER VS PROCTER & GAMBLE**

The two archrivals of marketing classes make it up the opposite way. P&G is fairly communicative (48 pages) but poorly informative (48 pages). Unilever is outstandingly informative (MD pages over 2 documents) and has also improved its packaging (even beating P&G on what the cover effectively tells). P&G is vague on governance matters while the Anglo-Dutch group goes into detail. When placed side by side, they offer a true illustration of the difference between style and substance (compare e.g. operating, segment, historical and remuneration data). And between an A- and a B-rated report.

**SPORTING GOODS: NIKE VS ADIDAS-SALOMON**

Conversely: Nike is a sprinter: easier to carry, reads faster and goes back in time. Fine, but the German competitor is a stronger long-distance runner: goes deeper, reads smartly (yet it remains lively), and looks forward with your targets. Still, while emulating the best (legible to K habit), the Beaverton-based company is among the rare U.S. reports (418) showing ROS, inventory turns and current ratios as “selected data”. But this lies behind the way Adidas-Salomon explained “charts” items such as net borrowings, backlog, currencies, etc. Where is Reebok (report)? Outclassed (turned a flat 10-K).

**ELECTRONICS: PHILIPS VS SONY VS SIEMENS**

Philips has kept on building up a two-step operating and financial review that is so clear and thorough that... it has been increasingly copied by its close competitor Sony, which goes further on disclosure than most Japanese reports (Share and board details up), but makes its second document an unpleasant read. Siemens’ operations and segment reporting is far from optimized, where Philips and Sony are on a (high-level) par. Philips and Sony chart, Siemens not. Sony shows functionalities (e.g. insightful management Q/A), Philips has functionalities (e.g. product display), Siemens really needs a function-key.

**Special in-depth evaluation tools have been set up for competitive reporting and benchmarking analyses. We have here simplified them for survey and comparison purpose. Report value note: The line drawn between the different points charted doesn’t reflect a trend and is there for illustrative linking purpose only. Company value note: Like for the rating and ranking, the industry benchmarking is based on report assessment and may not be interpreted as a judgment of companies as such. It does not represent directly an offer to buy, sell, hold or trade the securities to which the reports cited, ranked or benchmarked in this survey are related.**
MAIL AND LOGISTICS: FEDEX VS DEUTSCHE POST VS TPG
How has TPG report outstripped its “bigger” rivals? By delivering it quicker than all, covering it with class, making it more stylish than the unhandy German parcel, mortising it twice as much as FedEx (or UPS) on operations, and, though not perfect, sharply improving on financials. Still, Deutsche Post sometimes tells further (but not uniformly management). Main FedEx plus? Clarity, MD&A, statistics. UPS falls behind. Nippon Express is a tired slow runner. And La Poste was not on strike but simply not selected (non-listed).

AEROSPACE: BOEING VS EADS
Star wars? Nope. But a gunfight somewhere between Schiphol (or is it Paris?) and Chicago (or is it Washington?), expected by industry analysts as well as report-and other-watchers. For those who don’t know yet, EADS stands for European Aeronautics Defence and Space Company, i.e. the manufacturer of Airbus, with three apparent HQs and one head office that is not in Bermuda. Though far from most communicative, the “enterprising” Boeing flies higher and lands better on financials than the “Eurofighter” who is plainly descriptive. EADS needs less formatting, which makes it ready-to-read (accessible key data, nice charts). On the whole, Boeing is a more balanced exercise, despite its very basic management data and an access to contents not made easiest. Check also the not that skin-deep Limited Brands (Victoria’s Secret).

FASHION: HUGO BOSS, ESPRIT, POLO RALPH LAUREN, GUCCI
Why is the leading luxury goods group (Gianni Versace in 2002) not competing? Ask the person in charge of mailing the annuals. From the number—and thickness—of pages printed (and far from best employed), it seems that Hugo Boss and Gucci roll in the money. The latter is pretentious and often hollow, although also the most analytical on operations and financials. Followed on this by the shorter yet informative Ralph Lauren’s MD&A (the rest is stylish and superficial). Hong Kong’s Esprit needs less Reusage, which makes it ready-to-read (accessible key data, nice charts). On the whole, Boss is a more balanced exercise, despite its very basic management data and an access to contents not made easiest. Check also the not that skin-deep Limited Brands (Victoria’s Secret).

FOOD AND BEVERAGE: DANONE VS SARA LEE VS NESTLE
The French maker of Evian and L’Or has superiority to brilliant and brimming key figures followed with an outstanding division review: growth factors, products, figures, margins, and most of what a good analyst wants to find is in the baseline. Danone has also been leading the “lagging” French pack on governance and human resource management and wraps it with freshness. The American producer of Arrow, Eberts... has kept its strong points (performance and goals, financial review, the-point-on-a-segment) but lost both some sparkle and a bit of competitive report advantage versus improving peers. The Swiss supplier of Vittel and Nescafé now gives good food for thought (separate social report, improved governance) and for readers (products, stats...). But still doesn’t spill so many beans about stock.

INSURANCE: ALLIANZ VS AXA
Two of the largest insurance groups (Allianz’s assets are worth $1,000 billion, AXA above $500 billion) keep on packing heavy reports, seeming to make volume (of assets and report) a key identity feature. Logical after all these years, isn’t it? For years AXA has stuck to its user-unfriendly printing of the 2D-F, a latecomer in more than 300 pages. Who can—and want to—read that is still a mystery. Allianz is a bit lighter in (paper) weight, bundled it with a corporate responsibility magazine, and did it cleaner on business and geography. Management information is ahead at the French’s. None of them considered illustration useful. Financials are short in one, hairy in the other.

TELECOMS: BT VS DEUTSCHE TELEKOM VS FRANCE TELECOM
The bubble got pricked. And then came efforts from an industry that seemed to have long ignored some basic reporting requirements. Flows were in, cash flows were out. Times have changed. Besides its worthy highlights and despite its far-fetched illustration, 5G is falling (from #10’s last year) but is still ahead of its peers for the quality and quantity of business data. Not that surprisingly, FT lags on stocks (magnets?) and governance. It makes it more vivid, except for that tedious financial section. BT has kept up producing one of the most bering annuals—even the numerous to-and-fro are not a thrill (maybe by design)—that scores higher on directors’ information. Compare also with the higher ranked Telus from Canada.
ANNUAL REPORT ON ANNUAL REPORTS 2003

AND if you want to compare with previous year(s), lysis "sales were 0% and 9% of total net sales in International Interest in Contracts. INTERNATIONAL SALES: (Hong Kong) UTCHISON WHAMPOA MATERIAL INTEREST: enhanced disclosure on remuneration; fair MD&A; useful index, glossary... and even a pocket financial calendar glued. Price... built for very patient readers, with business segments analysis beginning only on p. 118, and the last image on p. 114.

paid on a wholesale item, with no wind (or other source) power, weak adorning pictures, fuzzy statements (check e.g. the profit and loss account (p 33) and those hair-scuttching segmental data (p 65)! In short, a report lacking in power. LONG-TERM VALUE: PORSCHE (Germany) "It is self-evident that many companies still give priority to the long-term increase in their value... which may require patience and perseverance for many years, Porsche is one such company, and endeavors to pursue such a policy regardless of all fashionable trends. However, short-term performance has acquired more importance recently, particularly in the context of balance-sheet figures and therefore on hectic value assessments - of all kinds limited time." (Chief Executive Officer's statement, p 4).

Long-term? Equity in 1993: euro 712 million. In 2002: 1,466.8 million. Cash flow over the same period from negative to euro 711.5 million. Want short-term too? Net income +40% in one year. And check out dividends. Porsche's CEO statement takes and makes a timely stand. MAJOR CUSTOMERS: ONEX (Canada) "Most time companies favor major customers that represent more than 10% of annual revenue." (Blick Management p. 591 note 4a provides the information needed: "Significant customers of operating companies and concentration of credit risk." Not so many companies in so many industries disclose such customer information so clearly. This also underlines - and reinforces - the quality and clarity of the financial review published by the diversified electronics Canadian group, who puts many so-called blue chips, from manufacturing to services, from New York to Tokyo far behind as regards that key report item.

INTERNATIONAL SALES: GATEWAY (U.S.) "International sales were 0% and 3% of total net sales in 2002 and 2001, respectively." (Results of Operations, p. 22).

No explanation provided, yet we are in a management "ana-lysis." And if you want to compare with previous year(s),...'

MONEY FOR NOTHING: VIACOM (U.S.) "...please note that Viacom's annual report is 10 pages shorter than last year and features another 10 pages at the back. A designer aptly named "Call & Sense Communications" is referred to. They certainly didn't help making the document enjoyable.

ONE SEGMENT: FOREST LABORATORIES (U.S.) "The Company operates in one only segment." (Note 3, p 30).

Only! Really? Do "primary therapeutic markets" and "principal marketed products" referred to in... inside front cover belong to one segment? OPEN DIALOGUE: THYSSENKRUPP (Germany) "An open, ongoing dialogue is the cornerstone of our capital market communications. Our aim is to reduce information asymmetry between company and capital market." (Nicola Haase, Manager Investor Relations, p. 13).

Open and symmetric clear sections -and segmentation-, enhanced disclosure on remuneration; fair MD&A; useful index, glossary... and even a pocket financial calendar gland. Price to pay? A heavy 258-page document built for very patient readers, with business segments analysis beginning only on p 118, and the last image on p 114.

OPERATING PERFORMANCE: ROLLS-ROYCE (U.K) "Against a background of challenging market conditions we have delivered profits in line with the guidance provided on October 79, 2001..." We... have achieved a strong operational performance with significant improvements in working capit. MANAGEMENT (Sir John Rose, Chief Executive, in the announcement of year results published in the "Financial Times", March 5, 2002) Profit before tax was down to £259m from £477m. Strong operational performance! Sales decreased by 8.5%... and operating profit is not displayed! Well, the order book increased. Management? We suppose it now means managing "guidance," another hat for "profit-making." "This performance... confirms our business model and our ability to... deliver shareholder value." (and of the published statement) Shares: pegged per share from 20.20p to 11.10p.

PERMISSION DENIED: TYCO (U.S.) Fiscal year-end: September 30, 2002. "Earnings Release" or "Events Calendar" on the website did not refer to it by mid-January 2003, i.e. more than three months after the fiscal year-end. At that date it was impossible to request the first post-Kozlowski report via the website or e-mail. The latter received the following reply: "Your mes- sage to Investor-Relations Email - Subject: Annual Report Request- did not reach the following recipient(s). The messa- ge could not be delivered because you do not have create permissions on this folder or it is only available to folder recipients... Is this the first consolidated report by BHP Billiton on our health, safety, environment and community performance... Over the past year our activities have been focused on putting this policy into practice... We remain committed to open and transparent Board details are not even provided. And for remuneration, perhaps "Bild Zeitung" should investigate.

HEALTH: BHP BILLTON (Australia)-UK) "This is the first consolidated report by BHP Billiton on our health, safety, environment and community performance... Over the past year our activities have been focused on putting this policy into practice... We remain committed to open and honest reporting..." (Message from the Chief Executive, p 1).

One of the only Asia-Pacific companies in this year's sample to have produced a separate "Health, Safety, Environment and Community Report." Entitled "Policy into Practice," it begins with the company chairman basted with a target score-board that goes from legal compliance (and the number of fires) to environmental incidents, from waste minimization to land management, etc. An interesting Performance Summary, nurtured with useful charts, is followed by a string of lively and finely illustrated geographical case studies.

IMAGINATION: GENERAL ELECTRIC (U.S.) "imagination at work" (Watchword on report back cover). "Imagination! At long last GE has decided to redesign its an- nual report. Result: It looks like a partly achieved SIIM report, for better or worse. No wonder, as it was designed by the same agency. Result? The MD&A has gone from communication to reality information - and backwards. (Note: only 10 pages...)

ACCOUNTING & REPORTING: MERRY-DAY (U.S.) "This year's report is a more complete report, with a larger print size, and more pictures. However, the profit and loss account (p 63) and those hair-scuttching segmental data (p 65) are not displayed! Well, the order book increased. Management? We suppose it now means managing "guidance," another hat for "profit-making." "This performance... confirms our business model and our ability to... deliver shareholder value." (and of the published statement) Shares: pegged per share from 20.20p to 11.10p.
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RECONCILED: AMERICAN EXPRESS (U.S.)
“SAP Basis to Managed Basic Reconciliation – Effect of Securitizations” (p 17).

That a 3-time 3-year table will certainly not reconcile the na-
devs’ forget the analysts!’ with supposedly more efficient accounting and reporting systems.

Another interesting exercise in this report is to... reconcile the various IQ9s (factual) shown.

REPUTATION: MERRILL LYNCH (U.S.)
“Today, we face new challenges – geopolitical, economic and reputa-
tional... We have done our best to serve our clients and, always, with their best interests at heart.” (Chairman’s message, p 4).

Reputational indeed. Report 2001 (last year): “Not operating earnings - a measure considered relevant by management in comparing current and prior year results...” (Footnote to Financial Highlights, p 2).

Consequently, a “Leader in wealth-management” went for using the operating profit as a measure against equity, contrary to one of the most used -and indisputable- ratios, which is based on net profit. The... net result was of course to increase the ratio. Even Enron was not advised to do so! Report 2002 (this year): The footnote has vanished... and that good old ROE is back! And, of course - or is because? Higher... Best interests? Best measures? Best investment fund? Best analysts? Let’s face it, “the loss of investor confidence [converged] to form a volatile environment.” (p 6).

RETURN: WYETH/AUSEUSER (U.S.)
“It’s a company focused on maximizing the return on every dollar invested in us.” (Slogan to shareholders, p 1).

Recent earned on shareholders’ interest” (company’s definition for return on equity) was the lowest in ten years, reflecting a longer declining trend. But it’s also true that the market price has showed much more stability these last five years than for hundreds.

REWARD: WPP (UK)
“Wow, how we behave” (pp 66-69).

Making a directors’ and governance report an almost pleasant read is a feat. Achieved here.

“Wow, we’re rewarded” (pp 78-79). Directors’ remuneration is a 27-page chapter that of course encompasses salary and fees, directors’ interests and share plans, but also the equity acquisition plan, a charted com-
parison of fixed and variable remuneration, notice periods, and more. Informative and transparent, that is.

Is it a flip side or another sign of the times, or both? The operating and financial review -root entitled “How we per-
form”- is shorter than the remuneration chapter. And historical data or ratios are a rare commodity.

RIGHT THING: BOEING (U.S.)
“Good corporate governance - in the true sense of the term – means a fierce and abiding commitment to doing the right thing.” (Phil Condit, Chairman, p 16).

Trust? Don’t many consider that governance is about doing the things right, while doing the right things is about leadership and management.

That said, the aerospace giant explain more on the subject inside its report than thousands of U.S. companies who’ve just gone for bowing to the newest requirements.

“More balance means greater stability, strength and agility.” (Chart, p 5).

To back this, a chart shows 40% of revenues from defense systems in 2002, against 20% five years before the right balance!

SECURITY: SYMANTEC (U.S.)
“Symantec provides a broad range of content and network security software...” (p 9).

And what kind of annual report does it provide? A plain form 10-K wrapped in yellow not even containing real directions. Why naming that “annual report”? And please don’t name this investor relation!

SHAREHOLDER VALUE: ORACLE (U.S.)
Report 2001 (last year): “Oracle will not be producing hard copies in response to our cost savings goal...” This will decrease printing and mailing costs, and increase shareholder value.” (Slogan signed by Lawrence J. Ellison, CEO).

Report 2002 (this year). Don’t look for it, even a 10-K was too expensive to send. Where to find corporate information then?

On the web, and in the media.

What’s news? “You will no be forced to convert to Oracle E-Business Suite applications.” (Line 2).

If and only if you elect to do so, you may move to the Oracle E-Business Suite via free modular-for-modular upgrades.” (Line 1 of “Oracle’s Public Commitment to PeopleSoft Customers”, BusinessWeek, July 14, 2003).

A jejulistic masterpiece, isn’t it? One of the biggest corporate lies read -and paid- these last years: “You will not be forced to convert to Oracle E-Business Suite applications.”

Get it, Saint Larry? Buying is probably better -and easier, for some- than reporting. Then come digesting. Report 2003 (next year). We bet there’ll be one report.

The sinner-and-saint type, for sure.

SHORT-TERMISM: NORTEL NETWORKS (Canada)

This is what we have received after having requested an annual report. It exemplifies the disastrous effect of the tyranny of quarterly reporting, with last quarter and quarter comparisons standing as a “substitute” for annual analysis and the long-term perspective. Never mind: forward-looking statements and risk factors occupy much more space that the quarter-driven MD&A. Want to know more? The company has probably turned virtual, with no single direction inside, except a www, something, of course.

Was it worth 8 pages of chlorine-free and acid-free paper for $100 in earnings per share?

The last big Nortel report was in 1997 (nineteen-seven!). Then came a big acquisition. Then came the bubble. Then came the debt -and related investment bankers. Heard that tune before? One of the worst examples of where quarterly reporting -and short-termism- can lead.

SOCIAL RESPONSIBILITY: TPG (Netherlands)
“Hunger is the world’s most profound logistics problem. But with our people, resources and knowledge, a logistics compa-
yy such as TPG can help - and that’s what we are going to do.” (p 8).

Problem. Answer: “In developing TPG’s partnership with the United Nations World Food Programme, members of the TPG Board of Management travelled to Mozambique to see for themselves what’s happening in regions where food is scarce and to devise a plan for how TPG can help.” (p 68).

Walking the talk -literally.

THINK LOCAL: PPG Industries (U.S.)
“TPG (Netherlands)
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Walking the talk -literally.

INDEX
Go to the index on p 1 to check (features the above company reports rank).

IN SEARCH OF -REPORTING- EXCELLENCE?

In what does your report excel, satisfy, or undermine? What’s the intrinsic value of the report? On financials, management, operations, investor content, visuals? Order an ANNUAL REPORT SCORING for US 1700, Euro 1500 or £ 950 (envelope sent with evaluation). 10 report items are assessed and commented. With a wrapup for report exec-
utives’ use. Order: Just e-mail e.com@sit-com.net
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REPORTEDLY

HOW REPORTS ARE SELECTED, ASSESSED, RATED AND RANKED

FILTERING

RANKING
(global top 200)

RATING
(A+ to C–)
Independent rating panel

REPORT SCORING
(0 to 20 marks)

REPORT EVALUATION
(5 categories of criteria)

REPORT COLLECTION

COMPANY SELECTION
(based on: position, performance, presence, peers)
Were considered for selection: 1,000 listed companies.
Are not considered for selection:

\- Privately-owned companies (except those electing to compete)
\- Investment funds or trusts
\- Stock exchanges with a listing
\- Purely government-owned companies
\- Central banks
\- Development or reconstruction banks or financial institutions
\- Public agencies
\- Reports for a fiscal year before 2002

Notes. Any company “even not listed or planning a listing” may submit its report for rating. However, the report will be subject to the same criteria as the ones applying to listed corporations. Selection or submission do not guarantee scoring, rating and final ranking. Except of course for report mailing costs, participation to the survey is free of charge. The use of e.com evaluation services is no prerequisite to rating or ranking. We view these two latter conditions both as a guarantee of independence and as an equal and fair treatment.

EVALUATING

1. FINANCIAL REPORTING
   (Total: 4 Marks)
   1.1. Dashboard: highlights and use of charts
   1.2. Financial review or MD&A
   1.3. Segmentation and contribution analysis
   1.4. Long-term performance. Growth and ratio analysis

2. REVIEW OF OPERATIONS & BUSINESS ISSUES
   (Total: 4 Marks)
   2.1. Bird’s eye view: profile, year overview, key facts
   2.2. Review of operations
   2.3. Main sources of revenues and major geographic markets
   2.4. Other issues reported, incl. R&D, social and environmental responsibility

3. EXECUTIVE STATEMENTS, STRATEGY & GOVERNANCE
   (Total: 4 Marks)
   3.1. Chairman/chief executive
   3.2. Past, ongoing and future corporate strategy
   3.3. Board and management background and details
   3.4. Corporate governance, interests and remuneration issues

4. SHARE INFORMATION & INVESTOR COMMUNICATION
   (Total: 4 Marks)
   4.1. Changes in earnings and dividends
   4.2. Historical share price, value, fundamentals reported
   4.3. Investor information section and details
   4.4. Risk management and other influencing factors

5. VISUALS, DESIGN & LAYOUT
   (Total: 4 Marks)
   5.1. Report covers
   5.2. Report packaging, layout and structure
   5.3. Illustration, graphics and visuals
   5.4. Differentiation, identity and creativity

TOTAL SCORE (Maximum Total: 20 Marks)

Important note about scoring and rating. Only the rating is made public. The score is disclosed only to companies via a QUICK REPORT SCAN which is an enhanced edited version of e.com's extensive internal research, also containing report strengths and weaknesses. See other section for details.

JUDGING

"Enterprise" in the past and enterprise.com now have been unforgiving followers of what Hasso Plattner (the 19th century American journalist) summed up as the driver of his practice: "ever independent. Never neutral". We've found a good way to deliver report value towards company value in analysis and consulting. Nothing's perfect. So we have been striving to enhance this by setting up a report rating panel, composed of report experts and a few e.com consultants. The primary role of the rating panel is to produce its own assessment of a number of reports ranked, based on the criteria used by e.com. This serves as a double-check, validation or invalidation of e.com consultants' evaluation. Panelists were asked to score and rate dozens of reports received before late-June. They were also consulted for the selection of reports doing better or best (category winners and awards). For logistical reasons -from report ship-feeding to survey publication timing- the panel for 2003 was organized on a remote basis.

The rating panel is international, which we think offers both the necessary multicultural perspective and a guarantee against national preferences and cultural bias (sometimes turning into arrogance) that still tend to affect report practices despite the increasing market globalization. It is also multi-disciplinary. Panelists must judge as much as possible independently of their company positions and e.com's scanning and scoring process. Therefore, panelists who come from a company whose report is selected or ranked or have it as a customer or partner are not allowed to assas or submit their own or client's report or the ones of related companies, as well as the ones of close competitors. Panelists' votes are not publicly disclosed. e.com is and may be held as the sole responsible for the final ranking, as well as related comments, and picks on various report items categories.

AN INTERNATIONAL REPORT RATING PANEL

Björn Bergstrand
President and founder of BBD Financial, a communications consultancy that specializes in financial marketing, investor relations and corporate communications for financial services companies. Giants include "Invest in Sweden" agency (no- possible for attracting foreign investment to Sweden), the Swedish Trade Council, as well as listed financial and construction firms. Björn has a M.Sc.B.A. from the Gießen School of Economics. Prior to starting up BBD Financial in 1998, Björn worked in corporate finance at Saab and was a consultant at Intelsat, one of Sweden's leading corporate communication agencies.

Ute Bode
Was born in Leverkusen in 1954 and studied German and English at the University of Cologne (Rhein), where she earned her Master of Arts. She joined the communications department of Bayer AG in 1990. In 1992 she became head of the "Broschüren und magazines" department and has been jointly responsible for the company's annual report since 1994.

Vero Escarmelle
A corporate and market communication specialist, Vero was a manager at The Enterprise Group, for which she took part in the launch of the corporate and financial reporting business that was spun off into e.com in 1999. She has stayed as a permanent e.com consultant ever since. She has a 10-year experience in annual reports, incl. five years of annual report coordination and supervision in the financial sector. Her record includes a three-year stint as an office manager for a U.S. company in the electronics industry, and marcom advice towards Southeast Asian markets.

Kaveen Gazdar
Kaveen Gazdar is in charge of reporting at MBF Group (Hypothekenbank Frankfurt), Germany's second largest bank and Europe's largest real estate financier. He joined Vereinbank in 1994 and has been responsible for reporting ever since. The annual reports of Hypothekenbank have won a number of awards in Germany's business media. Kaveen is the author of books on annual reports, incl. "Geschäftsbücher ohne Fehl und Tadel". He was also responsible for the "Spatly Story" segment of the study "Best Practice in International Investor Relations" (2002). Kaveen is active as a speaker in Germany and abroad.

Mike Guillaume
Was a co-founder and executive director of The Enterprise Group (est. 1986, incl. 1990), offices in Brussels and Dusseldorf, a consultancy that formulated more than 600 business plans and financial reports. He set up the reporting unit and co-created the "Annual Report on Annual Reports". In 1999, he led the spin-off that resulted in e.com, now a division of Corporate Essentials, Inc. (U.S.), of which he is a director. An economist and financial information specialist, Mike worked first as a consultant for the U.S.-based Proudfitcorp corp.

Paul Langford
Paul is an expert in annual report design. He was formerly managing director of MPI (Michael Peters Literature) and Addison Design (London), both leading players in the field of corporate publications design, before setting up his own consultancy in 1995. Over the years he was worked with many
leading businesses, incl. Amersham, BT, Boots, Fiat, GUS, Marks & Spencer, Tesco and Tomkins. Paul is now the managing director of Langford Corporate Design.

Henner Lappe
PhD, co-founder of Com.factory and partner/member of the board of Trimedia Communications Switzerland AG. Henner has comprehensive experience in marketing research and communications. He has a more than 10-year track record in company internal and external functions regarding concept development, implementation and assessment of annual and corporate reports, incl. for a number of renowned Swiss companies.

Dennis Larsen
Joining the Reputation Institute after receiving his MSc in Economics from the Erasmus University in Rotterdam, Dennis has been involved in various reputation management and corporate communication projects. He has conducted extensive research on investor relations with the Rotterdam School of Management’s Corporate Communication Centre and the Rotterdam Institute of Financial Management. He presented a paper about the influence of investor relations on corporate reputation at the Reputation Institute’s 6th Annual Conference in Boston.

Other European and North American reporting experts and investment specialists whose names are withheld by request were also consulted.

RATING

A+  World-class output. Substantial (information content), sound (higher financial and operations reporting standards), and stylish (communication level, identity vehicle).
A  First-rate. A benchmark on some key reporting features (financials, operations, investor).
A−  Superior report. Just missing a few sub-ingredients to hit the (full) marks.
B+  Fair, well-balanced and solid international report standard.
B  The average report. Commendable, at least on some elements. Not more, not less.
B−  Could-do-or did-do-better document, lacking in financials or operations or visuals.
C Basic. A few positive features, but too many gaps to be really convincing.
C−  Mediocre. Reporting job handled as compliance-only or a necessary evil.
C+  Lowest international reporting standards. Insufficient, insipid.
D  Are there D-rated reports? Sure!

Although the rating derives from the scoring, there may be some differences between some marks and the final rating. Numerous reports score the same, sometimes on each criterion. This year’s ranking is no exception to that, as a natural output of the scoring and rating practice developed at e.com and for the panel. With some evaluation criteria made tougher (or checked up more deeply) and an over-demanding environment (okay?), numerous reports saw their marks down, while others were marked up. Another trend is the homogenization of reporting, which incidentally often results in uniformity and identity dilution. The larger number of companies selected (twice as many as in 1999) and of reports compared is another aspect, and one that makes the report market arena more fiercely competitive. The combination of all those factors doesn’t facilitate the assessment. A rating process is about grading and thus also upgrading or downgrading. And sometimes somewhat correcting the more accurate score for reports: for one key plus point, a special item, continuing efforts shown over the years, a clear competitive advantage (in an industry or across the board), or other reasons. Consider the score difference between top 10 reports which is 1.5 marks according to our criteria, or even between N°1 and N°40: 2.5 marks only. On the whole, the overall marks of reports ranked have kept on increasing, seeming to reflect a higher commitment to the quantity and quality of information and the quality of documents (two different issues, by the way). More than 1/3 of annuals ranked may be considered, at least according to e.com’s criteria, as “fair, well-balanced and solid by international report standards.” The bottom 25 of reports ranked five years ago were rated C+ or C. While this year’s N°20 still receives a B− mark. Still, 1/3 of all reports received are rated C+ to C− or the infamous D.

REPORT CHECKUP?

Why did your report rank there? Or didn’t rank? Would you like to know how your annual report scores on all evaluation criteria? Order a QUICK REPORT SCAN for US$400, Euro 350 or £250 (price valid until Dec. 31, 2003, invoice sent with scan report). Besides the score breakdown, it contains edited remarks resulting from our desk research and a meter of strong and weak points. Order? Just e-mail e.com@sit-cor.net