



## Reader's guide

The Annual Report on Annual Reports 2008 is made up of three documents.



### Report Ratings & Ranking

- Top 500 annual reports
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- Who can compete?
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- Reporting in tough times
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### Report Attributes & Picks

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## Watching the report flow

Freely inspired by Bob Dylan's "*Watching the river flow*" (1971), which also includes the verse: "*People disagreeing everywhere you look. Makes you wanna stop and read a book*", our title sums up e.com's tireless (and sometimes tiring and tiresome!) job -and our core business.

How did we spend the last months?

We collected hard copies or downloaded soft (not always so soft) versions of hundreds of annual reports. We scored them. We rated them jointly with our panel.

We **watched** them.

We have identified a number of important **report attributes** and picked a number of annual reports doing best -or just better- on those.

We looked at the covers. Yes, we know that, as the bluesman Willie Dixon put it, "*You can't judge a book by the cover*", but that's the starting point, the invitation to go further inside, and this applies even more to annual reports.

We read the report titles. Among the untitled ones, the hackneyed phrases, the fashions, we spotted a few ones that mean something or convey a message.

We pored over key figures, share items, ratios and performance indicators.

We glimpsed the truth through some messages, caught the drift or got the thread of some, and certainly missed the point in many more.

We moved from boring -and bowing- 10-Ks to dull 20-Fs to plainly put accounts of year ended.

We tried to get the picture here and charted the course there.

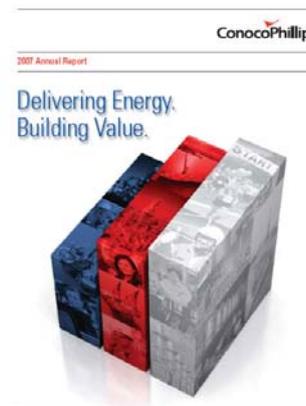
We perused chairman and chief executives' messages and stared at some in disbelief.

We ran past lifeless books and stared at lively reports.

We had to dig deep into financial reviews and, less often, were struck by financial clarity.

We flicked through thousands of pages, glanced at hundreds of ones, and traced some well-balanced reporting exercises, some key **report assets**, and major **report liabilities**.

## 200 assets and liabilities

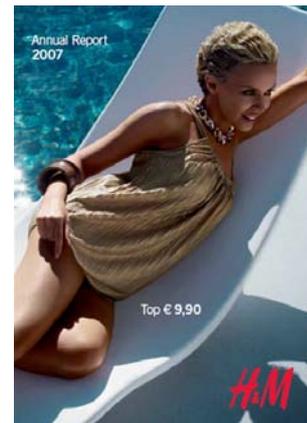


Company	Report Assets (one or more)	Report Liabilities (one or more)
ABBOTT	Well-balanced exercise between strategy and achieved results, products and growth drivers and components.	<i>The Financial Review</i> , pushed after the notes to statements, is far from being up as regards reader-friendliness.
ACCOR	Sustainability objectives, indicators, year results, and commitments for 2010 are set forth over four full pages.	The report itself doesn't make so many efforts to accommodate financial information needs. The official file is required to know more.
AIG (American International Group)	<i>Supplemental Financial Information</i> is made a bit clearer through charts.	Assured? Sorting out the non-gaapish wheat from the sec-ish chaff is not easiest, and certainly not aided with the use of a poorly designed 10-K.
ALLERGAN	The front cover is, er, eye-catching.	<i>Eye Care?</i> Many have felt some pain when trying to read the <i>Condensed (?) Consolidated Statements...</i> on on pp 2-3, with a quantity of footnotes that require a magnifying glass.
ALLIANZ	Well-constructed charts add some value.	Chairman's message: <i>unlike other institutions we do not have a liquidity problem nor indeed and equity shortfall. Unfortunately this was ignored in the knee-jerk reaction of the markets when financial sector valuations plunged...</i> Who is guilty? The markets? To check about other liars, go to p 56 ( <i>Banking Operations</i> ).
AMERICAN EXPRESS	<i>Those who follow our company know we measure our performance against specific long-term financial targets</i> , states the CEO.	The visual thread stops after ten pages and doesn't look <i>uncommon</i> .
ANZ (Australia and New Zealand Banking)	Among numerous governance strengths, clearly laid-out remuneration tables, transparent compensation structure and contract terms.	Neither the compact <i>Shareholder Review</i> nor the much too short financial review is up to what can be expected from a large bank.
ARCELORMITTAL	Not the <i>bold</i> stuff, but steel yourself for a well-packed <i>Activity Repor</i> paced with Qs and As.	Why does a steel company incorporated in Luxembourg, led by an Indian CEO, and whose major assets and most employees are in Europe and Asia report under IFRS in US\$? Perhaps <i>the promotion of healthy living</i> (inside cover flap) explains the very short responsibility chapter.
ASAHI BREWERIES	A high-calorie brew, with results, but also markets, fact sheets, strategies, plans, targets, and of course beverages.	<i>We offer no excuses for our performance. We escaped direct losses from subprime lending, which we had exited years ago. But we did experience large writedowns in the value of structured products backed by such loans...</i> (Chairman's message). No excuses.
BANK OF AMERICA	<i>A mortgage without the worries</i> , still bravely makes up the first topic in the (very short) review (p 19).	

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BARCLAYS	A 50-page <i>Risk management chapter</i> introduced with a comprehensive index.	<i>Walking away from the opportunity</i> (of "merging" (sic) with ABN Amro) <i>has not caused us to change strategy, and we remain confident in our ability to ... deliver value for shareholders.</i> (Chairman's statement). Following subheading is: <i>Responsible Banking.</i>
BARLOWORLD	An extensive (8-page) <i>Consolidated seven-year summary</i> , including most key ratios expected - and defined nearby.	The major company <i>restructuring</i> (from 8 to 4 divisions) has not been translated into a more practical report handling: a much too thick 284-page book. Better IR logistics expected!
BBVA (Banco Bilbao Vizcaya Argentaria)	Customer spread smartly charted and followed with a table Breakdown of yields and costs (pp 27-28).	Adelante? Pep talk indeed to go through another heavy bank (report): 340 pages.
BHARAT PETROLEUM	<i>Sources and application of funds</i> compared over 25 (twenty-five!) years (pp 86-87).	A crudely drawn and heavily filled book.
BMO Financial	16 five-year charts on the very first page to show <i>Numbers That Matter</i> in the long run. They include standards as well as some less expected at a glance. A solid first step towards what remains a benchmark in financial performance analysis.	Better dealing needed here: a wealth of information can sometimes turn into a certain overload.
BNP PARIBAS	Probably the earliest-placed executive remuneration summary in this year's reports: this one lies on p 11. And is an avant-gout of a thorough governance chapter in the <i>Registration Document</i> .	A 120-page bank's document named <i>Annual Report</i> could at least include a financial and capital management chapter. The reader/holder must therefore dig into another 280-page official <i>Registration Document</i> .
BP	<i>Safety</i> stated as the first priority on the front cover. Even in a broad meaning, this is not common yet explicable in the company's recent -and future- operating context.	BP as an annual report stands for <i>Boring Petroleum</i> . The supposed roles of designer and typesetter are not clear to the reader who was not fortunate to receive the lighter 32-page <i>Review</i> . Who wants to read that, from the raw first page to the last seven ones ( <i>intentionally left blank</i> )?
BURBERRY	Stylish yet not lacking in substance, especially on the pursuit of strategic goals: see e.g. the <i>product pyramid, balanced channel mix...</i>	Financial Highlights are skimpy: six items for two years, of which three <i>adjusted</i> .
CASCADES	An appealing <i>Report on Sustainable Development</i> , packed in recycled cardboard.	Risk analysis is not up to the industry and environment picture.
CASINO	Eight sustainability challenges identified. They include waste management and <i>responsible consumption</i> .	Not really the retail volume: the core report is almost 300 pages long.
CATERPILLAR	Nicely shaped and solidly built reports, of which the <i>Sustainability</i> one is slightly longer than the <i>Annual one</i> .	Appearances can be deceptive: if sustainability was as easy as attractive pictures of clear skies, clean roads, undirty workshops, this report would ... sustain it. It's just not that easy.
CHARLES SCHWAB	<i>Growth in client assets and accounts</i> year-on-year and over four years (p 28).	After 28 pages you have to bank on another 10-K.
CHEVRON	MD&A as finely staged as a pipeline, with an itemized review of the income statement.	<i>Energy Terms</i> (p 28) include <i>Biofuel</i> and <i>Renewables</i> but do not define fossil fuels. Weird, isn't it?
CITIGROUP	<i>Exposure to Real Estate</i> tabled (all meanings) from p 48 on.	<i>unprecedented losses resulting from the sudden and severe deterioration in the U.S. sub-prime market</i> , writes the incoming CEO to his <i>Fellow Shareholders</i> . Outside deterioration or inside decisions?
CLARIANT	<i>Disappointing profitability</i> is highlighted (p 2).	<i>A Year of Progress and Challenges</i> is the subtitle of the <i>Financial Review</i> : what follows is not really a master batch to substantiate.
CLP	A report entirely built on a Q&A thread and talking plain financial. This also applies to statements decoding, risks, and some of the notes.	Notes to statements lack the substance shown in the other sections. And the bulbs don't throw sufficient light there.

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COCA-COLA	<i>The language of refreshment</i> (report title) is spoken with a peppy tone of voice.	<i>The language of refreshment</i> is not applied to financials, made of another non-sparkling 10-K.
COLGATE-PALMOLIVE	The painted smile on the cover is inviting.	<i>A Global Financial Review? Global? It just speaks GAAPish (or is it SAPish? See p 14) English and merges Europe and South Pacific.</i>
CONOCOPHILLIPS	A matter-of-fact <i>Financial Review</i> that highlights sources and uses of cash.	<i>ConocoPhillips operates responsibly in nearly 40 countries..., providing reliable and sustainable energy supply (p 2). Next time, also write about a green thumb to complete the -wording- footprint? Financial condition and risk matters are not analyzed deeply.</i>
CORIO	<i>Top 10 by value</i> (pp 18-19), <i>Top 10 tenants at year-end</i> (p 99). In between, a country-based review of properties.	
CREDIT SUISSE	<i>In the financial services industry, professionalism, trustworthiness, diligence... are more than just catchwords (Corporate Citizenship Report, p 12).</i>	<i>In the financial services industry, professionalism, trustworthiness, diligence... are more than just catchwords (Corporate Citizenship Report, p 12).</i>
DAIMLER	<i>Financial performance measures and Value added</i> finely explained.	Has a reshaped company been translated into a reshaped reporting format? Nicht wirklich.
DAIWA HOUSE	A clever way to chart year-on-year ups and downs in the inside cover, sustained through a statement-backed CFO message, and an extensive check of achievements and strategy. Plus an excellent review of businesses.	More solid governance reporting still has to be built.
DANONE	Santé! A compact 100-page magazine-looking report that is meat (well, kind of) and drink to the reader.	Financials not sufficiently fed, even in the much less lively <i>Registration Document</i> . <i>Profits forecasts and estimates? Not applicable (sic).</i>
DANSKE BANK	Targets for risk-adjusted return: <i>a new performance measurement tool</i> (p 31).	An entirely blank report outro.
DBS	<i>Financial Highlights</i> chart eight key indicators in parallel for the last ten years on p 7.	Which way do you read the graphs in <i>Financial Highlights</i> ? Many in the east will also see all of them going south.
DELHAIZE	<i>Supplementary information</i> comprises stores, associates, debt and free cash flows, impact of exchange rates.	Financial and business reviews not most thorough.
DEUTSCHE BANK	A forty-page risk report seems to cover... most issues.	<i>New is not only how these changes are happening, but also where they are taking us.</i> (p 1 insert). An answer on directions might lie in the cover sequence. Meanwhile, it's about <i>freeing up capital by reducing non-core assets</i> (sic, p 41).
DEUTSCHE POST	<i>Further Developments and Outlook...</i> developed.	More supervisory role needed here, from restatements (over 7 previous years) to report volume management.
DIAGEO	A sparkling introduction to the legacy and brands, in the <i>Review</i> only, including a sustained application of the theme to show that directors are, well, of age (p 24).	The <i>premium strength</i> of the <i>Review</i> can hardly be found in an indigestible <i>Report</i> where segmentation somewhat apes a procterian recipe and <i>historical</i> data go less further back than <i>Ciroc Vodka</i> (4 years old).

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DOMTAR	<i>It all begins with paper, states the Review back cover. Fit to print, goes the saying (p 26). This Review is fit for a read.</i>	Should it all end in a cheap paperback 10-K? In other words, why not putting the financial report up to the lively Review? Another cross-border defeat.
DUKE ENERGY	Addressed to all <i>who have an interest in our success</i> , the Chairman's <i>Letter</i> boldly tackles the sustainability and environmental challenges faced by the power-generation companies.	Why following the SECish crowd and publishing such a dry and illegible 440-page 10-K? Even historical statistics are not that cleanly set out.
DUPONT	The <i>Data Book</i> deserves a better treatment than other annual components, with well sorted historical figures.	<i>More Than a Thousand New Products a Year</i> (as written in Review p 4). Shouldn't this justify more than an 8-page Review? More? You're sent packing to another boring 10-K.
E.ON	Fair description of ROCE and value added.	<i>To have an efficient capital structure, you need the right debt-to-equity ratio</i> (p 11). Why then not providing it and substituting a debt factor?
E*TRADE	Now that TSR performance graph is a duty, it has to be shown even when it goes downhill.	<i>from...sub-prime lending (in which E*Trade did not materially participate) to broader mortgage-related asset classes, the Company began to suffer...</i> (from the incoming CEO message). Many immaterial participants, weren't they?
EDF	<i>Sustainable Development</i> indicators are explained in a separate twenty-page document.	French engineering? Details then analysis. It takes half of a document titled <i>Financial Report</i> to read a... financial report.
ELECTROLUX	Risk management translates sensitivity analysis in pre-tax earnings impact and charts raw materials exposure.	Besides covers that some find cryptic, <i>the new Electrolux Built-In Kitchen</i> is... built in between <i>Quarterly information</i> and <i>shares</i> . Well, why not?
EMERSON	A <i>Financial Review</i> made more readable and comprehensible than in the mainstream U.S. MD&A.	What is the business? What's the contribution? The answer is not quickest.
ENCANA	<i>Highlights show Net Debt to Capitalization, to EBITDA</i> and... <i>to Proved Developed Reserves</i> .	The (re)fine(d) print? Should a 26-page <i>Summary</i> finish with those illegible <i>Advisories</i> ?
ERICSSON	Financial risk management can be found at note C20 and is explanatory.	With so much overlap, is there a need for two documents? The answer is no.
ESCADA	<i>Value performance measures</i> set forth EVA analysis.	Should the fashion reporting model turn around a one-woman show?
ESSILOR	Markets come into view, not least through finely designed graphs.	For financials, the analyst must go through the hefty <i>Registration Document</i> , light on liquidity.
ESTEE LAUDER	Report title in seven languages (only?).	<i>The Beauty of Sustainability</i> (as stated on CSR report cover) is not much shown in figures.
EXXON MOBIL	Rock-solid <i>Financial &amp; Operating Review</i> , made of a mix of raw material and refined tables and charts. Also includes <i>A View to 2030 Energy</i> picture.	<i>Living in harmony with nature?</i> It's about protecting eagles... in Russia. No cold war, thus. And of course incidentally <i>reducing</i> CO2 emissions.
FINNAIR	Key figures include <i>traffic information</i> .	<i>A modern fleet is the best environmental act</i> (p 25). Really?
FORTIS	<i>Our four core businesses comprise Key figures, Business profile, Business strategy, Market position, Key developments</i> . All wrapped up on pp 2-3.	<i>A stable or growing dividend per share</i> , asks the discreetly put heading on p 83. Growing? No. Stable, yes. But there is a price to pay.
FORTUM	Quick, thorough and segmented financial and business profiling.	Commitment to sustainability not fully translated into targets.
FRANCE TELECOM	A lively document, even though the readers might get their wires crossed when they look for 5 priorities apparently lost between 3 and 7.	Liberté, égalité? <i>Investors</i> (sic) are entitled to receive information <i>exclusively reserved for professionals</i> , but not <i>private shareholders</i> , considered like... <i>students</i> (as seen on the financial website).
GENERAL ELECTRIC	The <i>Letter to Investors</i> is supported with six charts that measure the progress made over the last five years.	<i>CEO Goals</i> shown as a kind of postscript on p 35. One of them is <i>Lead the Board activities</i> . What's the measure? <i>GE has an excellent track record on governance</i> . A nice CNBC headline, but hardly a measure.

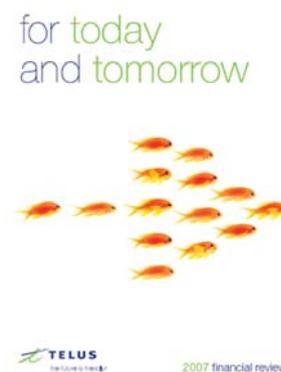
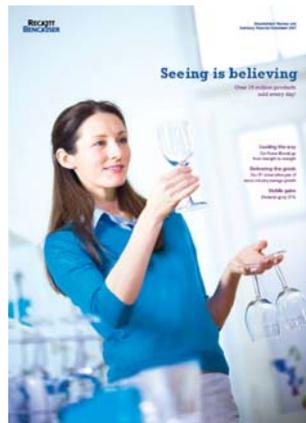
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GENERAL MILLS	<i>Our Portfolio is a strategic advantage depicts and charts the growth drivers in a few snapshots.</i>	In an anonymous <i>Financial Review</i> , the MD&A is not really structured as a cookbook: try to compare 3-year sales growth and take some snacks to go from balance sheet to liquidity to capital resources.
GENERAL MOTORS	Not evasive about <i>Key Factors Affecting Future and Current Results</i> , which occupy six full pages and even come before <i>Liquidity and Capital Resources</i> .	What's good for GM is... just good for the SEC. The IR website primarily directs to <i>SEC Filings</i> . On April Fool's Day, it was a <i>Report of unscheduled material events or corporate event</i> . But at the end of June, one can get <i>Investor Fun Facts</i> . Lot of fun in Motown, isn't it?
GENERALI Assicurazioni	Presentations for analysts available online go much further than the annuals.	176 years old? Forse. But, bar a few pictures of monuments, this is just a lifeless book lacking in assurance.
GfK	<i>Growth from Knowledge</i> (i.e. GfK) is the watchword. The questions asked and case-study answers talk the talk.	The vehicle looks -and weighs- more like built in heavy industries.
GOLDMAN SACHS	Puts some faces on the <i>We see opportunity</i> theme.	<i>Tangible common shareholders' equity equals total shareholders' equity less..., excluding power contracts. Identifiable intangible assets associated with power contracts are not deducted...</i> (footnote on p 51). Post-Enronish, sort of.
GSK (GlaxoSmithKline)	Taking a leaf out of other pharma reports, the Q&A format makes it straightforwardly, e.g. by asking <i>What are you doing to improve healthcare in the developing world?</i>	A cautionary chilly entry. No e-mail to reach IR and a Q&A format that looks a bit déjà vu in the industry. And the (actual) key figures are not within immediate reach.
H&M (Hennes & Mauritz)	Most photos are price-tagged. Still, the MD is lucky enough not to be.	The <i>Formal Annual Report</i> puts a skimpy dress.
HARLEY-DAVIDSON	Packed in a roaring mag format, the financial performance summary charts the course.	Another U.S. firm that has gone for the 10-K ride. And if you don't like it, perhaps you should meet with the gunnery sergeant on the front cover.
HEINEKEN	Performance highlights rich in ratio calories - and bar charts add the medium-term view.	<i>The risks and rewards in respect of sales of other beverages do not differ significantly from beer, as such no business segments are reported.</i> (note 5, p 87).
HITACHI METALS	Diagrams show the electrical applications of one of the main products and their positive impact on energy conservation.	The <i>Monozukuri</i> way is not most clearly defined.
HOCHTIEF	<i>Typical value curve for a concessions project</i> (p 31).	A foldout section is used to show the past and planned corporate structure. At first glance, the construction is not that different.
HONDA MOTOR	Special feature: <i>Targeting the World's Cleanest Diesel Engine</i> .	Report styling lags behind car modeling efforts.
HSBC	<i>Trend analysis for Financial KPIs</i> on p 11. Mind the footnotes, though.	Does bigger mean better? One more time the answer is a... big no. This 472-page book is not designed to be read, it is made not to be read.
IBERDROLA	As light as... wind: annuals are served as a 10-page booklet and a DVD packed together.	Is the Digi-magazine really a good format for a quick and then deeper look? Not estupendo.
IBM	Working capital and cash flow analysis plainly engineered.	<i>A different company today?</i> Maybe, but why packing it in such a uninspiring book?
IMMOFINANZ	The DIY-thematic introduction is smart diagram-based brickwork.	Statements and notes take two thirds of the report space. Without any index, if the reader wants to know about Klyos Media in Romania, it lies at 2.4.1.3.3.3.2.
INBEV	<i>The Stella Artois Pouring Ritual</i> is worth a stopover.	Too busy planning another gulp? The communication team declined the invitation to the report competition. No explanation can be found to this, even in note 33, for example.
INDIAN OIL	Debt to equity split into total debt and long-term debt <i>at a Glance</i> (p 27).	A legislative piece of work. Even the <i>Directors' Review</i> is not much refined.

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INDITEX	<i>the Inditex Group is best defined by its international outlook</i> (p 123). And it shows, with no less than six pages of maps and the team (p 60) to demonstrate la fuerza.	Zara? Massimo Dutti? Many have seen or bought those. Why then reporting in such a wholesale 408-page book, with key figures as late as on p 37?
INFOSYS Technologies	Ratio analysis among the most comprehensive, yet not that accessible.	<i>We live in exciting times</i> , states p 1. Sure, but this report is not made that exciting, and far from optimally structured.
ING	A matter-of-fact <i>Annual Review</i> is sent a few weeks prior to the main Report.	The report itself is hefty, stodgy and far from optimally sequenced (with risk management pushed as a kind of postscript, for example).
INTEL	<i>Performance inside</i> : this wordplay is the only great thing in the no. 1 semiconductor company report. And it lasts one page (say three).	Where have all the Grove times gone? Is it really intelligent design to fill three pages with results and highlights and then just manufacture another non-performing 10-K?
IOI	Overviews and highlights show trees as much as forests and are thorough, charted and rich in ratios.	<i>Resource-based manufacturing</i> (20% of profit) recipes should apply more effectively to this thick 280-page book that doesn't make the <i>Plantation</i> business (47% of profit) much <i>sustainable</i> .
JAMES HARDIE	Highest degree of transparency on compensation and related matters, including employment contract and benefit details for executives.	Not clearest about place of incorporation and the use of currencies.
JOHN KEELLS	<i>Explanatory highlights</i> for major changes in assets and liabilities.	Designed as an administrative book (structure, style, headings).
KELLOGG	Growth-driven highlights, with comments and charts.	<i>The food company of choice</i> ( <i>Vision</i> on p 1) doesn't provide a financial section of choice anymore, but another low-calorie 10-K, introduced with... <i>Sustainable</i> buzzwords.
KINGFISHER	Chairman's statement backed with <i>financial</i> and <i>strategic performance</i> indicators.	Risks and property-related matters seem to weigh more than financial commentary as such.
KONICA MINOLTA	<i>An Intellectual Property Update</i> follows the <i>Financial Review</i> .	The report is too short on a number of ingredients to make it a <i>high value-added film</i> (p 14).
LADBROKES	An excellent pictorial play: see the way it is tackled on p 23, for example.	<i>A Trading summary</i> (p 30) stands as a financial review. For one-minute traders indeed.
LAND SECURITIES	The <i>Financial review</i> is preceded with a note on the impact of REITs, and charts matters such as <i>Future performance drivers</i> of and the <i>Funding structure</i> . One among the many pluses in a report where many ingredients allow access and readability.	Too thickly bound and much heavier to carry than any real estate booklet.
LEGAL & GENERAL L'OREAL	<i>Key features of executive directors' remuneration</i> clearly summed up (p 51). A short yet well-charted insight into market trends in cosmetics.	The <i>Finance Director's Review</i> is far from demonstrating <i>Financial Strength</i> . The <i>Management Report</i> is stuck on p 57 of <i>Volume 2</i> , and liquidity matters aren't included to make up.
LUFTHANSA	Hedging policy and fuel hedge scenario stand among the transparent and thorough report on risks.	<i>Effective and sustainable successes in ecological matters</i> , says p 23. Richtig! Using less than three pages to report on this saves a lot of paper.
LUNDBECK	The Danish specialist in pharmaceuticals for nervous system diseases releases a separate magazine, but, contrary to many, doesn't do it at the expense of its core annuals, rich in substance too.	The financial review is one page long. Short, that is.
LVMH	<i>Passionate about creativity</i> (front cover message)? The report talks the talk through superior photography.	The <i>Rapport financier</i> is not up to the pictures and not really the reader's bag.

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MASSMART	A full cart of historical financial and operational data packed in a twelve-page <i>Seven-year Review</i> .	A mass of thick and heavily bound paper, not most optimally laid out.
McDONALD's	Not fat: the narrative is twenty pages long.	After skimpy highlights, the GAAPish MD&A is just indigestible. Period.
MERRILL LYNCH	<i>Where We Stand</i> is probably not the most inappropriate title for the year report.	For the financial services industry, including Merrill Lynch, 2007 was a sobering year. Sobering? The good news is that most of our businesses continue to perform... And we have moved quickly to strengthen our balance sheet (inside front cover). For the bad news, go to p 7 (about ABN Amro) and p 19 for the bottom line.
MITSUBISHI	Though not most aptly titled, the 16-page <i>Investor's Guide</i> puts a number of figures and ratios in a long-term perspective.	Contribution analysis not made easiest due to the complexity of the 7 business-group framework made up of... 573 companies.
MIZUHO Financial	Although sometimes byzantine, risk management processes, structure and controls are fairly explained; and a <i>Status of Asset Quality</i> is provided (p 90).	How can a CEO accept to deliver a message with such truncated bar charts? Zigzag line or not, they are misleading.
NEC	A bit cloudy yet very enlightening diagram (pp 14-15) to show how to seize <i>Next Generation Networks</i> opportunities.	The change in accounting principles doesn't make year-on-year comparisons fully trustworthy.
NESTLE	With 480 factories in 86 countries, the group feeds the reader with fine <i>Geographic data</i> , e.g. with <i>organic growth</i> for geographic zones (p 53) and changes in sales in 16 markets (p 62).	The Nestlé model is not just about growth; it is about sustainable profitable growth, writes the Chairman, who naturally concludes that it will result in long-term shareholder value creation. Call it greenwashing (vocabulary), or just Davos consensus commonplace?
NEWS CORPORATION	<i>we always have at least one generation of assets that can be considered our growth assets</i> , states the CEO in a not too foxy message.	Key figures are not within reach, and the MD&A is far from being made digestible. And the WSJ acquisition hasn't resulted in cross-fertilization on this. To be fair, the former owner had never excelled at the reporting exercise either.
NEXEN	A well-achieved attempt to translate a 10-K into an intelligible reporting style, without departing from the whole structure.	10-K format not always optimally translated due to layout, successive year reviews, and an arguable logic.
NOVARTIS	The strong black and white photography weaves together the numerous chapters of a report in which citizenship is addressed at length.	Highlighting sales and income as a 100-based index could be double-edged.
NOVO NORDISK	<i>Pipeline overview</i> is followed with a thorough <i>pipeline progress</i> report in a combined report.	The worthwhile <i>economic stakeholder model</i> is buried on p 94.
NTT	Overview of company's <i>Environmental Impacts</i> summed up in a diagram (CSR Report pp 32-33).	Magnifying glass recommended to read the footnotes to <i>Highlights</i> (sic).

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OERLIKON	Six segments <i>classified according to key technology</i> and setting forth (pp 4-5) a selection of clients and partners. For more (including competitors), see also the inside back cover foldout.	Better tuning could probably make it more compact and less heavy.
PAPERLINX	<i>Paper is who we are</i> : finely inked paperwork to write -and show- about the business.	The <i>Full Financial Report</i> is not full at all: statements and notes without comments and analysis. This is wrapped up in one single sheet of paper in the <i>Concise</i> report.
PEABODY ENERGY	In the black: <i>Eight-Fold Return in Five Years</i> , as extracted from the inside front cover.	<i>Coal is the world's most abundant fuel... and black, if you will, is the new green</i> , writes the CEO (p 4). If things could only be as black and white, the world would be, er, greener.
PEPSICO	A review of business and financials made highly palatable to a broader audience, but never at the expense of rich content (e.g. <i>Items Affecting Comparability</i> highlighted, <i>Cash Utilization</i> charted...).	How far is the company effectively international? Online request forms apply to North American states only.
PERNOD RICARD	Designed by an aptly named Terre de Sienne working in an Entente Cordiale mood, the <i>Annual Report</i> is bubbling over with premium content, images, facts, and spirits.	Under a fuzzy (or is it fizzy?) cover the <i>Financial Report</i> is lacking in substance.
PETRO-CANADA	The management discussion is fueled up: 50-plus well-documented pages; with a year-on-year net earnings impact chart (p 21) and <i>Priority-Goals-Results</i> tables.	Sustainability doesn't look like a primary reporting concern.
PIRELLI	One hundred pages on sustainability matters.	Designed by Leftloft (?), this 428-page book is a most tiring read made for rubber-stamping purpose for which many readers would trade the famous calendar.
POLYTEC	Direct questions to and straightforward answers from a Chairman who experienced his first year as head of a listed company.	Risk reporting not up to the winding roads and often difficult driving conditions.
PORSCHE	Not many automakers break down sales by models in their annuals. This one highlights it.	Defensive and aggressive Chairman's message titled <i>Porsche will remain Porsche also in Future</i> (sic). No real kick-start to an otherwise mostly unchanged reporting vehicle packed in a GT-less white cover.
PPR	No frills but an extensive <i>Activity Report</i> put without makeup.	No, it is not skin-deep but either online or on sheets it lacks swing and looks more as a succession of brands than a business portfolio.
PROCTER & GAMBLE	<i>Financial Discipline</i> explained in a diagram where TSR is placed at the top.	Is Procterian still synonymous with marketing in the internet age? After eight (8!) requests for a printed copy, we finally received an automated reply inviting us to download the report or order it via another automatic link.
PRUDENTIAL	<i>Analysis of movement in EEV shareholders' funds</i> (p 36) is made intelligible.	<i>More to Prudential</i> (front cover message), or just <i>more of</i> ? This report uses 348 pages of which more than 200 for notes (including lengthy <i>Background information</i> , probably needed but then).
PSA PEUGEOT CITROEN	A laudable effort to make business and sustainability reports intertwine.	A report that seems to waver between business and responsibility and therefore does not fully convince on both. The <i>greenhouse effect</i> discussion is a bit of a diesel-based smokescreen.
PUBLICIS	The report route is nicely paved with stone-age-looking pages.	As far as financials are concerned, and although based on the Champs Elysées, the communication group should appoint a PR agency to make <i>la différence</i> .
QUALCOMM	Eye-catching photography.	The report? A 22-page company <i>Overview</i> in which key figures are on a p 3 that actually is a p 13, with footnotes pushed to p 22.

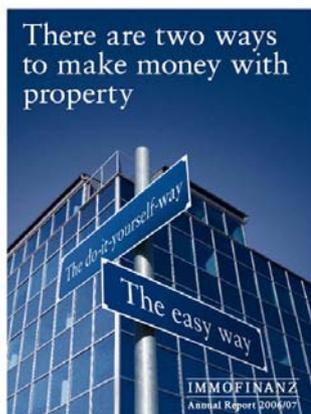
# Annual Report on Annual Reports 2008

RBC (Royal Bank of Canada)	64 tables back up a 70-plus-page MD&A.	Another illustration (?) of the difficulty for the banks to show their business: four pictorial spreads over ten pages don't build up a visual route. This would be welcome to breathe among hundreds of words and thousands of numbers.
RECKITT BENCKISER	Towels and plates can help telling about year performance.	A British standard. Want to check share return? Then go to the executive remuneration report.
RELIANCE Industries	An intelligible <i>Product Flow Chart</i> helps checking existing products and purchased raw materials.	Raw report material more than a really finished -and readable- reporting product.
RENAULT	The partnership with Nissan, its commercial results and financial tuning are a fine car-detailing job.	Not a subcompact: 400-plus pages including the full financial and excluding <i>sustainable development</i> .
RICOH	Although much overloaded, a real effort to measure responsibility policies and sustainability practices.	The <i>Economic section of the Sustainability Report</i> (title for all annuals) includes a four-page financial review. Sustainable, really?
ROYAL BANK OF SCOTLAND	<i>Distribution of credit risk</i> assets by quality (p 74) and by product and customer type (p 76).	The 60-page <i>Business review</i> is not an easy read, because of its successive year-on-year comparisons and an unclear structure. And like other banks, it is a heavy load.
ROYAL DUTCH SHELL	The <i>Scorecard</i> used for <i>Key performance indicators</i> (Review pp 31-32).	The heavily fueled 20-F starts with a mixture of not that <i>Selected financial data</i> .
RWE	Climate protection put first on the agenda and demonstrated e.g. through the fine-tuning of hard coal power plants.	Is energy supply really second to climate protection for a utility business, as stated on p 5? Matter of option?
SABMILLER	The <i>Sustainable development framework</i> makes up a good brew, yet lacks the numbers that would substantiate actions and targets.	A report that is not sparkling and doesn't live up to the cover half-full invitation.
SAINT-GOBAIN	A <i>Corporate Brochure</i> built upon diagram and enriched with spotlights on various applications: see e.g. the <i>Multi-Comfort Home concept</i> (p 25).	Annual report packaging could be made lighter and built more optimally to really enhance material performance.
SAMSUNG Electronics	<i>Wide + Slim or Cool + Clever</i> , products are highlighted with <i>Smart + Simple</i> touches that light up the report.	Where is the financial report?
SANLAM	A substantial <i>Capital and risk management report</i> : 35 pages with risks clearly set out and table backing.	Reducing 314 pages to a paperback book format surely helps a bit. But the small print does not.
SANOFI-AVENTIS	Titled <i>Forces for life</i> and indeed livened up with strong headlines and big numbers.	The <i>Review</i> leaves investor and financial matters out.
SANTANDER	Goals set for each business area.	<i>We create value through acquisitions and by selling non-strategic assets</i> , states the Chairman. So it's just about buying and selling?
SCA	<i>Strategic control</i> put on paper, with two <i>Return</i> and three <i>Financial metrics</i> (p 8).	The plastic wrapping hints at the business: tissue is much needed. But will the plastic remain? And why not putting more finishing touches on back covers?
SECURITAS	The financial model is made clearest, through a disclosure of ratios used at division level, as well as to sort of footnotes to statements.	The overload of data in and around statements may blur actual performance analysis.
SINGAPORE AIRLINES	Plenty of two, five- and ten-year statistics. And charts are not airy-fairy.	Not an in-flight magazine format, with thick covers and paper, a number of blanks, and a lack of design control.
STANDARD CHARTERED	<i>Setting high standards</i> (p 16) sums up seven KPIs, of which 4 financial and 3 non-financial.	<i>Sustainability</i> (p 30) probably as innovative as, say, <i>Sukuk</i> (p 22 et al.).
SUZLON Energy	Steering windward, thanks to striking pictures and clear insights into market developments and growth conditions.	<i>Discussion on financial performance</i> as well as the whole financial section are winding.
SWEDBANK	Market shares in percent and volumes for 15 areas (pp 10-11).	Ah, ah: does the sun always shine on Swedish... banking? It seems to be the hidden meaning of the front cover.

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TD Bank Financial	<i>Financial highlights</i> originally displayed "outside" the front cover flap.	Does <i>Reconciliation of non-GAAP measures</i> deserve so much emphasis (p 15) -and such a fine print?
TELECA	Figures are not exactly in the black, but the situation is put in black and white, also through photography.	Directing to a short note 40 for risk analysis is far from acceptable.
TELUS	Among the many superior features of an extraordinarily clear financial analysis stands a <i>financial condition</i> section where significant changes in the balance sheet are shown and explained.	Share-related indicators not up to other fundamentals.
TRELLEBORG	Financial and operational risk management made more intelligible than in hundreds of annuals.	The picture of operating, continuing and affecting items (pp 22-23) is not clearest.
UBS	Risk and capital management make up almost all of the second book, with small <i>audited</i> bars appearing here and there.	<i>Many parts of UBS's risk management and control framework were resilient in the face of 2007's stressful market conditions (Annual Report, book 2, p 4). More stress came in the following quarters...</i>
UCB	A lively account of how a company <i>can make a difference in Key Therapeutic Areas</i> .	Pro forma, actual and their respective variance don't make the figure -and growth- grasp easiest.
UNIBAIL-RODAMCO	<i>Merger update</i> summed up on the first page.	A real exam question: unscrambling (sic) <i>fully-diluted triple net liquidation Net Asset Value</i> (p 86). Do the footnotes help? Mind the <i>changes on a like-for-like basis</i> , too.
UNICREDIT	<i>Loans to Customers Asset Quality</i> featured rather quickly (p 39), as well as the (quote) <i>not significant US Subprime Exposure</i> (p 42).	Size matters, they think. The heavy banking buyer (check IDs on p 20) reports over 580 pages in two volumes (of which two thirds are notes) and highlights market value before anything else (p 10).
UNION FENOSA	Strategic competitive positioning in the energy business clearly defined (p 10).	Are <i>Returns</i> objectives solely defined by doubled earning per share (p 12) at the end of the plan?
UNITED TECHNOLOGIES	<i>Thinking = Results</i> theme that delivers through strong visuals.	<i>Financials</i> that don't lift up: they even start with a page intentionally left blank...
UPM	In the first four pages the reader gets a profile (with sales for top ten markets), twelve 12-year charts, key data, costs and product information.	Quarterly figures should be refined to be more easily readable.
VALSPAR	Nice photos brighten up one of the shortest reports in town: 18 pages.	Can an 18-page book be painted as an <i>Annual Report</i> ?
VEOLIA Environnement	A clear and clean system to caption tables and charts in balloon style.	The 76-page <i>Report</i> doesn't go far on financials, for which the reader badly needs the lengthy official documents (Reference or 20-F).
VESTAS Wind Systems	<i>Environment and occupational health &amp; safety index</i> shown in a diagram.	How can a company that typifies <i>Modern Energy</i> -Vestas is a world leader in wind turbines- make such a dull report?
VODAFONE	Outlook includes revenue growth, EBITDA margin, free cash flow and <i>Capitalised fixed asset additions</i> .	<i>The Group's financial results have not, historically, been subject to significant seasonal trends</i> (p 59). Really? Why not demonstrating it?
VOLKSWAGEN	Deeply segmented production and sales figures.	300 pages, of which about three for governance. Conformity, served here with lip service: the Supervisory Board's report comes very first to save appearances.
VOLVO	Last and next year ambitions compared with the outcome for each business area. This is conveniently displayed as footer section.	Why is last year not highlighted in that truckload of historical data?

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WACHOVIA	<i>This will require that the accumulated excesses in the financial system of the past years will be greatly reduced. (CEO's Letter, p 3).</i>	<i>We've experienced many credit cycles before - and we will remain vigilant and active in monitoring risk in our portfolios. (CEO's Letter, p 7). Write-down and credit loss: \$5 billion at report date.</i>
WAL-MART Stores	Though oddly placed near risk factors, the <i>Expansion Program</i> measured in units is displayed.	<i>Mind the store: there is a stock option committee.</i>
WALT DISNEY	Contrary to the mainstream of U.S. Annuals, Disney goes beyond fiction by publishing a well-broadcast business review.	<i>The MD&amp;A is a slow motion, with its poorly produced and tedious year-on-year comparisons. And CFO's figures excluding non-U.S. areas give a partial picture.</i>
WHIRLPOOL	From the demanding loyalist to the close-knit optimist, a well-illustrated family-based branding thread.	<i>More an advertising campaign than a review of businesses. And the financial section is short and dull as dishwasher.</i>
WIENERBERGER	The CEO and board pictures could not be taken because they were <i>on the road</i> . Still, the Supervisory Board chairman minds the walls (p 22).	<i>Risk Report not as rock solid as the almost wall-to-wall (report) covering.</i>
WOLSELEY	<i>Risk management</i> built in two columns, with the second explaining <i>Resource management</i> .	<i>The name the world builds on is the report title. Such a strong statement could have deserved a better build-up.</i>
WYETH	<i>Late-Stage Drug Development</i> nicely communicated, with candidates and unmet medical needs (Review p 8).	<i>The MD&amp;A is pushed to the end of the second book and in terms of legibility is not worth the wait.</i>
XEROX	A clear description of business streams and a very fathomable review of performance and liquidity.	<i>The covering job is far from high-definition.</i>
XSTRATA	Top five producers in key commodity markets served shown (p 17).	<i>With half of a 280-page book dedicated to notes, these could deserve more explanations. And the layout makes this even more evident.</i>
YAMAHA	A finely crafted pictorial spread (pp 5-6) to depict what the company is proud of.	<i>Notes to statements don't go further than unexplained tables.</i>
YELL	Puts it in yellow and white.	<i>The yellow touch could even be better used, especially to paint the business book.</i>
ZURICH Financial Services	Year-on-year tables are made reader-friendly, especially in the <i>Financial Review</i> .	<i>How can the analyst check <i>Growth and Strength</i>? In the <i>Business Review</i>, not before p 33. In the <i>Financial Report</i>, with unaudited Highlights and KPIs charted in reverse (and truncated) order. And then? Dig in 264 pages.</i>

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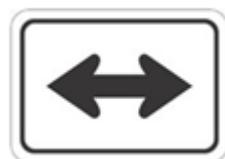
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## By the numbers

**1996:** The kick-off year of the *Annual Report on Annual Reports*. The real take-off came one year later. 2008 is thus the twelfth issue.

**1,500:** The number of companies selected for the *Annual Report on Annual Reports*. 2008. 1,500 is only a small portion of the world's estimated 35,000 companies. 44% of companies are from Europe; 37% from the Americas; 18% from Asia-Pacific; and 1% from Africa. Only listed companies were considered, these were from 48 countries. Selection is primarily based on published rankings from well-known publications. However, a number of privately- or government-owned companies elected to compete.

**750:** The number of reports shortlisted for the watching, scoring and rating process. Why not considering all of the 1,500? For quantitative, qualitative and timing reasons. ReportWatch strives to have a representative cross section of industries and geographies. Yet not far from perfect, it strikes a rather good balance. Some reports were eliminated because they were simply not made to communicate. While others were shortlisted because of some companies' sustained commitment to quality annuals. And a deadline is needed if the *Annual Report on Annual Reports* has to be released sooner or later.

**500:** The number of reports rated and compared for the final ranking. Note that some reports excluded in the shortlisting process had to be re-included for the sake of competitive comparison, sometimes in spite of evident weaknesses.

**200:** Report assets and liabilities shown for two hundred annuals.

**100:** The maximum score that an annual report can reach. As nothing is perfect, and as the ReportWatch process is based on multiple evaluation criteria (see below), needless to say that even the reports getting "full marks" never score 100 points. Score total and breakdown is not publicly disclosed and only available through a charged Report Scan.

**50:** Report items or reporting areas subject to evaluation.

**41:** A-rated reports among 500. From very good A- to excellent A to first-rate A+.

**30:** Key attributes identified in a report. Ten picks are displayed for each of them.

**10:** The number of ratings from D (uncompetitive) to A+ (first-rate). The role of ReportWatch panelists is to cross-check and correct selected reports scored by e.com report analysts, and to switch from a quantitative scoring process to a more qualitative rating aspect. As a result, some reports are upgraded while others are marked down. Note that almost 25%+ of "top" annuals are C-rated (i.e. poor, substandard or common).



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