



Reader's guide

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



Report Ratings & Ranking

- Top 500 annual reports
- Who ranks where?
- Who can compete?
- Who is compared?
- Reporting in tough times
- How reports are scored
- How reports are rated
- Report scan or duel?
- Who we are
- By the numbers

Report Assets & Liabilities

- Watching the report flow
- 200 assets and liabilities
- Making reports pay off
- Who we are
- By the numbers

Report Attributes & Picks

- 30 report attributes
- 300 picks
- How we do it
- Watching the report flow
- How reports are scored
- How reports are rated
- Report scan or duel?
- Who we are
- By the numbers

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 boring- 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.

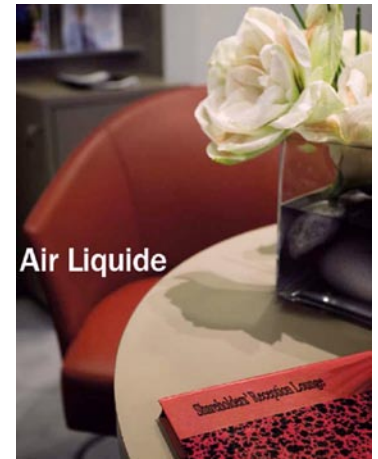
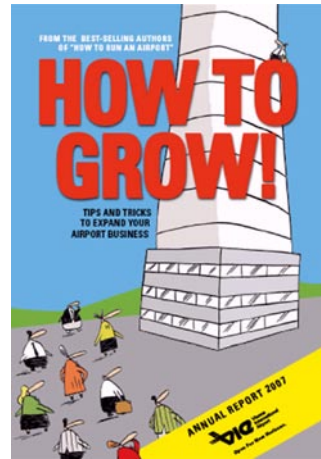
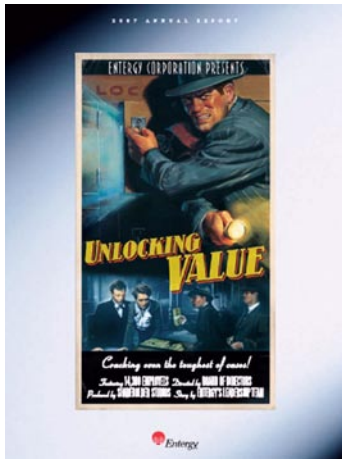
We perused chairman and chief executives' messages and stared at some in disbelief.

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**.

30 report attributes



- Covers
- Report title
- Design and layout
- Style
- Business at a glance
- Key figures
- Executive message
- Theme - Thread
- Share information
- Branding
- Read appeal
- Visuals
- Photography
- Financial review
- Financial clarity
- Strategy
- Charts - Graphs
- Business/growth drivers
- Goals and targets
- Performance indicators - Ratios
- Historical data
- Risks (all industries)
- Risks (financial sector)
- Outlook
- Governance
- Corporate responsibility - Sustainability
- Non- or partly-listed company report
- Online reporting pluses
- Two- or plus-book management
- Report availability

Note: the reports selected for each attribute are listed alphabetically.

300 picks

Covers

Allergan

Danone

Domtar

Energizer

Entergy



Report assets and liabilities

Covered and threaded as a movie, at least until the financials. The New Orleans utility has stood among the rare U.S. annuals still able to surprise. Yet substance is not always up to style. And the MD&A is difficult to unlock -a tedious silent movie, that is.

J Sainsbury

Ladbrokes

Michelin

Pepsico

Procter & Gamble

Report title

174 pages of strong ratings, revenues and results, by RTL



Report assets and liabilities

Profit centre reviews develop further the eye-catching headlines. However, liquidity analysis is a bit of a postscript that requires subtitles.

Alexander knows how we can make a difference, *by UCB*

Carbon Dioxide + Water + Sunlight Chlorophyll > Glucose + Oxygen, *by Weyerhaeuser*

Here's to..., *by Yell*

If not us, who else, *by RWE*

Something's cooking, *by Sara Lee*

The name the world builds on, *by Wolseley*

There are two ways to make money with property, *by Immofinanz*

Use this annual report any way you want, *by EVN*

We couldn't care less about the annual report 2007, *by Wienerberger*

Design and layout

Caterpillar

Coca-Cola

Daiwa House

Ladbrokes

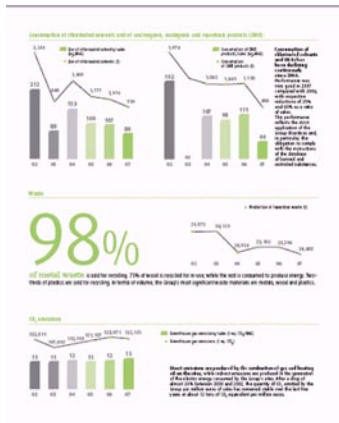
LVMH

Qualcomm

Sanofi-Aventis

Sodexo

Valeo



Report assets and liabilities

Key facts and figures are enhanced with a dashboard in mind and make the whole reading a pleasant drive. For financial engine checks the passenger needs to open the covers of the official document.

Whirpool

Style

ArcelorMittal

Audi

Danone

Domtar

Entergy

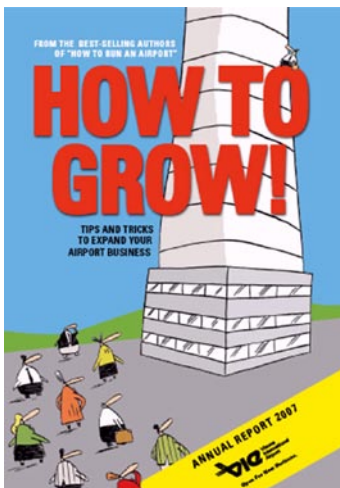
France Telecom

Genentech

Johnson & Johnson

Samsung Electronics

VIE (Vienna International Airport)



Report assets and liabilities

Covered and designed as a book, it makes the airport growth account more gripping than many in-flight stories. A feat of Austrian report baggage handling. A pity that governance is low-cost.

Business at a glance

Areva

Electrolux

Fortum

Infineon

Kingfisher

Oerlikon

Sony

Tenneco

Tenneco Inc.

Original Equipment				
Segment	2007 Sales	Applications	Products	Brands
Automotive Control	\$1,234,567	Automotive, Industrial, Marine, Agricultural, Construction, Material Handling	Automotive Control, Industrial Control, Marine Control, Agricultural Control, Construction Control, Material Handling Control	WIPAC, WIPAC, WIPAC, WIPAC, WIPAC, WIPAC
Non-Automotive	\$1,234,567	Automotive, Industrial, Marine, Agricultural, Construction, Material Handling	Automotive Control, Industrial Control, Marine Control, Agricultural Control, Construction Control, Material Handling Control	WIPAC, WIPAC, WIPAC, WIPAC, WIPAC, WIPAC
A Tenneco Ltd.				
Segment	2007 Sales	Applications	Products	Brands
Automotive Control	\$1,234,567	Automotive, Industrial, Marine, Agricultural, Construction, Material Handling	Automotive Control, Industrial Control, Marine Control, Agricultural Control, Construction Control, Material Handling Control	WIPAC, WIPAC, WIPAC, WIPAC, WIPAC, WIPAC
Non-Automotive	\$1,234,567	Automotive, Industrial, Marine, Agricultural, Construction, Material Handling	Automotive Control, Industrial Control, Marine Control, Agricultural Control, Construction Control, Material Handling Control	WIPAC, WIPAC, WIPAC, WIPAC, WIPAC, WIPAC

2007 2008
 Revenue: \$2,469,134 vs \$2,469,134
 Earnings: \$123,456 vs \$123,456
 EPS: \$1.23 vs \$1.23

Report assets and liabilities

Well introduced and finely threaded, for sure. But can a 16-page *Annual Report* be considered as an informative and comprehensive reporting tool?

Trelleborg

WPP

Key figures

Aegon

Asahi Breweries

Bekaert



Report assets and liabilities

Comprehensive *Key figures* all placed in the inside cover flap and featuring charts, ratios and segment data. The title *Financial review* is misleading: it seems that it was wire-cut.

Ericsson

IOI

Itochu

Komatsu

Telus

UPM

Wienerberger

Executive message

ABB

Charles Schwab

Danone

Duke Energy

Pepsico

Philips

Procter & Gamble

Wells Fargo



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Turning Over the Reins

Dick Kovacevich joined the former Norwest Corporation, predecessor of Wells Fargo, in 1986 as vice chairman and chief operating officer for banking. In the early '90s Norwest had suffered a series of setbacks in agriculture, energy and foreign lending, mortgage write-downs and a fire that destroyed its Minneapolis headquarters. Norwest reported a loss of \$30 million in 1987, but Kovacevich and Chairman and CEO Lloyd Johnson had already begun shaping a new culture built on the vision of satisfying all our customers' financial needs and helping them succeed financially.

Report assets and liabilities

Stewardship handover -or *Turning Over the Reins*, as the departing CEO puts it- fairly dealt with. As is the credit crunch. Sign of the times: balance sheet analysis is shorter than the opaque *Off-Balance Sheet Arrangements and Aggregate Contractual Obligations*. Still, Table 10 is worth a double-(h)edged look.

WPP

Xerox

Theme - Thread

ABB

Duke Energy

GfK

Gilead Sciences



Report assets and liabilities

The report from the biotech firm doesn't lack perspective. Unfortunately, and in line with thousands of others, financials do not show any sense of (investor) perspective by poorly sticking to the SECish format.

Immofinanz

Land Securities

Nippon Steel

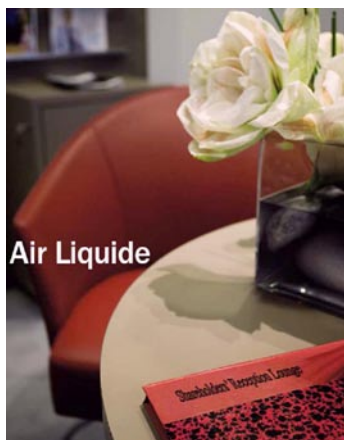
Paperlinx

UCB

USG People

Share information

Air Liquide



Report assets and liabilities

The shareholders can walk on air. After being welcomed at the *Reception Lounge*, they receive details on operations affecting the capital, they can check 30-year solid and sustained performance, and are introduced to the shareholder relations committee. For liquidity and other more solid matters the investor has to go through a 260-page *Reference Document* in which financials are a bit... gas-cooled.

Atlas Copco

Autoliv

BNP Paribas

Electrolux

Investor

Matsushita

SEB

SKF

Stora Enso

Branding

Burberry

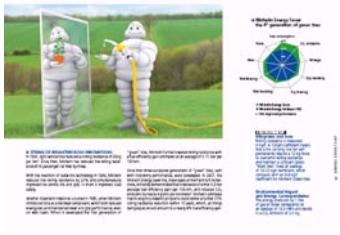
Diageo

Electrolux

Fedex

H&M

Michelin



Report assets and liabilities

The 4th generation of green tires is nicely charted (p 3) in a well-threaded and strongly branded report. Analysis of group results is not tiresome? Perhaps, but definitely too short.

Novo Nordisk

Pepsico

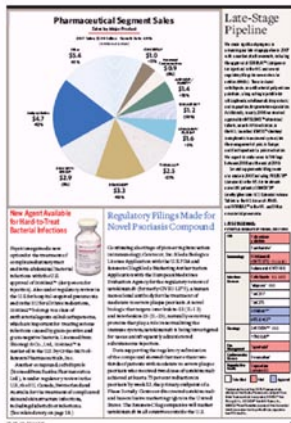
Samsung Electronics

Sodexo

Read appeal

James Hardie

Johnson & Johnson



Report assets and liabilities

Segment sales broken down by *Major Product*, and their grasp is made easy through a very reader-friendly narrative section. Amid worthwhile strategic considerations, the chairman's statement doesn't avoid a number of clichés and business fads.

Lundbeck

Pepsico

Renault

Rolls-Royce

RTL

Sanofi-Aventis

Total

Valeo

Visuals

Adidas

Caterpillar

Duke Energy

Harley-Davidson

J Sainsbury



Report assets and liabilities

Creativity is here in store, from the covers on, and through pictures telling stories - seriously or comically. But the financial review offers a skimpy meal.

Ladbrokes

Pernod Ricard

Publicis

Suzlon

Yamaha

Photography

Abbott

Baxter

BD (Becton Dickinson)

LVMH

Novartis

Samsung Electronics

Teleca

TNT

Toshiba



Report assets and liabilities

High-definition photography, modern typography and other visuals (charts, diagrams) serve a strategic message made clearer than in many low-defined annuals, especially but not only in the industry. Still, governance mainly consists of... *takeover defensive measures*.

Wyeth

Annual Report on Annual Reports 2008

Financial review

Agrium

Avery Dennison

Barrick

IBM

Nexen

Philips

RBC

Scotiabank

Telus

TransAlta

Financial Position	
Capital and commitments	6
Accounts receivable	6
Inventory	6
Prepaid expenses	6
Long-term investments	6
Patent investments	6
Property, plant and equipment	6
Goodwill	6
Intangible assets	6
Accounts payable and accrued liabilities	6
Debt	6
Deferred tax liabilities	6
Other non-current liabilities	6
Total liabilities	6
Equity	6
Preferred shares	6
Common shares	6
Retained earnings	6
Total equity	6
Total assets and liabilities	6

Report assets and liabilities

Among other strong points in the financial analysis, a table outlines significant year changes in the balance sheet (p 44). But why stopping the *we're ready* theme as early as after ten pages (out of 112)?

Financial clarity

BMO Financial

CLP

IBM

Minebea

Pepsico

Petro-Canada

Securitas

Telus

Weyerhaeuser

Summary of 2007 Results

Item	2007	2006	2005
Revenue	\$1,000,000	\$950,000	\$900,000
Operating Profit	\$150,000	\$140,000	\$130,000
Net Income	\$100,000	\$90,000	\$80,000
EPS	\$1.50	\$1.40	\$1.30

Percentage of 2007 Sales by Product

Product	Percentage
Product A	45%
Product B	35%
Product C	20%

Report assets and liabilities

Here steps are effectively taken to make the MD&A and the whole 10-K readable: the reader (and investor) can see the forest and the trees. Many numbers for sure, but not enough gripping overviews about the woodwork operations.

Xerox

Strategy

Konica Minolta

Matsushita

National Grid

Océ



Report assets and liabilities

Ambitions and strategy put in black and white on pp 8-9. From the cover, readers may infer that the sky is the limit. Not for the *Financial review*, which is... limited to five-odd pages.

Saint-Gobain

Skanska

Sodexo

Toshiba

Toyota

Volvo

Charts - Graphs

Aiful

Asahi Breweries

Cathay Pacific Airways



Report assets and liabilities

The *Financial Review* flies thanks to numerous charts putting numbers in a long-haul perspective. The *Review* comments are so short that they could almost stand in a flyer.

Essilor

Itochu

Neste Oil

Pepsico

SAS

Sasol

Union Fenosa

Business/growth drivers

Abbott

Alfa Laval

Boliden

Carlsberg

Cascades

Coloplast

Essilor

PotashCorp



Report assets and liabilities

Strengths, weaknesses, opportunities and threats for each line of business are among the... strengths of a report nurtured with rock-solid strategic, industry, market and performance information.

Randstad

Wärtsilä

Goals and targets

Danske Bank

DSM

Neste Oil

OMV

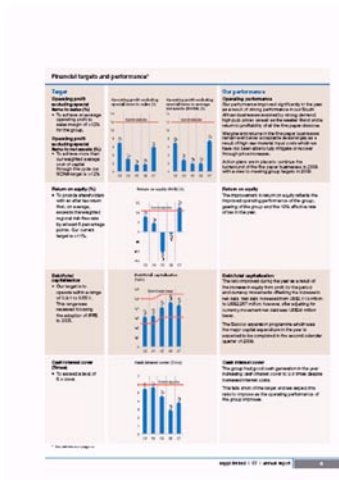
RBC (Royal Bank of Canada)

Santander

Sappi

Report assets and liabilities

Financial targets and performance are reviewed without delay (on p 5), and even include *Cash interest cover*. Not lacking in informative analysis but built as quite dull paperwork.



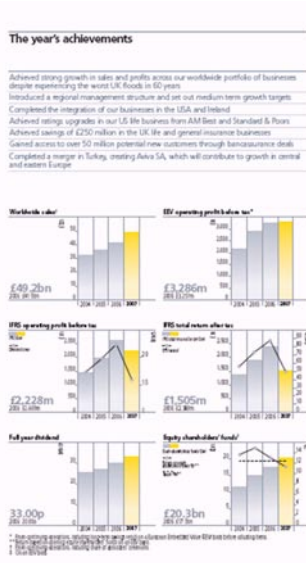
Sapporo

Telus

Trelleborg

Performance indicators - Ratios

Aviva



Report assets and liabilities

Progress on performance indicators is plainly reported, mainly through the use of medium-term charts. The summary *Review* is much welcome to compensate the lengthy 272-page *Report*.

Barloworld

Infosys

Rolls-Royce

SCA

Securitas

Singapore Airlines

Wolseley

Woolworths

Historical data

Bharat Petroleum

Electrolux

Massmart

McGraw-Hill



Report assets and liabilities

The *Investor Fact Book* goes much deeper and clearer than the core annual report, with eleven-year key ratios, among other features. But being *focused on delivering essential analysis* (as stated on p 9) should at least deserve more commitment than just delivering a standard and poorly put financial section.

SAS

Sasol

TeliaSonera

Toshiba

Volvo

Woolworths

Risks (all industries)

Adidas

BAE Systems

Barrick

CLP

Lufthansa

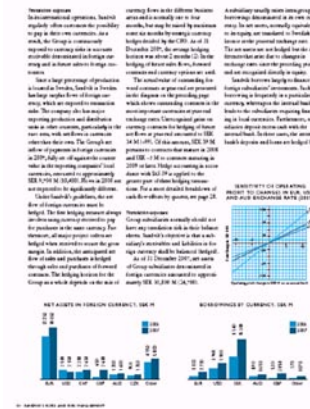
Metso

Philips

Sandvik

Report assets and liabilities

Sensitivity of operating profit to changes in three currencies cleverly charted (p 24). *High total return*, states p 6. A reality check on p 7 is not actually up north.



TDC

Trelleborg

Risks (financial sector)

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Outlook

Adidas



Report assets and liabilities

Risk analysis is here finely balanced with *opportunities*; and the *Outlook* is supported with the order backlog, among others. A certain overweight due to the format -not as sporty as it looks at first glance.

Antam

BASF

CLP

Lanxess

Lufthansa

MVV Energie

Petro-Canada

RWE

TransAlta

Governance

Anglo American

ANZ

AstraZeneca

BG

Report assets and liabilities

Fair disclosure of *Matters reserved to the Board* is one of the pluses of a transparent governance chapter. But *Corporate Responsibility* boiled down to a vague 4-page *The way we work*.



BHP Billiton

Novartis

Reed Elsevier

Sanlam

Whitbread

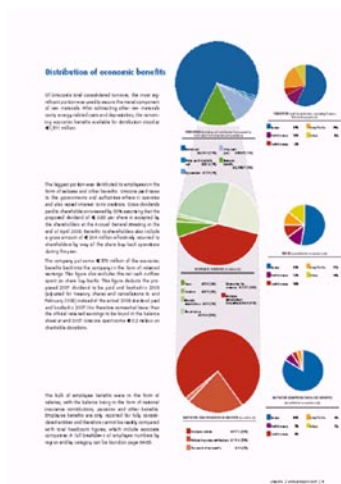
WPP

Corporate responsibility - Sustainability

- Accor
- Danone
- Holmen
- Inditex
- Kyocera
- Metso
- Novo Nordisk
- Royal Dutch Shell
- Toshiba
- Umicore

Report assets and liabilities

Distribution of economic benefits very smartly charted (p 9). And what follows later on responsibility matters really sustains a well-achieved responsibility reporting job. Too bad the review of operations and performance is neither most advanced nor that precious materials.



Non- or partly-listed company report

Antam

Report assets and liabilities

Financial Highlights not only set over ten years (pp 4-5) but also rich in major ratios, and decoded for the reader/investor. Many fully-listed corporations lag behind in the communication effort. Designwise, the whole -and thick- book doesn't live up to the magazine-looking cover promise.

"We have consistently delivered industry-leading performance and growth."

Indicator	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue (USD million)	1,172.0	1,022.0	912.0	812.0	712.0	612.0	512.0	412.0	312.0	212.0
Operating Profit (USD million)	212.0	182.0	152.0	122.0	92.0	62.0	32.0	2.0	1.0	0.0
Net Profit (USD million)	152.0	132.0	112.0	92.0	72.0	52.0	32.0	2.0	1.0	0.0
EPS (USD)	0.152	0.132	0.112	0.092	0.072	0.052	0.032	0.020	0.010	0.000
Operating Margin (%)	18.1	17.7	16.7	15.0	12.8	10.0	6.1	0.5	0.3	0.0
Net Profit Margin (%)	13.0	12.9	12.3	11.3	10.1	8.5	6.1	0.6	0.3	0.0
Return on Assets (%)	12.5	12.4	11.8	10.8	9.6	8.0	6.0	0.5	0.3	0.0
Return on Equity (%)	15.0	14.5	13.8	12.8	11.5	9.8	7.2	0.6	0.3	0.0
Dividend Yield (%)	2.5	2.4	2.3	2.2	2.1	2.0	1.9	1.8	1.7	1.6
Debt to Equity Ratio	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Current Ratio	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Interest Coverage Ratio	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Capital Expenditure (USD million)	100.0	90.0	80.0	70.0	60.0	50.0	40.0	30.0	20.0	10.0
Free Cash Flow (USD million)	80.0	70.0	60.0	50.0	40.0	30.0	20.0	10.0	5.0	0.0
Operating Assets (USD million)	1,000.0	900.0	800.0	700.0	600.0	500.0	400.0	300.0	200.0	100.0
Operating Liabilities (USD million)	800.0	700.0	600.0	500.0	400.0	300.0	200.0	100.0	50.0	0.0
Operating Equity (USD million)	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0

In 2008, we achieved our target performance, as measured by Return on Average Equity (ROAE) of 15.0% (vs. 14.5% in 2007).
 Our Total Return to Shareholders (TRS) was 15.0% (vs. 14.5% in 2007), due to the strong performance in 2008, and the fact that we started to pay back the dividend in 2008 (vs. 2007).
 Our Total Return to Shareholders (TRS) was 15.0% (vs. 14.5% in 2007), due to the strong performance in 2008, and the fact that we started to pay back the dividend in 2008 (vs. 2007).

EDF

EVN

Finnair

Hydro-Québec

ISS

Neste Oil

Posten

Vattenfall

VIE (Vienna International Airport)

Online reporting pluses

BASF



Report assets and liabilities

Economic, industry and customer trends set up the scene. Crystal-clear performance analysis follows. And the corporate website adds value through functionalities, too. Question: two *Economic Goals* are set versus almost 20 non-economic ones. Responsible? Or overplayed?

British Land

Colgate - Palmolive

Deutsche Post

Fortum

Minebea

Mitsubishi

Novozymes

Repsol YPF

Texas Instruments

Two- or plus-book management

ANZ

Aviva

Electrolux

EnCana

ING

Lundbeck

SEB



Report assets and liabilities

A bank's Senior Economist talks about the credit crisis (p 25) in the summary and reader-friendly *Review*. Having questioned the value of ratings in the *Review*, why stressing their importance in the *Report* (p 25)?

Syngenta

Telus

UCB

Report availability

Ciba

Clariant

Kone

Home » Home » Corporate Governance » Financial Statements » Key Figures » Assets and Liabilities

Values of Financial Assets and Liabilities by Categories

Item	2008	2007	2006	2005	2004	2003	2002	2001	2000
Financial Assets									
Equity	1,142	744	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Debt securities	1,142	744	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Financial assets	2,284	1,488	2,284	2,284	2,284	2,284	2,284	2,284	2,284
Other financial assets	1,142	744	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Financial Liabilities									
Equity	1,142	744	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Debt securities	1,142	744	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Financial liabilities	2,284	1,488	2,284	2,284	2,284	2,284	2,284	2,284	2,284
Other financial liabilities	1,142	744	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Total Financial Assets	3,426	2,232	3,426	3,426	3,426	3,426	3,426	3,426	3,426
Total Financial Liabilities	3,426	2,232	3,426	3,426	3,426	3,426	3,426	3,426	3,426

24

Report assets and liabilities

Values of Financial Assets and Liabilities by Categories (p 54) are made clear in one of the fastest-delivered annuals. *The heart of your building* is the trademark, but the report is not heart-stopping.

Merck KGaA

Novo Nordisk

Novozymes

Philips

Procter & Gamble

Roche

Volvo

How we do it



How reports are scored

Report item and reporting area	Mark
1. Packaging	10
2. Highlights	10
3. Strategy	10
4. Business	10
5. Financials	10
6. Investors	10
7. Governance	10
8. Accounting	10
9. Responsibility	10
10. Communication	10

Maximum total score : 100

Notes

- Each set of criteria is split into 5 items. The total number of evaluation criteria is 50, with each item scored on a scale of 0 to 2. The maximum score is 100.
- The scoring process is the first stage of the **Reportwatch** assessment that provides a basis for final ratings and results in the report rankings published in the **Annual Report on Annual Reports**.
- Neither the score nor the breakdown is publicly disclosed. These are only available through an order for a Report Scan (°) placed directly by the company or through an internal representative or external agency. In addition to the marks, the Report Scan gives an overview of pluses and minuses based on e.com's desk research for the **Annual Report on Annual Reports**.

(°) Scans are among the numerous evaluation services that allow e.com to publish a self-financed survey based on independent research. Go to [Making reports pay off?](#) for more information.



How reports are rated

A+	★★★★★	First-rate
A	★★★★☆	Excellent
A-	★★★★☆	Very good
B+	★★★★☆	Sound
B	★★★☆☆	Average
B-	★★★☆☆	Uneven
C	★★☆☆☆	Common
C+	★★☆☆☆	Substandard
C-	★☆☆☆☆	Poor
D	★☆☆☆☆	Uncompetitive



Report scan or duel?

Report scan?



How is your report doing?

What is your report rating? How does it score -in total and on all evaluation criteria used for the *Annual Report on Annual Reports*? Order a REPORT SCAN. An edited output (°) of desk research done by e.com report analysts, it provides your company (or advisers) with the complete score breakdown for 50 report items plus a summary of pluses and minuses for each of them.

The price? **€ 750 or US\$ 1,000 or £ 600.**

(°) For copywriting and editing reasons allow a few weeks for delivery.

E-mail your order to: e.com@reportwatch.net

Report duel?



How does your report compare with a competitor?

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Who we are

e.com - ReportWatch

enterprise.com

enterprise.com (e.com) specializes in report input, evaluation, analysis and benchmarking. Our core business is to assess and compare corporate & financial communication tools and investor & market information vehicles, mainly annual reports.

We have developed an international, independent, integrated and competitive approach to report preparation and evaluation. Our founders, staff and network have operated in 30 countries and consulted for 100-plus corporate clients from Amsterdam to Stockholm to Vancouver; from Connecticut to Surrey to Hong Kong. A spin-off from The Enterprise Group (est. 1986, inc. 1990, liq. 1999), and originally controlled by Dutch and British investors, e.com is now part of U.S.-based Corporate Essentials, Inc. Our operating office is located in the middle of the three largest European stock markets and our team is directly or via network partners in the loop with the major financial centers in America, Europe and Asia-Pacific. The international clientele mainly consists of CFOs, IR and CC managers of listed blue chips, and also includes spin-offs, IPOs, consultants, analysts, design agencies and -private or institutional- investors.

e.com provides customized reporting services to companies, while ReportWatch is the name given to the continuous report monitoring, scanning and scoring process that results into the Annual Report on Annual Reports.

Annual Report on Annual Reports

e.com is the researcher and publisher of the "Annual Report on Annual Reports" (created in 1996), the only global annual report ranking. Based on a selection of thousands of listed corporations worldwide that results in a scoring and rating of more than 500 annuals, it is often regarded as the most comprehensive, authoritative and international survey on reporting practice.

www.reportwatch.net

e.com is the owner and webmaster of www.reportwatch.net, a website dedicated to state-of-the-art reporting practice and monitoring; report news, trends and essentials; and best-practice benchmarking.

Annual Report on Annual Reports

A publication of enterprise.com (e.com).

Publisher and Editor: Mike Guillaume.

Report Watch research, scanning and scoring: e.com staff, interns and network.

Company selection: Corporate Essentials, Inc.

Report concept: e.com.

Original report template: Dart Design (Amsterdam, The Netherlands).

Web design and layout: Inventis (Limburg, Belgium).

ISSN 1782-1037

Survey and research methodology created in 1996 at The Enterprise Group.

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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).



COMPANY VALUE > REPORT VALUE