

# Best Annual Reports 2011

Report *Watch* by e.com

Annual



Report



on



Annual



Reports



# Annual Report on Annual Reports 2011

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## Annual report ratings



|           |  |               |
|-----------|--|---------------|
| <b>A+</b> |  | First-rate    |
| <b>A</b>  |  | Excellent     |
| <b>A-</b> |  | Very good     |
| <b>B+</b> |  | Sound         |
| <b>B</b>  |  | Average       |
| <b>B-</b> |  | Uneven        |
| <b>C+</b> |  | Common        |
| <b>C</b>  |  | Substandard   |
| <b>C-</b> |  | Poor          |
| <b>D</b>  |  | Uncompetitive |

# Top 300 annual reports



## BASF (N° 1)

High-performing and well-oiled report homepage. Rich content and a functional chemistry are up to it on many areas from business reviews to strategy, from responsibility to risks.

## SAS (N° 2)

Come rain, shine, or turbulences -there have been some these years- the airline's report has remained a high-flying exercise for years, delivering top output on most reporting areas.



Annual Report 2010 Operations and strategy

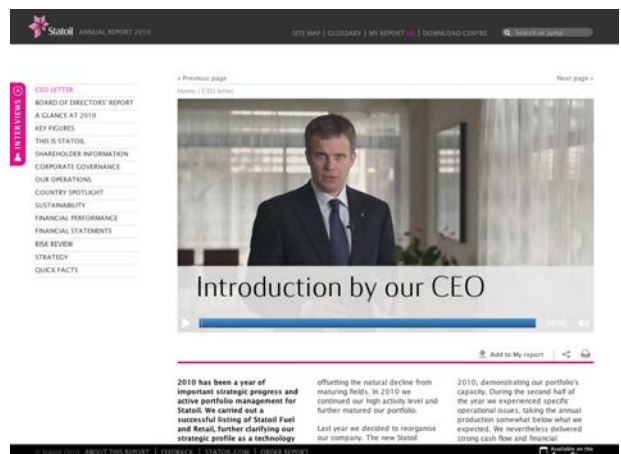


## Electrolux (N° 3)

A dialogue between the former and the new CEOs, *The World of Electrolux* spread, product and cost elements of strategy, exchange-rate exposure and transaction effects mapped make it a top-notch reporting appliance.

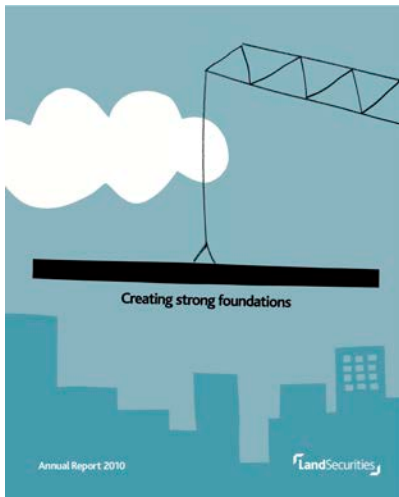
## Statoil (N° 6)

A gas-fired, well-mapped and solidly fueled online-only reporting format. On a more fossil side, a well-made 40-page summary and a 20-F are also available in print.





| Report rank | Company           | Country      | Report rating | Compare                       |
|-------------|-------------------|--------------|---------------|-------------------------------|
| 1           | BASF              | Germany      | A+            | DOW Chemical                  |
| 2           | SAS               | Sweden       | A+            | LUFTHANSA                     |
| 3           | ELECTROLUX        | Sweden       | A+            | WHIRLPOOL                     |
| 4           | FORTUM            | Finland      | A+            | VATTENFALL                    |
| 5           | AKZONOBEL         | Netherlands  | A+            | DUPONT                        |
| 6           | STATOIL           | Norway       | A             | TOTAL                         |
| 7           | WÄRTSILÄ          | Finland      | A             | MAN                           |
| 8           | TELUS             | Canada       | A             | BCE                           |
| 9           | SASOL             | South Africa | A             | SUNCOR Energy                 |
| 10          | PHILIPS           | Netherlands  | A             | GENERAL ELECTRIC              |
| 11          | LAND SECURITIES   | UK           | A             | BRITISH LAND                  |
| 12          | SCA               | Sweden       | A             | KIMBERLY-CLARK                |
| 13          | NESTE OIL         | Finland      | A             | STATOIL                       |
| 14          | BOLIDEN           | Sweden       | A             | XSTRATA                       |
| 15          | ADIDAS            | Germany      | A             | NIKE                          |
| 16          | WIENERBERGER      | Austria      | A             | BORAL                         |
| 17          | CLP               | Hong Kong    | A             | POWER ASSETS                  |
| 18          | VATTENFALL        | Sweden       | A             | FORTUM                        |
| 19          | TRELLEBORG        | Sweden       | A             | BRIDGESTONE                   |
| 20          | DAIWA HOUSE       | Japan        | A             | SHIMIZU                       |
| 21          | VOLVO             | Sweden       | A-            | DAIMLER                       |
| 22          | ERICSSON          | Sweden       | A-            | ALCATEL-LUCENT                |
| 23          | STRABAG           | Austria      | A-            | HOCHTIEF                      |
| 24          | SKANSKA           | Sweden       | A-            | VINCI                         |
| 25          | MICHELIN          | France       | A-            | BRIDGESTONE                   |
| 26          | POTASHCORP        | Canada       | A-            | AGRIUM                        |
| 27          | WPP               | Ireland      | A-            | PUBLICIS                      |
| 28          | DANONE            | France       | A-            | NESTLE                        |
| 29          | ALFA LAVAL        | Sweden       | A-            | TRELLEBORG                    |
| 30          | EVN               | Austria      | A-            | VATTENFALL                    |
| 31          | NOVARTIS          | Switzerland  | A-            | ROCHE                         |
| 32          | WOLSELEY          | UK           | A-            | KINGFISHER                    |
| 33          | BAYER             | Germany      | A-            | BASF                          |
| 34          | METSO             | Finland      | A-            | ABB                           |
| 35          | DEUTSCHE POST DHL | Germany      | A-            | TNT                           |
| 36          | AIR LIQUIDE       | France       | A-            | LINDE                         |
| 37          | METRO             | Germany      | A-            | CARREFOUR                     |
| 38          | THOMAS COOK       | UK           | A-            | TUI                           |
| 39          | LANXESS           | Germany      | B+            | ARKEMA                        |
| 40          | SEB               | France       | B+            | PHILIPS                       |
| 41          | SWEDISH MATCH     | Sweden       | B+            | IMPERIAL TOBACCO              |
| 42          | VOLKSWAGEN        | Germany      | B+            | TOYOTA                        |
| 43          | SKF               | Sweden       | B+            | MINEBEA                       |
| 44          | ATLAS COPCO       | Sweden       | B+            | SANDVIK                       |
| 45          | ACCOR             | France       | B+            | IHG (InterContinental Hotels) |
| 46          | HUSQVARNA         | Sweden       | B+            | ELECTROLUX                    |
| 47          | LINDE             | Germany      | B+            | AIR LIQUIDE                   |
| 48          | TELEKOM AUSTRIA   | Austria      | B+            | DEUTSCHE TELEKOM              |
| 49          | LUFTHANSA         | Germany      | B+            | AIR FRANCE-KLM                |
| 50          | ASSA ABLOY        | Sweden       | B+            | SECURITAS                     |
| 51          | SAINT-GOBAIN      | France       | B+            | AGC (Asahi Glass)             |
| 52          | FINNAIR           | Finland      | B+            | SAS                           |



## Land Securities (N° 11)

Bricks (i.e. the print or pdf) and clicks (i.e. the online report) strongly built and interconnected to deliver substantial content serviced by good design.

## Wienerberger (N° 16)

Still a rocking intro, reporting in concrete terms also about negatives, but the mix seems to have leveled off.



## Vattenfall (N° 18)

In AR: the competitive landscape is mapped, the new *strategic direction* is made very clear, and ratios are calculated for the reader. In CSR report: answers to stakeholders' tough questions about energy sources are, contrary to many, not evasive.

## Metro (N° 37)

A bit schwer (300 pages) but not shapeless, and a mag-leaning intro that shows there is something in store.



|     |                                      |                |    |                               |
|-----|--------------------------------------|----------------|----|-------------------------------|
| 53  | <b>INFINEON Technologies</b>         | Germany        | B+ | STMicroelectronics            |
| 54  | <b>CASCADES</b>                      | Canada         | B+ | DOMTAR                        |
| 55  | <b>M&amp;S (Marks &amp; Spencer)</b> | UK             | B+ | H&M (Hennes & Mauritz)        |
| 56  | <b>KESKO</b>                         | Finland        | B+ | AXFOOD                        |
| 57  | <b>ASTRAZENECA</b>                   | UK             | B+ | GSK (GlaxoSmithKline)         |
| 58  | <b>BILLERUD</b>                      | Sweden         | B+ | SCA                           |
| 59  | <b>BOMBARDIER</b>                    | Canada         | B+ | ALSTOM                        |
| 60  | <b>SECURITAS</b>                     | Sweden         | B+ | G4S                           |
| 61  | <b>HEINEKEN</b>                      | Netherlands    | B+ | CARLSBERG                     |
| 62  | <b>AGRIUM</b>                        | Canada         | B+ | POTASHCORP                    |
| 63  | <b>SAPPI</b>                         | South Africa   | B+ | STORA ENSO                    |
| 64  | <b>RANDSTAD</b>                      | Netherlands    | B+ | ADECCO                        |
| 65  | <b>FUJITSU</b>                       | Japan          | B+ | IBM                           |
| 66  | <b>ENCANA</b>                        | Canada         | B+ | CANADIAN NATURAL Resources    |
| 67  | <b>ASSOCIATED BRITISH FOODS</b>      | UK             | B+ | TATE & LYLE                   |
| 68  | <b>YARA</b>                          | Norway         | B+ | POTASHCORP                    |
| 69  | <b>PERNOD RICARD</b>                 | France         | B+ | DIAGEO                        |
| 70  | <b>CORIO</b>                         | Netherlands    | B+ | UNIBAIL-RODAMCO               |
| 71  | <b>GFK</b>                           | Germany        | B+ | WPP                           |
| 72  | <b>XSTRATA</b>                       | Switzerland-UK | B+ | BHP BILLITON                  |
| 73  | <b>HITACHI METALS</b>                | Japan          | B+ | MITSUBISHI                    |
| 74  | <b>CONCORDIA Maritime</b>            | Sweden         | B+ | MAERSK (A.P. Moller - Maersk) |
| 75  | <b>ROCHE</b>                         | Switzerland    | B+ | NOVARTIS                      |
| 76  | <b>TESCO</b>                         | UK             | B+ | J SAINSBURY                   |
| 77  | <b>DAIMLER</b>                       | Germany        | B+ | VOLKSWAGEN                    |
| 78  | <b>WOOLWORTHS</b>                    | Australia      | B+ | WESFARMERS                    |
| 79  | <b>NOVO NORDISK</b>                  | Denmark        | B+ | LILLY (Eli Lilly)             |
| 80  | <b>MARUBENI</b>                      | Japan          | B+ | ITOCHU                        |
| 81  | <b>UNILEVER</b>                      | Netherlands-UK | B+ | PROCTER & GAMBLE              |
| 82  | <b>BELGACOM</b>                      | Belgium        | B+ | KPN                           |
| 83  | <b>TEIJIN</b>                        | Japan          | B+ | TORAY                         |
| 84  | <b>ASAHI BREWERIES</b>               | Japan          | B+ | SAPPORO                       |
| 85  | <b>HOLMEN</b>                        | Sweden         | B+ | M-REAL                        |
| 86  | <b>ITOCHU</b>                        | Japan          | B+ | MITSUBISHI                    |
| 87  | <b>HEIDELBERG</b>                    | Germany        | B+ | BALDWIN Technology            |
| 88  | <b>SODEXO</b>                        | France         | B+ | COMPASS                       |
| 89  | <b>LUNDBECK</b>                      | Denmark        | B+ | NOVO NORDISK                  |
| 90  | <b>ABBOTT</b>                        | U.S.           | B+ | MERCK                         |
| 91  | <b>DIAGEO</b>                        | UK             | B+ | PERNOD RICARD                 |
| 92  | <b>ENTERGY</b>                       | U.S.           | B+ | EDISON                        |
| 93  | <b>HENKEL</b>                        | Germany        | B+ | UNILEVER                      |
| 94  | <b>WOLTERS KLUWER</b>                | Netherlands    | B+ | REED ELSEVIER                 |
| 95  | <b>PEPSICO</b>                       | U.S.           | B+ | COCA-COLA                     |
| 96  | <b>IHG (InterContinental Hotels)</b> | UK             | B+ | ACCOR                         |
| 97  | <b>VALLOUREC</b>                     | France         | B+ | TATA Steel                    |
| 98  | <b>AUTOLIV</b>                       | Sweden-U.S.    | B+ | DENSO                         |
| 99  | <b>RENAULT</b>                       | France         | B+ | PSA PEUGEOT CITROEN           |
| 100 | <b>INDITEX</b>                       | Spain          | B+ | H&M (Hennes & Mauritz)        |
| 101 | <b>BRITISH AMERICAN TOBACCO</b>      | UK             | B+ | IMPERIAL TOBACCO              |
| 102 | <b>STORA ENSO</b>                    | Finland        | B+ | UPM                           |
| 103 | <b>ANGLO AMERICAN</b>                | UK             | B+ | BHP BILLITON                  |
| 104 | <b>DELHAIZE</b>                      | Belgium        | B+ | AHOLD                         |
| 105 | <b>PEARSON</b>                       | UK             | B+ | McGRAW-HILL                   |



**BEYOND LIMITS**  
BUSINESS AND SUSTAINABLE DEVELOPMENT REPORT 2010



**SEB (N° 40)**

Cooking with gas. Based on a potent brew of products and brands, facts and figures, consumption trends and market drivers. High read appeal, too.

**SKF (N° 43)**

A slightly more optimized report structure would make it easier to find your bearings (division reviews after 100 pages). But content is metalwork made in Sweden, also accessible through a well-framed IR website.

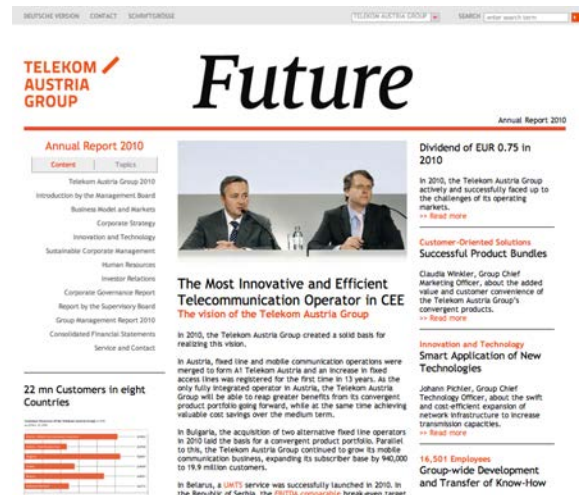


**Linde (N° 47)**

Interviews, illustrations and animated spotlight pages show a business that goes beyond gas.

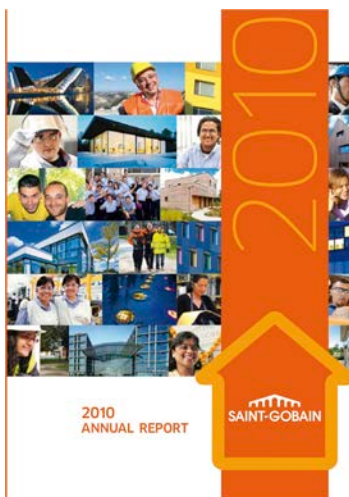
**Telekom Austria (N° 48)**

The report is conveniently telecast on the website, with a constant access to key information items.



|     |                                   |                   |    |                       |
|-----|-----------------------------------|-------------------|----|-----------------------|
| 106 | KEMIRA                            | Finland           | B+ | DOW Chemical          |
| 107 | PANASONIC                         | Japan             | B+ | SONY                  |
| 108 | UPM                               | Finland           | B+ | STORA ENSO            |
| 109 | SIEMENS                           | Germany           | B+ | ABB                   |
| 110 | SANDVIK                           | Sweden            | B+ | ATLAS COPCO           |
| 111 | MERCK KGaA                        | Germany           | B+ | BAYER                 |
| 112 | ROYAL DUTCH SHELL                 | Netherlands-UK    | B+ | BP                    |
| 113 | EDP (Energias de Portugal)        | Portugal          | B+ | IBERDROLA             |
| 114 | AUDI                              | Germany           | B+ | BMW                   |
| 115 | L'OREAL                           | France            | B+ | ESTEE LAUDER          |
| 116 | COMPASS                           | UK                | B+ | SODEXO                |
| 117 | SCHNEIDER Electric                | France            | B+ | ABB                   |
| 118 | RTL                               | Luxembourg        | B+ | NEWS Corporation      |
| 119 | CASINO (Guichard-Perrachon)       | France            | B+ | AUCHAN                |
| 120 | REZIDOR Hotel                     | Belgium-Sweden    | B+ | ACCOR                 |
| 121 | NOBEL BIOCARE                     | Switzerland       | B+ | STRAUMANN             |
| 122 | UCB                               | Belgium           | B+ | SOLVAY                |
| 123 | HYDRO-QUEBEC                      | Canada            | B+ | TRANSALTA             |
| 124 | ADARO Energy                      | Indonesia         | B+ | ANTAM                 |
| 125 | JOHNSON & JOHNSON                 | U.S.              | B+ | PFIZER                |
| 126 | ASTELLAS Pharma                   | Japan             | B+ | TAKEDA Pharmaceutical |
| 127 | OMRON                             | Japan             | B+ | HONEYWELL             |
| 128 | EXXONMOBIL                        | U.S.              | B+ | ROYAL DUTCH SHELL     |
| 129 | FUJIFILM                          | Japan             | B+ | KODAK (Eastman)       |
| 130 | RWE                               | Germany           | B+ | E.ON                  |
| 131 | TORAY                             | Japan             | B+ | TEIJIN                |
| 132 | HEIDELBERGCEMENT                  | Germany           | B+ | HOLCIM                |
| 133 | DR. REDDY'S Laboratories          | India             | B+ | RANBAXY Laboratories  |
| 134 | IOI                               | Malaysia          | B+ | SIME DARBY            |
| 135 | NESTLE                            | Switzerland       | B+ | DANONE                |
| 136 | EDF                               | France            | B+ | GDF SUEZ              |
| 137 | MACINTOSH Retail                  | Netherlands       | B+ | KESKO                 |
| 138 | GDF SUEZ                          | France            | B+ | EDF                   |
| 139 | VINCI                             | France            | B+ | BOUYGUES              |
| 140 | REED ELSEVIER                     | UK-Netherlands    | B+ | WOLTERS KLUWER        |
| 141 | SABMILLER                         | UK                | B+ | ANHEUSER-BUSCH INBEV  |
| 142 | ROLLS-ROYCE                       | UK                | B+ | GENERAL ELECTRIC      |
| 143 | SOLVAY                            | Belgium           | B+ | UCB                   |
| 144 | DIMO (Diesel & Motor Engineering) | Sri Lanka         | B+ | BARLOWORLD            |
| 145 | TOYOTA                            | Japan             | B+ | HONDA                 |
| 146 | JOHNSON MATTHEY                   | UK                | B+ | UMICORE               |
| 147 | AXFOOD                            | Sweden            | B+ | KESKO                 |
| 148 | MVV ENERGIE                       | Germany           | B+ | RWE                   |
| 149 | MITSUBISHI                        | Japan             | B+ | ITOCHU                |
| 150 | BG                                | UK                | B+ | CENTRICA              |
| 151 | DSM                               | Netherlands       | B+ | AKZONOBEL             |
| 152 | TAKEDA Pharmaceutical             | Japan             | B+ | ASTELLAS Pharma       |
| 153 | THYSSENKRUPP                      | Germany           | B+ | ARCELORMITTAL         |
| 154 | HONDA                             | Japan             | B+ | TOYOTA                |
| 155 | JKH (John Keells)                 | Sri Lanka         | B+ | FINLAYS Colombo       |
| 156 | ESSILOR                           | France            | B+ | ALLERGAN              |
| 157 | SPEEDY HIRE                       | UK                | B+ | WOLSELEY              |
| 158 | ESPRIT                            | Hong Kong-Bermuda | B  | INDITEX               |





**Saint-Gobain (N° 51)**

For those who find the legal brickwork well built -and not lacking in mortar, e.g. on business strategies- yet a bit too hefty a forty-page summary review goes to the point.

**Cascades (N° 54)**

*To understand our results* spread shows what is driving the financial performance and sums up the impact in a nearby *Sensitivity table*.

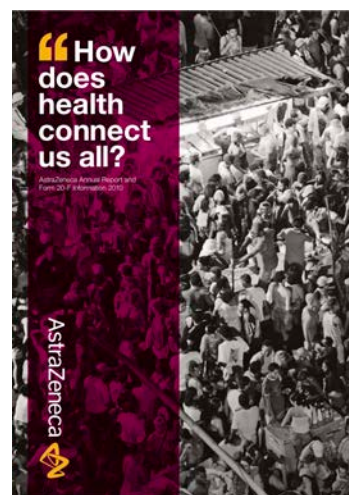


**Kesko (N° 56)**

Impacts of operations; responsibility trends, objectives and actions taken, as well as comprehensive notes make up a substantial *Responsibility Report*.

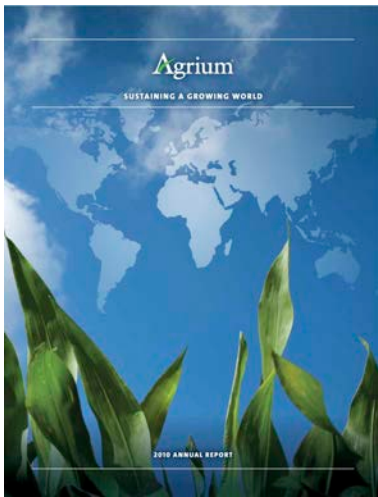
**AstraZeneca (N° 57)**

Delivers most strongly on strategy, growth drivers, challenges (*life-cycle of a medicine* made intelligible), key delivery aspects, and *therapy area* reviews.





|     |   |              |   |                          |
|-----|---|--------------|---|--------------------------|
| 159 | <b>PROCTER &amp; GAMBLE</b>               | U.S.         | B | UNILEVER                 |
| 160 | <b>AIR FRANCE-KLM</b>                     | France       | B | LUFTHANSA                |
| 161 | <b>CENTRICA</b>                           | UK           | B | BG                       |
| 162 | <b>WHITBREAD</b>                          | UK           | B | ACCOR                    |
| 163 | <b>YAMAHA</b>                             | Japan        | B | SONY                     |
| 164 | <b>CONTINENTAL</b>                        | Germany      | B | PIRELLI                  |
| 165 | <b>ARCELORMITTAL</b>                      | Luxembourg   | B | NIPPON STEEL             |
| 166 | <b>J SAINSBURY</b>                        | UK           | B | TESCO                    |
| 167 | <b>KINGFISHER</b>                         | UK           | B | WOLSELEY                 |
| 168 | <b>STRAUMANN</b>                          | Switzerland  | B | NOBEL BIOCARE            |
| 169 | <b>WESSANEN</b>                           | Netherlands  | B | ASSOCIATED BRITISH FOODS |
| 170 | <b>NEXEN</b>                              | Canada       | B | SUNCOR Energy            |
| 171 | <b>NTT Docomo</b>                         | Japan        | B | NTT                      |
| 172 | <b>ISS</b>                                | Denmark      | B | RENTOKIL INITIAL         |
| 173 | <b>MAN</b>                                | Germany      | B | DAIMLER                  |
| 174 | <b>HOLCIM</b>                             | Switzerland  | B | LAFARGE                  |
| 175 | <b>DANISCO</b>                            | Denmark      | B | NOVOZYMES                |
| 176 | <b>TOSHIBA</b>                            | Japan        | B | NEC                      |
| 177 | <b>BHP BILLITON</b>                       | Australia-UK | B | RIO TINTO                |
| 178 | <b>TATE &amp; LYLE</b>                    | UK           | B | ASSOCIATED BRITISH FOODS |
| 179 | <b>REXAM</b>                              | UK           | B | AMCOR                    |
| 180 | <b>BARLOWORLD</b>                         | South Africa | B | KOMATSU                  |
| 181 | <b>TNT</b>                                | Netherlands  | B | DEUTSCHE POST DHL        |
| 182 | <b>ARKEMA</b>                             | France       | B | LANXESS                  |
| 183 | <b>H&amp;M (Hennes &amp; Mauritz)</b>     | Sweden       | B | INDITEX                  |
| 184 | <b>LVMH</b>                               | France       | B | PPR                      |
| 185 | <b>SHISEIDO</b>                           | Japan        | B | KAO                      |
| 186 | <b>CATERPILLAR</b>                        | U.S.         | B | KOMATSU                  |
| 187 | <b>CHINA TELECOM</b>                      | China        | B | CHINA MOBILE             |
| 188 | <b>ESTEE LAUDER</b>                       | U.S.         | B | AVON Products            |
| 189 | <b>KAO</b>                                | Japan        | B | SHISEIDO                 |
| 190 | <b>GENERAL MILLS</b>                      | U.S.         | B | KELLOGG                  |
| 191 | <b>KONICA MINOLTA</b>                     | Japan        | B | CANON                    |
| 192 | <b>ABB</b>                                | Switzerland  | B | SIEMENS                  |
| 193 | <b>SSE (Scottish and Southern Energy)</b> | UK           | B | CENTRICA                 |
| 194 | <b>KOMATSU</b>                            | Japan        | B | CATERPILLAR              |
| 195 | <b>ADECCO</b>                             | Switzerland  | B | RANDSTAD                 |
| 196 | <b>BRITISH LAND</b>                       | UK           | B | LAND SECURITIES          |
| 197 | <b>ROGERS Communications</b>              | Canada       | B | TELUS                    |
| 198 | <b>PFIZER</b>                             | U.S.         | B | JOHNSON & JOHNSON        |
| 199 | <b>SNC-LAVALIN</b>                        | Canada       | B | ARCADIS                  |
| 200 | <b>ACS</b>                                | Spain        | B | HOCHTIEF                 |
| 201 | <b>HUSKY Energy</b>                       | Canada       | B | SUNCOR Energy            |
| 202 | <b>UMICORE</b>                            | Belgium      | B | JOHNSON MATTHEY          |
| 203 | <b>ALLIANDER</b>                          | Netherlands  | B | DONG Energy              |
| 204 | <b>TOTAL</b>                              | France       | B | BP                       |
| 205 | <b>JAPAN TOBACCO</b>                      | Japan        | B | BRITISH AMERICAN TOBACCO |
| 206 | <b>INFOSYS Technologies</b>               | India        | B | TATA Consultancy         |
| 207 | <b>TRANSALTA</b>                          | Canada       | B | HYDRO-QUEBEC             |
| 208 | <b>TENAGA Nasional</b>                    | Malaysia     | B | CLP                      |
| 209 | <b>BARRICK</b>                            | Canada       | B | NEWMONT Mining           |
| 210 | <b>HOCHTIEF</b>                           | Germany      | B | ACS                      |
| 211 | <b>BEKAERT</b>                            | Belgium      | B | NHK Spring               |



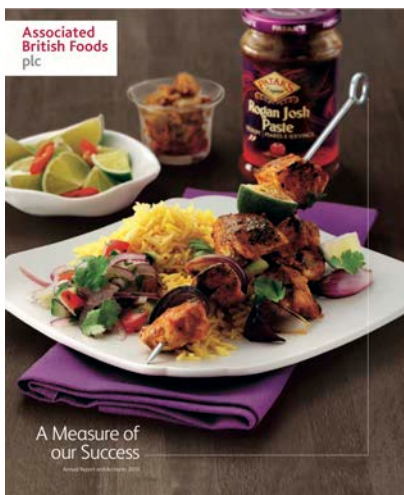
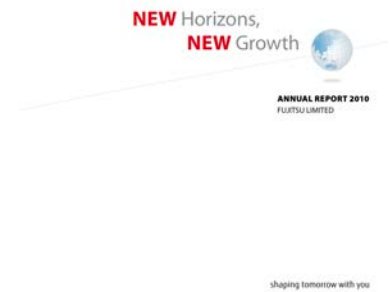
**Agrium (N° 62)**

Well-structured and substantial review of businesses, cycles, growth conditions, sensitivities. Check also the impact of accounting changes, and risk management made clearest, also regarding key assumptions.



**Fujitsu (N° 65)**

In-depth *Conversation with the President*, also emphasizing medium-term targets. Then comes a crystal-clear review of businesses. Worth noting too: an interview with the auditors.

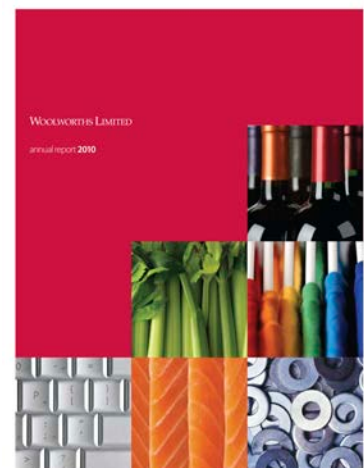


**Associated British Foods (N° 67)**

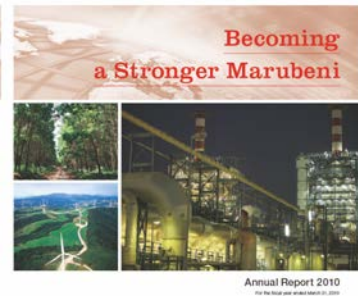
The microsite *Annual Review* menu works fine. Pictorial spreads in print are eye-catching. But the financial review has gone on a diet.

**Woolworths (N° 78)**

Among pluses in a thorough governance section: a diagram setting out the *powers and functions of the People Policy Committee*. The comprehensive remuneration report is not down under either.



|     |  |              |   |                                    |
|-----|--|--------------|---|------------------------------------|
| 212 | <b>GSK (GlaxoSmithKline)</b>             | UK           | B | PFIZER                             |
| 213 | <b>CAMECO</b>                            | Canada       | B | AREVA                              |
| 214 | <b>TELIASONERA</b>                       | Sweden       | B | TELENOR                            |
| 215 | <b>M-REAL</b>                            | Finland      | B | STORA ENSO                         |
| 216 | <b>PSA PEUGEOT CITROEN</b>               | France       | B | RENAULT                            |
| 217 | <b>COCA-COLA</b>                         | U.S.         | B | PEPSICO                            |
| 218 | <b>TURKCELL</b>                          | Turkey       | B | VODAFONE                           |
| 219 | <b>DUKE ENERGY</b>                       | U.S.         | B | EDISON                             |
| 220 | <b>WHIRLPOOL</b>                         | U.S.         | B | ELECTROLUX                         |
| 221 | <b>LOBLAW</b>                            | Canada       | B | WOOLWORTHS                         |
| 222 | <b>NEXT Media</b>                        | Hong Kong    | B | SPH (Singapore Press)              |
| 223 | <b>BERTELSMANN</b>                       | Germany      | B | RTL                                |
| 224 | <b>MEDTRONIC</b>                         | U.S.         | B | BOSTON SCIENTIFIC                  |
| 225 | <b>UNITED TECHNOLOGIES</b>               | U.S.         | B | GENERAL ELECTRIC                   |
| 226 | <b>GENERAL ELECTRIC</b>                  | U.S.         | B | SIEMENS                            |
| 227 | <b>SANOFI-AVENTIS</b>                    | France       | B | NOVARTIS                           |
| 228 | <b>DOW Chemical</b>                      | U.S.         | B | DUPONT                             |
| 229 | <b>G4S</b>                               | UK           | B | SECURITAS                          |
| 230 | <b>BORAL</b>                             | Australia    | B | WIENERBERGER                       |
| 231 | <b>SINGTEL</b>                           | Singapore    | B | VODAFONE                           |
| 232 | <b>UNIBAIL-RODAMCO</b>                   | France       | B | LAND SECURITIES                    |
| 233 | <b>DENSO</b>                             | Japan        | B | JOHNSON CONTROLS                   |
| 234 | <b>NTT</b>                               | Japan        | B | CHINA TELECOM                      |
| 235 | <b>YELL</b>                              | UK           | B | ENIRO                              |
| 236 | <b>SUMITOMO</b>                          | Japan        | B | MITSUBISHI                         |
| 237 | <b>IMPERIAL TOBACCO</b>                  | UK           | B | BRITISH AMERICAN TOBACCO           |
| 238 | <b>NOVOZYMES</b>                         | Denmark      | B | DANISCO                            |
| 239 | <b>RIO TINTO</b>                         | Australia-UK | B | BHP BILLITON                       |
| 240 | <b>HUTCHISON WHAMPOA</b>                 | Hong Kong    | B | JARDINE MATHESON                   |
| 241 | <b>CHEVRON</b>                           | U.S.         | B | CONOCOPHILLIPS                     |
| 242 | <b>FRESENIUS</b>                         | Germany      | B | BAXTER                             |
| 243 | <b>XEROX</b>                             | U.S.         | B | CANON                              |
| 244 | <b>VODAFONE</b>                          | UK           | B | CHINA MOBILE                       |
| 245 | <b>DEUTSCHE TELEKOM</b>                  | Germany      | B | FRANCE TELECOM-ORANGE              |
| 246 | <b>OMV</b>                               | Austria      | B | MOL                                |
| 247 | <b>TUI</b>                               | Germany      | B | THOMAS COOK                        |
| 248 | <b>NATIONAL GRID</b>                     | UK           | B | SSE (Scottish and Southern Energy) |
| 249 | <b>BP</b>                                | UK           | B | ROYAL DUTCH SHELL                  |
| 250 | <b>CANADIAN NATURAL Resources</b>        | Canada       | B | ENCANA                             |
| 251 | <b>ANGLOGOLD ASHANTI</b>                 | South Africa | B | BARRICK                            |
| 252 | <b>ALLERGAN</b>                          | U.S.         | B | ESSILOR                            |
| 253 | <b>McGRAW-HILL</b>                       | U.S.         | B | PEARSON                            |
| 254 | <b>FEDEX</b>                             | U.S.         | B | UPS                                |
| 255 | <b>CARLSBERG</b>                         | Denmark      | B | HEINEKEN                           |
| 256 | <b>ANHEUSER-BUSCH INBEV</b>              | Belgium      | B | HEINEKEN                           |
| 257 | <b>SCHINDLER</b>                         | Switzerland  | B | KONE                               |
| 258 | <b>PTT</b>                               | Thailand     | B | PETRONAS                           |
| 259 | <b>CIC (Chemical Industries Colombo)</b> | Sri Lanka    | B | SYNGENTA                           |
| 260 | <b>NORSKE SKOG</b>                       | Norway       | B | HOLMEN                             |
| 261 | <b>TATA Steel</b>                        | India        | B | ARCELORMITTAL                      |
| 262 | <b>BURBERRY</b>                          | UK           | B | M&S (Marks & Spencer)              |
| 263 | <b>SYNGENTA</b>                          | Switzerland  | B | MONSANTO                           |
| 264 | <b>SAP</b>                               | Germany      | B | ORACLE                             |



## Marubeni (N° 80)

*President and CEO Talks Strategy* and does it by answering to nine questions; and backing it with maps, diagrams and charts (e.g. *Equity, Net risk assets and Risk buffer*). Group's diverse strengths are also put in perspective.

## Belgacom (N° 82)

Effectively used as a corporate communication calling card. Reading gives a buzz, also for chairman and chief exec's messages.



## Teijin (N° 83)

Substantiated CSR report: *Performance* compared to *Plans and Goals* is self-evaluated over four pages in a concise and strongly charted 60-page book.

## Diageo (N° 91)

Does an entirely video-based *Annual Review* made of consultant's clichés mixed with glass-filling images quench the thirst for information? Not really. But the full report makes up, not least on governance.



|     |   |                 |    |                       |
|-----|---|-----------------|----|-----------------------|
| 265 | <b>PHOENIX MECANO</b>                     | Switzerland     | B  | ELMA Electronic       |
| 266 | <b>MONDI</b>                              | UK-South Africa | B  | HOLMEN                |
| 267 | <b>SHARP</b>                              | Japan           | B  | PANASONIC             |
| 268 | <b>PETRONAS</b>                           | Malaysia        | B  | SABIC                 |
| 269 | <b>DAIICHI SANKYO</b>                     | Japan           | B  | TAKEDA Pharmaceutical |
| 270 | <b>NIPPON EXPRESS</b>                     | Japan           | B  | FEDEX                 |
| 271 | <b>TDC</b>                                | Denmark         | B  | TELIASONERA           |
| 272 | <b>SINGAPORE AIRLINES</b>                 | Singapore       | B  | CATHAY PACIFIC        |
| 273 | <b>FOSTER'S</b>                           | Australia       | B  | DIAGEO                |
| 274 | <b>HSH (Hongkong and Shanghai Hotels)</b> | Hong Kong       | B  | SHANGRI-LA Asia       |
| 275 | <b>NIPPON STEEL</b>                       | Japan           | B  | ARCELORMITTAL         |
| 276 | <b>BOUYGUES</b>                           | France          | B  | VINCI                 |
| 277 | <b>BRITISH AIRWAYS</b>                    | UK              | B  | AIR FRANCE-KLM        |
| 278 | <b>JENOPTIK</b>                           | Germany         | B  | ROFIN                 |
| 279 | <b>BT</b>                                 | UK              | B  | VODAFONE              |
| 280 | <b>BMW</b>                                | Germany         | B  | AUDI                  |
| 281 | <b>LAFARGE</b>                            | France          | B  | SAINT-GOBAIN          |
| 282 | <b>AHOLD</b>                              | Netherlands     | B  | DELHAIZE              |
| 283 | <b>PPR</b>                                | France          | B  | LVMH                  |
| 284 | <b>ARCADIS</b>                            | Netherlands     | B  | SNC-LAVALIN           |
| 285 | <b>VESTAS Wind Systems</b>                | Denmark         | B  | SUZLON Energy         |
| 286 | <b>KPN</b>                                | Netherlands     | B  | BELGACOM              |
| 287 | <b>WEYERHAEUSER</b>                       | U.S.            | B- | INTERNATIONAL PAPER   |
| 288 | <b>DOMTAR</b>                             | Canada          | B- | CASCADES              |
| 289 | <b>SARA LEE</b>                           | U.S.            | B- | CONAGRA FOODS         |
| 290 | <b>NYRSTAR</b>                            | Belgium         | B- | UMICORE               |
| 291 | <b>HARLEY-DAVIDSON</b>                    | U.S.            | B- | HONDA                 |
| 292 | <b>MANPOWER</b>                           | U.S.            | B- | RANDSTAD              |
| 293 | <b>NEWELL RUBBERMAID</b>                  | U.S.            | B- | FORTUNE BRANDS        |
| 294 | <b>CONOCOPHILLIPS</b>                     | U.S.            | B- | CHEVRON               |
| 295 | <b>PUMA</b>                               | Germany         | B- | ADIDAS                |
| 296 | <b>RAPALA</b>                             | Finland         | B- | AMER Sports           |
| 297 | <b>SONY</b>                               | Japan           | B- | PANASONIC             |
| 298 | <b>PEABODY Energy</b>                     | U.S.            | B- | CONSOL Energy         |
| 299 | <b>WIPRO</b>                              | India           | B- | INFOSYS Technologies  |
| 300 | <b>SUMITOMO Chemical</b>                  | Japan           | B- | MITSUBISHI Chemical   |

## 200 other reports rated (but not top-ranked)

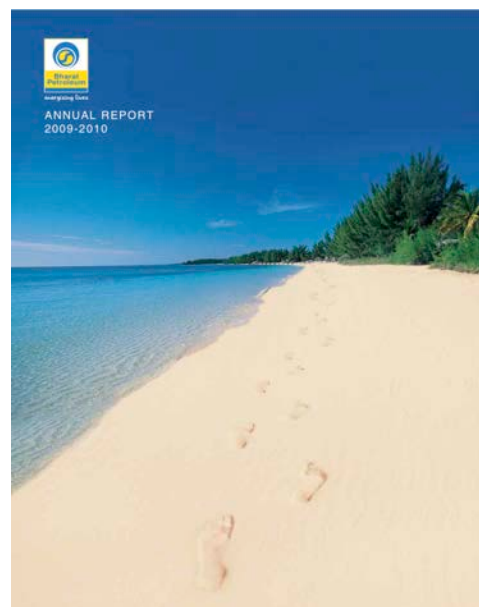


### Avon Products (N/R)

The work to make the 10-K sexier is merely cosmetic.

### Bharat Petroleum (N/R)

The (low-carbon) footprints in the sand on the front cover are a non-kept promise. Visually, the report makers should explore opportunities to make it a refined read.



CONAGRA FOODS 2010 ANNUAL REPORT

### ConAgra Foods (N/R)

Nicely put *Formula for Growth*. A pity that it doesn't apply to tasteless and indigestible financials.



| Annual report                 | Country           | Report rating | Compare                       |
|-------------------------------|-------------------|---------------|-------------------------------|
| ACER                          | Taiwan            | C             | LENOVO                        |
| ADM (Archer Daniels Midland)  | U.S.              | C-            | TATE & LYLE                   |
| AEP (American Electric Power) | U.S.              | C             | AES                           |
| AES                           | U.S.              | C+            | AEP (American Electric Power) |
| AGC (Asahi Glass)             | Japan             | C+            | SAINT-GOBAIN                  |
| ALCATEL-LUCENT                | France            | C+            | CISCO Systems                 |
| ALCOA                         | U.S.              | C+            | CHALCO                        |
| ALSTOM                        | France            | C+            | SIEMENS                       |
| ALSTRIA                       | Germany           | B-            | IMMOFINANZ                    |
| ALTRIA                        | U.S.              | B-            | BRITISH AMERICAN TOBACCO      |
| AMCOR                         | Australia         | C+            | REXAM                         |
| AMER Sports                   | Finland           | C+            | ADIDAS                        |
| AMGEN                         | U.S.              | C-            | MYLAN                         |
| ANTAM                         | Indonesia         | B-            | ADARO Energy                  |
| APPLE                         | U.S.              | C-            | MICROSOFT                     |
| AREVA                         | France            | B-            | GENERAL ELECTRIC              |
| AUCHAN                        | France            | B-            | CARREFOUR                     |
| AVERY DENNISON                | U.S.              | B-            | BEMIS                         |
| AVON Products                 | U.S.              | C+            | ESTEE LAUDER                  |
| BALDWIN Technology            | U.S.              | C             | HEIDELBERG                    |
| BARCO                         | Belgium           | B-            | PANASONIC                     |
| BAXTER                        | U.S.              | C+            | MEDTRONIC                     |
| BCE                           | Canada            | B-            | TELUS                         |
| BD (Becton Dickinson)         | U.S.              | C+            | BAXTER                        |
| BEMIS                         | U.S.              | B-            | AVERY DENNISON                |
| BHARAT PETROLEUM              | India             | C+            | HINDUSTAN PETROLEUM           |
| BHARTI AIRTEL                 | India             | C+            | BSNL (Bharat Sanchar Nigam)   |
| BIOGEN IDEC                   | U.S.              | C+            | FOREST Laboratories           |
| BOSTON SCIENTIFIC             | U.S.              | B-            | MEDTRONIC                     |
| BRIDGESTONE                   | Japan             | C+            | CONTINENTAL                   |
| BRISTOL-MYERS SQUIBB          | U.S.              | B-            | LILLY (Eli Lilly)             |
| BSNL (Bharat Sanchar Nigam)   | India             | C-            | BHARTI AIRTEL                 |
| BURGER KING                   | U.S.              | C-            | McDONALD's                    |
| CAMPBELL SOUP                 | U.S.              | B-            | H.J. HEINZ                    |
| CANON                         | Japan             | B-            | XEROX                         |
| CARREFOUR                     | France            | C+            | METRO                         |
| CATHAY PACIFIC                | Hong Kong         | C+            | SINGAPORE AIRLINES            |
| CEZ                           | Czech Republic    | C+            | MOL                           |
| CHALCO                        | China             | C-            | ALCOA                         |
| CHINA MOBILE                  | Hong Kong         | B-            | VODAFONE                      |
| CIPLA MEDPRO                  | South Africa      | C             | DR. REDDY'S                   |
| CISCO Systems                 | U.S.              | B-            | ALCATEL-LUCENT                |
| CITIZEN                       | Japan             | D             | SWATCH                        |
| CLARIANT                      | Switzerland       | B-            | BASF                          |
| CNOOC                         | Hong Kong         | C+            | PETROCHINA                    |
| COLGATE-PALMOLIVE             | U.S.              | B-            | PROCTER & GAMBLE              |
| CONAGRA FOODS                 | U.S.              | B-            | GENERAL MILLS                 |
| CONSOL Energy                 | U.S.              | C-            | PEABODY Energy                |
| CRH                           | Ireland           | C+            | HOLCIM                        |
| DALMIA CEMENT                 | India             | B-            | LAFARGE                       |
| DELL                          | U.S.              | C-            | HP (Hewlett-Packard)          |
| DENTSU                        | Japan             | B-            | PUBLICIS                      |
| DONG Energy                   | Denmark           | C+            | VATTENFALL                    |
| DUPONT                        | U.S.              | B-            | DOW Chemical                  |
| E.ON                          | Germany           | B-            | RWE                           |
| EDISON                        | U.S.              | C+            | ENTERGY                       |
| EGCO                          | Thailand          | B-            | CLP                           |
| ELMA Electronic               | Switzerland       | C+            | PHOENIX MECANO                |
| EMERSON                       | U.S.              | B-            | GENERAL ELECTRIC              |
| ENEL                          | Italy             | B-            | EDF                           |
| ENERGIZER                     | U.S.              | C             | SPECTRUM BRANDS               |
| ENI                           | Italy             | C+            | TOTAL                         |
| ENIRO                         | Sweden            | C+            | YELL                          |
| EPSON (Seiko Epson)           | Japan             | C+            | CANON                         |
| EVRAZ                         | Luxembourg-Russia | C-            | ARCELORMITTAL                 |
| FIAT                          | Italy             | B-            | PSA PEUGEOT CITROEN           |



## Fiat (N/R)

An Iveco-leaning book, with almost 400 pages (of which more than 200 made of notes), a meaningless cover, a one-column chassis and a structure that all make it a really difficult reading drive –ifany.

## General Motors (N/R)

After a catalog-based intro that shows it going into overdrive, the new GM comes up with an old heavy truck-style 10-K.



“Our goal is to become a US \$65 billion Group by 2015 from US \$30 billion today. We expect your company to contribute significantly to this growth and earnings.”

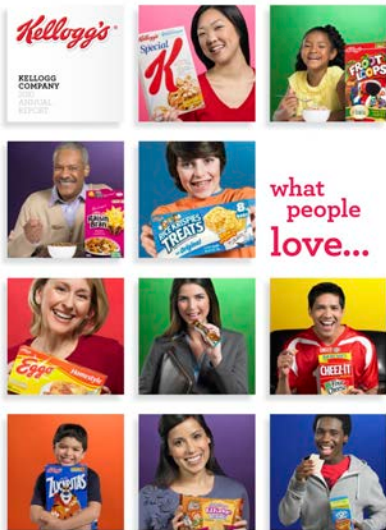
KUMAR MANGALAM BIRLA

## Hindalco Industries (N/R)

Corporate ambition stated on the cover, a batch of ratios, but the whole design needs some ironing.

HINDALCO INDUSTRIES LIMITED  
ANNUAL REPORT | 2009-2010

|                              |                  |    |                      |
|------------------------------|------------------|----|----------------------|
| FINLAYS Colombo              | Sri Lanka        | C+ | JKH (John Keells)    |
| FMC                          | U.S.             | C+ | SUMITOMO Chemical    |
| FORD                         | U.S.             | B- | GENERAL MOTORS       |
| FOREST Laboratories          | U.S.             | C- | BIOGEN IDEC          |
| FORTUNE BRANDS               | U.S.             | B- | NEWELL RUBBERMAID    |
| FRANCE TELECOM-ORANGE        | France           | C+ | BT                   |
| GAS NATURAL FENOSA           | Spain            | B- | IBERDROLA            |
| GAZPROM                      | Russia           | B- | LUKOIL               |
| GENERAL MOTORS               | U.S.             | C+ | TOYOTA               |
| GILEAD Sciences              | U.S.             | B- | AMGEN                |
| GIVAUDAN                     | Switzerland      | B- | IFF                  |
| GOODYEAR                     | U.S.             | C- | BRIDGESTONE          |
| H.J. HEINZ                   | U.S.             | C+ | CAMPBELL SOUP        |
| HANESBRANDS                  | U.S.             | C- | WOLFORD              |
| HAYLEYS                      | Sri Lanka        | B- | SIME DARBY           |
| HINDALCO Industries          | India            | B- | RIO TINTO            |
| HINDUSTAN PETROLEUM          | India            | C+ | BHARAT PETROLEUM     |
| HITACHI                      | Japan            | B- | FUJITSU              |
| HONEYWELL                    | U.S.             | C- | UNITED TECHNOLOGIES  |
| HP (Hewlett-Packard)         | U.S.             | C- | IBM                  |
| HT Media                     | India            | B- | NEXT Media           |
| HUANENG POWER                | China            | C+ | CLP                  |
| IBERDROLA                    | Spain            | B- | GAS NATURAL FENOSA   |
| IBM                          | U.S.             | B- | HP (Hewlett-Packard) |
| IFF                          | U.S.             | C+ | GIVAUDAN             |
| IMMOFINANZ                   | Austria          | C+ | UNIBAIL-RODAMCO      |
| INDIAN OIL                   | India            | C+ | HINDUSTAN PETROLEUM  |
| INDRA                        | Spain            | B- | INFOSYS Technologies |
| INGERSOLL RAND               | Ireland          | C  | ASSA ABLOY           |
| INTEL                        | U.S.             | C+ | SAMSUNG Electronics  |
| INTERNATIONAL PAPER          | U.S.             | C- | WEYERHAEUSER         |
| IRC                          | Hong Kong-Russia | C+ | VALE                 |
| JARDINE MATHESON             | Hong Kong        | B- | HUTCHISON WHAMPOA    |
| JOHNSON CONTROLS             | U.S.             | C  | OMRON                |
| JX                           | Japan            | B- | SUNOCO               |
| KELLOGG                      | U.S.             | B- | GENERAL MILLS        |
| KIMBERLY-CLARK               | U.S.             | C  | SCA                  |
| KODAK (Eastman)              | U.S.             | C- | FUJIFILM             |
| KONE                         | Finland          | C+ | SCHINDLER            |
| KRAFT Foods                  | U.S.             | C- | NESTLE               |
| KYOCERA                      | Japan            | B- | SHARP                |
| LENOVO                       | Hong Kong        | B- | ACER                 |
| LG Electronics               | South Korea      | C+ | SAMSUNG Electronics  |
| LILLY (Eli Lilly)            | U.S.             | C+ | BRISTOL-MYERS SQUIBB |
| LONZA                        | Switzerland      | B- | DSM                  |
| LUKOIL                       | Russia           | C+ | GAZPROM              |
| 3M                           | U.S.             | C- | DUPONT               |
| MAERSK (A.P Moller - Maersk) | Denmark          | C+ | CONCORDIA Maritime   |
| MARATHON OIL                 | U.S.             | C+ | VALERO Energy        |
| MARRIOTT                     | U.S.             | C+ | ACCOR                |
| McDONALD's                   | U.S.             | C  | BURGER KING          |
| MERCK                        | U.S.             | C+ | ABBOTT               |
| METHANEX                     | Canada           | C+ | SASOL                |
| MICROSOFT                    | U.S.             | C  | ORACLE               |
| MINEBEA                      | Japan            | B- | SKF                  |
| mitsubishi Chemical          | Japan            | C+ | SUMITOMO Chemical    |
| MM Karton (Mayr-Melnhof)     | Austria          | C+ | M-REAL               |
| MOL                          | Hungary          | B- | OMV                  |
| MOLEX                        | U.S.             | C  | TYCO Electronics     |
| MONSANTO                     | U.S.             | B- | SYNGENTA             |
| MORPHOSYS                    | Germany          | B- | 4SC                  |
| MOSAIC                       | U.S.             | B- | POTASHCORP           |
| MYLAN                        | U.S.             | C- | RANBAXY Laboratories |
| NEC                          | Japan            | B- | FUJITSU              |
| NEW YORK TIMES               | U.S.             | C- | TIME WARNER          |
| NEWMONT Mining               | U.S.             | C  | BARRICK              |
| NEWS Corporation             | U.S.             | C+ | TIME WARNER          |



## Kellogg (N/R)

The *Letter to Shareowners* is no waffle. The business overview lacks meat. And financials are indigestible both online and on paper.

## McDonald's (N/R)

Less than 50 pages, including not most digestible financials. Fast food, that is.



The New York Times  
Company

2010 Annual Report



## New York Times (N/R)

One the world's most famous newspapers keeps on producing one of the most basic annuals.

|                          |                   |    |                                    |
|--------------------------|-------------------|----|------------------------------------|
| NHK Spring               | Japan             | C+ | BEKAERT                            |
| NIKE                     | U.S.              | C- | ADIDAS                             |
| NIKON                    | Japan             | C+ | CANON                              |
| NKG Infrastructure       | India             | C- | SKANSKA                            |
| NOKIA                    | Finland           | C+ | SAMSUNG Electronics                |
| NORILSK NICKEL           | Russia            | B- | XSTRATA                            |
| NORTEL Networks          | Canada            | C  | ERICSSON                           |
| OMNICOM                  | U.S.              | C  | WPP                                |
| OMNITECH                 | India             | B- | INFOSYS Technologies               |
| ORACLE                   | U.S.              | D  | MICROSOFT                          |
| ORLEN                    | Poland            | C+ | MOL                                |
| PAPERLINX                | Australia         | B- | MONDI                              |
| PDVSA                    | Venezuela         | D  | PETROBRAS                          |
| PETROBRAS                | Brazil            | C- | PDVSA                              |
| PETROCHINA               | China             | C+ | SINOPEC                            |
| PHILIP MORRIS            | U.S.              | B- | BRITISH AMERICAN TOBACCO           |
| PIONEER                  | Japan             | C+ | PANASONIC                          |
| PIRELLI                  | Italy             | C  | MICHELIN                           |
| PORSCHE                  | Germany           | B- | VOLKSWAGEN                         |
| POSTEN NORDEN            | Sweden            | B- | DEUTSCHE POST                      |
| POWER ASSETS             | Hong Kong         | B- | CLP                                |
| PPG Industries           | U.S.              | C  | AKZONOBEL                          |
| PUBLICIS                 | France            | C+ | WPP                                |
| QUALCOMM                 | U.S.              | C+ | NOKIA                              |
| RANBAXY Laboratories     | India             | B- | DR. REDDY'S Laboratories           |
| RECKITT BENCKISER        | UK                | C+ | HENKEL                             |
| RELIANCE Industries      | India             | C+ | SASOL                              |
| RENTOKIL INITIAL         | UK                | C+ | ISS                                |
| REPSOL YPF               | Spain             | C+ | TOTAL                              |
| RICOH                    | Japan             | B- | CANON                              |
| RIM (Research In Motion) | Canada            | B- | NOKIA                              |
| ROCKWOOL                 | Denmark           | C+ | SAINT-GOBAIN                       |
| ROFIN                    | Germany-U.S.      | C- | JENOPTIK                           |
| RYANAIR                  | Ireland           | C+ | SAS                                |
| 4SC                      | Germany           | B- | MORPHOSYS                          |
| SABIC                    | Saudi Arabia      | C  | PETRONAS                           |
| SAMSUNG Electronics      | South Korea       | C+ | PANASONIC                          |
| SAPPORO                  | Japan             | C+ | ASAHI BREWERIES                    |
| SHANGRI-LA Asia          | Bermuda-Hong Kong | C  | HSH (Hongkong and Shanghai Hotels) |
| SHIMIZU                  | Japan             | C  | DAIWA HOUSE                        |
| SHIRE                    | UK                | C+ | UCB                                |
| SIME DARBY               | Malaysia          | B- | IOI                                |
| SINOPEC                  | China             | C+ | PETROCHINA                         |
| SMITH & NEPHEW           | UK                | C+ | ZIMMER                             |
| SPECTRUM BRANDS          | U.S.              | C- | ENERGIZER                          |
| SPH (Singapore Press)    | Singapore         | B- | NEXT Media                         |
| STARBUCKS                | U.S.              | C+ | TIM HORTONS                        |
| STMicroelectronics       | Switzerland       | C- | TEXAS INSTRUMENTS                  |
| SUNCOR Energy            | Canada            | C+ | CANADIAN NATURAL Resources         |
| SUNOCO                   | U.S.              | C- | MARATHON OIL                       |
| SUZLON Energy            | India             | B- | VESTAS Wind Systems                |
| SUZUKI                   | Japan             | C- | HONDA                              |
| SWATCH                   | Switzerland       | B- | CITIZEN                            |
| SWISSCOM                 | Switzerland       | B- | TELECOM ITALIA                     |
| TALAWAKELLE              | Sri Lanka         | C  | HAYLEYS                            |
| TATA Consultancy         | India             | C+ | INFOSYS Technologies               |
| TATA Motors              | India             | C  | SUZUKI                             |
| TELE2                    | Sweden            | C  | TELIASONERA                        |
| TELECOM ITALIA           | Italy             | C+ | TELEFONICA                         |
| TELEFONICA               | Spain             | C+ | BT                                 |
| TELENOR                  | Norway            | C- | TELIASONERA                        |
| TELSTRA                  | Australia         | C+ | SINGTEL                            |
| TENNECO                  | U.S.              | C  | AUTOLIV                            |
| TEVA Pharmaceuticals     | Israel            | D  | RANBAXY Laboratories               |
| TEXAS INSTRUMENTS        | U.S.              | C- | STMicroelectronics                 |
| THE ANDERSONS            | U.S.              | C+ | ADM (Archer Daniels Midland)       |
| THE RESTAURANT           | UK                | C+ | WHITBREAD                          |



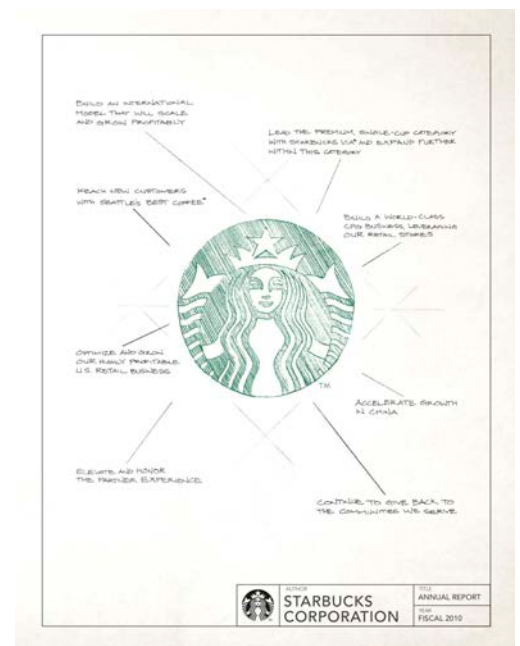


**Ryanair (N/R)**

Bragging, yielding (purely following the legal format), saving (on design), boring (compare with travel brochures, made outside).

**Starbucks (N/R)**

Strong coffee needed to stay awake while reading another dull 10-K. Deals more in depth with corporate responsibility.



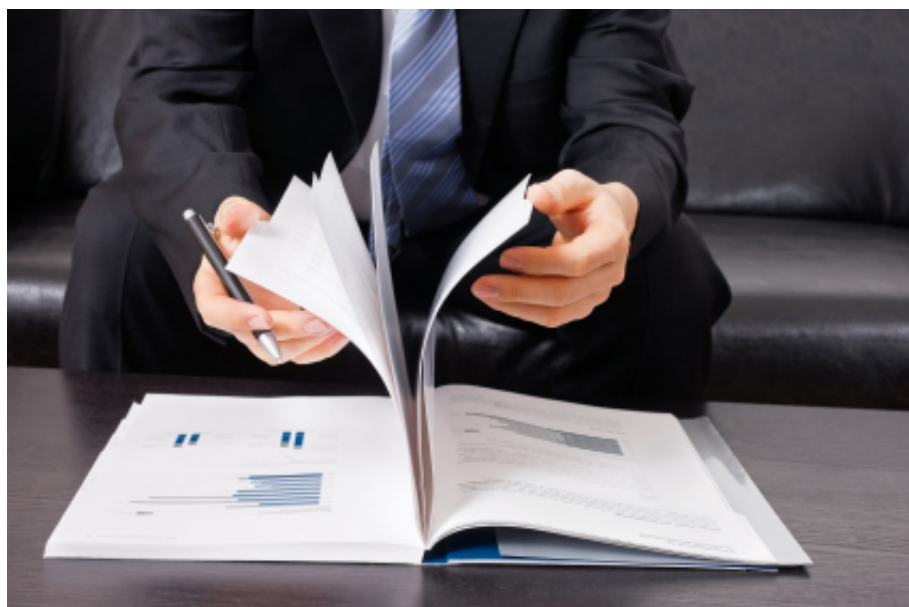
**Walmart (N/R)**

Report makers are saving some paper (60 pages long). Does it make it better? Not really, yet the MD&A is at least retailed to be legible.



|                             |                  |    |                   |
|-----------------------------|------------------|----|-------------------|
| <b>THOMSON REUTERS</b>      | U.S.-Canada      | B- | McGRAW-HILL       |
| <b>TIM HORTONS</b>          | Canada           | B- | STARBUCKS         |
| <b>TIME WARNER</b>          | U.S.             | C  | NEWS Corporation  |
| <b>TRIVENI</b>              | India            | B- | JKH (John Keells) |
| <b>TYCO</b>                 | Switzerland-U.S. | C- | EMERSON           |
| <b>TYCO Electronics</b>     | Switzerland-U.S. | C  | MOLEX             |
| <b>UPS</b>                  | U.S.             | C+ | FEDEX             |
| <b>USG PEOPLE</b>           | Netherlands      | B- | RANDSTAD          |
| <b>VALE</b>                 | Brazil           | C  | RIO TINTO         |
| <b>VALEO</b>                | France           | B- | DENSO             |
| <b>VALERO Energy</b>        | U.S.             | B- | MARATHON OIL      |
| <b>VALSPAR</b>              | U.S.             | C  | AKZO NOBEL        |
| <b>VEOLIA Environnement</b> | France           | C+ | GDF SUEZ          |
| <b>VOESTALPINE</b>          | Austria          | C+ | THYSSENKRUPP      |
| <b>VOSSLOH</b>              | Germany          | B- | SIEMENS           |
| <b>WALMART</b>              | U.S.             | B- | CARREFOUR         |
| <b>WALT DISNEY</b>          | U.S.             | B- | NEWS Corporation  |
| <b>WENDY'S ARBY'S</b>       | U.S.             | C- | McDONALD's        |
| <b>WESFARMERS</b>           | Australia        | B- | WOOLWORTHS        |
| <b>WOLFORD</b>              | Austria          | C+ | HANESBRANDS       |
| <b>YTL</b>                  | Malaysia         | C+ | TENAGA Nasional   |
| <b>ZIMMER</b>               | U.S.             | C  | SMITH & NEPHEW    |

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## Who ranks where? A-Z list

| Annual report                 | Report rank | Compare                       |
|-------------------------------|-------------|-------------------------------|
| ABB                           | 192         | SIEMENS                       |
| ABBOTT                        | 90          | MERCK                         |
| ACCOR                         | 45          | IHG (InterContinental Hotels) |
| ACER                          | N/R         | LENOVO                        |
| ACS                           | 200         | HOCHTIEF                      |
| ADARO Energy                  | 124         | ANTAM                         |
| ADECCO                        | 195         | RANDSTAD                      |
| ADIDAS                        | 15          | NIKE                          |
| ADM (Archer Daniels Midland)  | N/R         | TATE & LYLE                   |
| AEP (American Electric Power) | N/R         | AES                           |
| AES                           | N/R         | AEP (American Electric Power) |
| AGC (Asahi Glass)             | N/R         | SAINT-GOBAIN                  |
| AGRIUM                        | 62          | POTASHCORP                    |
| AHOLD                         | 282         | DELHAIZE                      |
| AIR FRANCE-KLM                | 160         | LUFTHANSA                     |
| AIR LIQUIDE                   | 36          | LINDE                         |
| AKZONOBEL                     | 5           | DUPONT                        |
| ALCATEL-LUCENT                | N/R         | CISCO Systems                 |
| ALCOA                         | N/R         | CHALCO                        |
| ALFA LAVAL                    | 29          | TRELLEBORG                    |
| ALLERGAN                      | 252         | ESSILOR                       |
| ALLIANDER                     | 203         | DONG Energy                   |
| ALSTOM                        | N/R         | SIEMENS                       |
| ALSTRIA                       | N/R         | IMMOFINANZ                    |
| ALTRIA                        | N/R         | BRITISH AMERICAN TOBACCO      |
| AMCOR                         | N/R         | REXAM                         |
| AMER Sports                   | N/R         | ADIDAS                        |
| AMGEN                         | N/R         | MYLAN                         |
| ANGLO AMERICAN                | 103         | BHP BILLITON                  |
| ANGLOGOLD ASHANTI             | 251         | BARRICK                       |
| ANHEUSER-BUSCH INBEV          | 256         | HEINEKEN                      |
| ANTAM                         | N/R         | ADARO Energy                  |
| APPLE                         | N/R         | MICROSOFT                     |
| ARCADIS                       | 284         | SNC-LAVALIN                   |
| ARCELORMITTAL                 | 165         | NIPPON STEEL                  |
| AREVA                         | N/R         | GENERAL ELECTRIC              |
| ARKEMA                        | 182         | LANXESS                       |
| ASAHI BREWERIES               | 84          | SAPPORO                       |
| ASSA ABLOY                    | 50          | SECURITAS                     |
| ASSOCIATED BRITISH FOODS      | 67          | TATE & LYLE                   |
| ASTELLAS Pharma               | 126         | TAKEDA Pharmaceutical         |
| ASTRAZENECA                   | 57          | GSK (GlaxoSmithKline)         |
| ATLAS COPCO                   | 44          | SANDVIK                       |
| AUCHAN                        | N/R         | CARREFOUR                     |
| AUDI                          | 114         | BMW                           |
| AUTOLIV                       | 98          | DENSO                         |
| AVERY DENNISON                | N/R         | BEMIS                         |
| AVON Products                 | N/R         | ESTEE LAUDER                  |
| AXFOOD                        | 147         | KESKO                         |
| BALDWIN Technology            | N/R         | HEIDELBERG                    |

|                                   |     |                             |
|-----------------------------------|-----|-----------------------------|
| BARCO                             | N/R | PANASONIC                   |
| BARLOWORLD                        | 180 | KOMATSU                     |
| BARRICK                           | 209 | NEWMONT Mining              |
| BASF                              | 1   | DOW Chemical                |
| BAXTER                            | N/R | MEDTRONIC                   |
| BAYER                             | 33  | BASF                        |
| BCE                               | N/R | TELUS                       |
| BD (Becton Dickinson)             | N/R | BAXTER                      |
| BEKAERT                           | 211 | NHK Spring                  |
| BELGACOM                          | 82  | KPN                         |
| BEMIS                             | N/R | AVERY DENNISON              |
| BERTELSMANN                       | 223 | RTL                         |
| BG                                | 150 | CENTRICA                    |
| BHARAT PETROLEUM                  | N/R | HINDUSTAN PETROLEUM         |
| BHARTI AIRTEL                     | N/R | BSNL (Bharat Sanchar Nigam) |
| BHP BILLITON                      | 177 | RIO TINTO                   |
| BILLERUD                          | 58  | SCA                         |
| BIOGEN IDEC                       | N/R | FOREST Laboratories         |
| BMW                               | 280 | AUDI                        |
| BOLIDEN                           | 14  | XSTRATA                     |
| BOMBARDIER                        | 59  | ALSTOM                      |
| BORAL                             | 230 | WIENERBERGER                |
| BOSTON SCIENTIFIC                 | N/R | MEDTRONIC                   |
| BOUYGUES                          | 276 | VINCI                       |
| BP                                | 249 | ROYAL DUTCH SHELL           |
| BRIDGESTONE                       | N/R | CONTINENTAL                 |
| BRISTOL-MYERS SQUIBB              | N/R | LILLY (Eli Lilly)           |
| BRITISH AIRWAYS                   | 277 | AIR FRANCE-KLM              |
| BRITISH AMERICAN TOBACCO          | 101 | IMPERIAL TOBACCO            |
| BRITISH LAND                      | 196 | LAND SECURITIES             |
| BSNL (Bharat Sanchar Nigam)       | N/R | BHARTI AIRTEL               |
| BT                                | 279 | VODAFONE                    |
| BURBERRY                          | 262 | M&S (Marks & Spencer)       |
| BURGER KING                       | N/R | McDONALD's                  |
| CAMECO                            | 213 | AREVA                       |
| CAMPBELL SOUP                     | N/R | H.J. HEINZ                  |
| CANADIAN NATURAL Resources        | 250 | ENCANA                      |
| CANON                             | N/R | XEROX                       |
| CARLSBERG                         | 255 | HEINEKEN                    |
| CARREFOUR                         | N/R | METRO                       |
| CASCADES                          | 54  | DOMTAR                      |
| CASINO (Guichard-Perrachon)       | 119 | AUCHAN                      |
| CATERPILLAR                       | 186 | KOMATSU                     |
| CATHAY PACIFIC                    | N/R | SINGAPORE AIRLINES          |
| CENTRICA                          | 161 | BG                          |
| CEZ                               | N/R | MOL                         |
| CHALCO                            | N/R | ALCOA                       |
| CHEVRON                           | 241 | CONOCOPHILLIPS              |
| CHINA MOBILE                      | N/R | VODAFONE                    |
| CHINA TELECOM                     | 187 | CHINA MOBILE                |
| CIC (Chemical Industries Colombo) | 259 | SYNGENTA                    |
| CIPLA MEDPRO                      | N/R | DR. REDDY'S                 |
| CISCO Systems                     | N/R | ALCATEL-LUCENT              |

|                                   |     |                               |
|-----------------------------------|-----|-------------------------------|
| CITIZEN                           | N/R | SWATCH                        |
| CLARIANT                          | N/R | BASF                          |
| CLP                               | 17  | POWER ASSETS                  |
| CNOOC                             | N/R | PETROCHINA                    |
| COCA-COLA                         | 217 | PEPSICO                       |
| COLGATE-PALMOLIVE                 | N/R | PROCTER & GAMBLE              |
| COMPASS                           | 116 | SODEXO                        |
| CONAGRA FOODS                     | N/R | GENERAL MILLS                 |
| CONCORDIA Maritime                | 74  | MAERSK (A.P. Moller - Maersk) |
| CONOCOPHILLIPS                    | 294 | CHEVRON                       |
| CONSOL Energy                     | N/R | PEABODY Energy                |
| CONTINENTAL                       | 164 | PIRELLI                       |
| CORIO                             | 70  | UNIBAIL-RODAMCO               |
| CRH                               | N/R | HOLCIM                        |
| DAIICHI SANKYO                    | 269 | TAKEDA Pharmaceutical         |
| DAIMLER                           | 77  | VOLKSWAGEN                    |
| DAIWA HOUSE                       | 20  | SHIMIZU                       |
| DALMIA CEMENT                     | N/R | LAFARGE                       |
| DANISCO                           | 175 | NOVOZYMES                     |
| DANONE                            | 28  | NESTLE                        |
| DELHAIZE                          | 104 | AHOLD                         |
| DELL                              | N/R | HP (Hewlett-Packard)          |
| DENSO                             | 233 | JOHNSON CONTROLS              |
| DENTSU                            | N/R | PUBLICIS                      |
| DEUTSCHE POST DHL                 | 35  | TNT                           |
| DEUTSCHE TELEKOM                  | 245 | FRANCE TELECOM-ORANGE         |
| DIAGEO                            | 91  | PERNOD RICARD                 |
| DIMO (Diesel & Motor Engineering) | 144 | BARLOWORLD                    |
| DOMTAR                            | 288 | CASCADES                      |
| DONG Energy                       | N/R | VATTENFALL                    |
| DOW Chemical                      | 228 | DUPONT                        |
| DR. REDDY'S Laboratories          | 133 | RANBAXY Laboratories          |
| DSM                               | 151 | AKZONOBEL                     |
| DUKE ENERGY                       | 219 | EDISON                        |
| DUPONT                            | N/R | DOW Chemical                  |
| E.ON                              | N/R | RWE                           |
| EDF                               | 136 | GDF SUEZ                      |
| EDISON                            | N/R | ENTERGY                       |
| EDP (Energias de Portugal)        | 113 | IBERDROLA                     |
| EGCO                              | N/R | CLP                           |
| ELECTROLUX                        | 3   | WHIRLPOOL                     |
| ELMA Electronic                   | N/R | PHOENIX MECANO                |
| EMERSON                           | N/R | GENERAL ELECTRIC              |
| ENCANA                            | 66  | CANADIAN NATURAL Resources    |
| ENEL                              | N/R | EDF                           |
| ENERGIZER                         | N/R | SPECTRUM BRANDS               |
| ENI                               | N/R | TOTAL                         |
| ENIRO                             | N/R | YELL                          |
| ENTERGY                           | 92  | EDISON                        |
| EPSON (Seiko Epson)               | N/R | CANON                         |
| ERICSSON                          | 22  | ALCATEL-LUCENT                |
| ESPRIT                            | 158 | INDITEX                       |
| ESSILOR                           | 156 | ALLERGAN                      |

|                                    |     |                     |
|------------------------------------|-----|---------------------|
| ESTEE LAUDER                       | 188 | AVON Products       |
| EVN                                | 30  | VATTENFALL          |
| EVRAZ                              | N/R | ARCELORMITTAL       |
| EXXONMOBIL                         | 128 | ROYAL DUTCH SHELL   |
| FEDEX                              | 254 | UPS                 |
| FIAT                               | N/R | PSA PEUGEOT CITROEN |
| FINLAYS Colombo                    | N/R | JKH (John Keells)   |
| FINNAIR                            | 52  | SAS                 |
| FMC                                | N/R | SUMITOMO Chemical   |
| FORD                               | N/R | GENERAL MOTORS      |
| FOREST Laboratories                | N/R | BIOGEN IDEC         |
| FORTUM                             | 4   | VATTENFALL          |
| FORTUNE BRANDS                     | N/R | NEWELL RUBBERMAID   |
| FOSTER'S                           | 273 | DIAGEO              |
| FRANCE TELECOM-ORANGE              | N/R | BT                  |
| FRESENIUS                          | 242 | BAXTER              |
| FUJIFILM                           | 129 | KODAK (Eastman)     |
| FUJITSU                            | 65  | IBM                 |
| G4S                                | 229 | SECURITAS           |
| GAS NATURAL FENOSA                 | N/R | IBERDROLA           |
| GAZPROM                            | N/R | LUKOIL              |
| GDF SUEZ                           | 138 | EDF                 |
| GENERAL ELECTRIC                   | 226 | SIEMENS             |
| GENERAL MILLS                      | 190 | KELLOGG             |
| GENERAL MOTORS                     | N/R | TOYOTA              |
| GFK                                | 71  | WPP                 |
| GILEAD Sciences                    | N/R | AMGEN               |
| GIVAUDAN                           | N/R | IFF                 |
| GOODYEAR                           | N/R | BRIDGESTONE         |
| GSK (GlaxoSmithKline)              | 212 | PFIZER              |
| H&M (Hennes & Mauritz)             | 183 | INDITEX             |
| H.J. HEINZ                         | N/R | CAMPBELL SOUP       |
| HANESBRANDS                        | N/R | WOLFORD             |
| HARLEY-DAVIDSON                    | 291 | HONDA               |
| HAYLEYS                            | N/R | SIME DARBY          |
| HEIDELBERG                         | 87  | BALDWIN Technology  |
| HEIDELBERGCEMENT                   | 132 | HOLCIM              |
| HEINEKEN                           | 61  | CARLSBERG           |
| HENKEL                             | 93  | UNILEVER            |
| HINDALCO Industries                | N/R | RIO TINTO           |
| HINDUSTAN PETROLEUM                | N/R | BHARAT PETROLEUM    |
| HITACHI                            | N/R | FUJITSU             |
| HITACHI METALS                     | 73  | MITSUBISHI          |
| HOCHTIEF                           | 210 | ACS                 |
| HOLCIM                             | 174 | LAFARGE             |
| HOLMEN                             | 85  | M-REAL              |
| HONDA                              | 154 | TOYOTA              |
| HONEYWELL                          | N/R | UNITED TECHNOLOGIES |
| HP (Hewlett-Packard)               | N/R | IBM                 |
| HSH (Hongkong and Shanghai Hotels) | 274 | SHANGRI-LA Asia     |
| HT Media                           | N/R | NEXT Media          |
| HUANENG POWER                      | N/R | CLP                 |
| HUSKY Energy                       | 201 | SUNCOR Energy       |



|                               |     |                          |
|-------------------------------|-----|--------------------------|
| HUSQVARNA                     | 46  | ELECTROLUX               |
| HUTCHISON WHAMPOA             | 240 | JARDINE MATHESON         |
| HYDRO-QUEBEC                  | 123 | TRANSALTA                |
| IBERDROLA                     | N/R | GAS NATURAL FENOSA       |
| IBM                           | N/R | HP (Hewlett-Packard)     |
| IFF                           | N/R | GIVAUDAN                 |
| IHG (InterContinental Hotels) | 96  | ACCOR                    |
| IMMOFINANZ                    | N/R | UNIBAIL-RODAMCO          |
| IMPERIAL TOBACCO              | 237 | BRITISH AMERICAN TOBACCO |
| INDIAN OIL                    | N/R | HINDUSTAN PETROLEUM      |
| INDITEX                       | 100 | H&M (Hennes & Mauritz)   |
| INDRA                         | N/R | INFOSYS Technologies     |
| INFINEON Technologies         | 53  | STMicroelectronics       |
| INFOSYS Technologies          | 206 | TATA Consultancy         |
| INGERSOLL RAND                | N/R | ASSA ABLOY               |
| INTEL                         | N/R | SAMSUNG Electronics      |
| INTERNATIONAL PAPER           | N/R | WEYERHAEUSER             |
| IOI                           | 134 | SIME DARBY               |
| IRC                           | N/R | VALE                     |
| ISS                           | 172 | RENTOKIL INITIAL         |
| ITOCHU                        | 86  | MITSUBISHI               |
| J SAINSBURY                   | 166 | TESCO                    |
| JAPAN TOBACCO                 | 205 | BRITISH AMERICAN TOBACCO |
| JARDINE MATHESON              | N/R | HUTCHISON WHAMPOA        |
| JENOPTIK                      | 278 | ROFIN                    |
| JKH (John Keells)             | 155 | FINLAYS Colombo          |
| JOHNSON & JOHNSON             | 125 | PFIZER                   |
| JOHNSON CONTROLS              | N/R | OMRON                    |
| JOHNSON MATTHEY               | 146 | UMICORE                  |
| JX                            | N/R | SUNOCO                   |
| KAO                           | 189 | SHISEIDO                 |
| KELLOGG                       | N/R | GENERAL MILLS            |
| KEMIRA                        | 106 | DOW Chemical             |
| KESKO                         | 56  | AXFOOD                   |
| KIMBERLY-CLARK                | N/R | SCA                      |
| KINGFISHER                    | 167 | WOLSELEY                 |
| KODAK (Eastman)               | N/R | FUJIFILM                 |
| KOMATSU                       | 194 | CATERPILLAR              |
| KONE                          | N/R | SCHINDLER                |
| KONICA MINOLTA                | 191 | CANON                    |
| KPN                           | 286 | BELGACOM                 |
| KRAFT Foods                   | N/R | NESTLE                   |
| KYOCERA                       | N/R | SHARP                    |
| LAFARGE                       | 281 | SAINT-GOBAIN             |
| LAND SECURITIES               | 11  | BRITISH LAND             |
| LANXESS                       | 39  | ARKEMA                   |
| LENOVO                        | N/R | ACER                     |
| LG Electronics                | N/R | SAMSUNG Electronics      |
| LILLY (Eli Lilly)             | N/R | BRISTOL-MYERS SQUIBB     |
| LINDE                         | 47  | AIR LIQUIDE              |
| LOBLAW                        | 221 | WOOLWORTHS               |
| LONZA                         | N/R | DSM                      |
| L'OREAL                       | 115 | ESTEE LAUDER             |

|                              |     |                                    |
|------------------------------|-----|------------------------------------|
| LUFTHANSA                    | 49  | AIR FRANCE-KLM                     |
| LUKOIL                       | N/R | GAZPROM                            |
| LUNDBECK                     | 89  | NOVO NORDISK                       |
| LVMH                         | 184 | PPR                                |
| 3M                           | N/R | DUPONT                             |
| M&S (Marks & Spencer)        | 55  | H&M (Hennes & Mauritz)             |
| MACINTOSH Retail             | 137 | KESKO                              |
| MAERSK (A.P Moller - Maersk) | N/R | CONCORDIA Maritime                 |
| MAN                          | 173 | DAIMLER                            |
| MANPOWER                     | 292 | RANDSTAD                           |
| MARATHON OIL                 | N/R | VALERO Energy                      |
| MARRIOTT                     | N/R | ACCOR                              |
| MARUBENI                     | 80  | ITOCHU                             |
| McDONALD's                   | N/R | BURGER KING                        |
| McGRAW-HILL                  | 253 | PEARSON                            |
| MEDTRONIC                    | 224 | BOSTON SCIENTIFIC                  |
| MERCK                        | N/R | ABBOTT                             |
| MERCK KGaA                   | 111 | BAYER                              |
| METHANEX                     | N/R | SASOL                              |
| METRO                        | 37  | CARREFOUR                          |
| METSO                        | 34  | ABB                                |
| MICHELIN                     | 25  | BRIDGESTONE                        |
| MICROSOFT                    | N/R | ORACLE                             |
| MINEBEA                      | N/R | SKF                                |
| MITSUBISHI                   | 149 | ITOCHU                             |
| MITSUBISHI Chemical          | N/R | SUMITOMO Chemical                  |
| MM Karton (Mayr-Melnhof)     | N/R | M-REAL                             |
| MOL                          | N/R | OMV                                |
| MOLEX                        | N/R | TYCO Electronics                   |
| MONDI                        | 266 | HOLMEN                             |
| MONSANTO                     | N/R | SYNGENTA                           |
| MORPHOSYS                    | N/R | 4SC                                |
| MOSAIC                       | N/R | POTASHCORP                         |
| M-REAL                       | 215 | STORA ENSO                         |
| MVV ENERGIE                  | 148 | RWE                                |
| MYLAN                        | N/R | RANBAXY Laboratories               |
| NATIONAL GRID                | 248 | SSE (Scottish and Southern Energy) |
| NEC                          | N/R | FUJITSU                            |
| NESTE OIL                    | 13  | STATOIL                            |
| NESTLE                       | 135 | DANONE                             |
| NEW YORK TIMES               | N/R | TIME WARNER                        |
| NEWELL RUBBERMAID            | 293 | FORTUNE BRANDS                     |
| NEWMONT Mining               | N/R | BARRICK                            |
| NEWS Corporation             | N/R | TIME WARNER                        |
| NEXEN                        | 170 | SUNCOR Energy                      |
| NEXT Media                   | 222 | SPH (Singapore Press)              |
| NHK Spring                   | N/R | BEKAERT                            |
| NIKE                         | N/R | ADIDAS                             |
| NIKON                        | N/R | CANON                              |
| NIPPON EXPRESS               | 270 | FEDEX                              |
| NIPPON STEEL                 | 275 | ARCELORMITTAL                      |
| NKG Infrastructure           | N/R | SKANSKA                            |
| NOBEL BIOCARE                | 121 | STRAUMANN                          |

|                      |     |                          |
|----------------------|-----|--------------------------|
| NOKIA                | N/R | SAMSUNG Electronics      |
| NORILSK NICKEL       | N/R | XSTRATA                  |
| NORSKE SKOG          | 260 | HOLMEN                   |
| NORTEL Networks      | N/R | ERICSSON                 |
| NOVARTIS             | 31  | ROCHE                    |
| NOVO NORDISK         | 79  | LILLY (Eli Lilly)        |
| NOVOZYMES            | 238 | DANISCO                  |
| NTT                  | 234 | CHINA TELECOM            |
| NTT Docomo           | 171 | NTT                      |
| NYRSTAR              | 290 | UMICORE                  |
| OMNICOM              | N/R | WPP                      |
| OMNITECH             | N/R | INFOSYS Technologies     |
| OMRON                | 127 | HONEYWELL                |
| OMV                  | 246 | MOL                      |
| ORACLE               | N/R | MICROSOFT                |
| ORLEN                | N/R | MOL                      |
| PANASONIC            | 107 | SONY                     |
| PAPERLINX            | N/R | MONDI                    |
| PDVSA                | N/R | PETROBRAS                |
| PEABODY Energy       | 298 | CONSOL Energy            |
| PEARSON              | 105 | McGRAW-HILL              |
| PEPSICO              | 95  | COCA-COLA                |
| PERNOD RICARD        | 69  | DIAGEO                   |
| PETROBRAS            | N/R | PDVSA                    |
| PETROCHINA           | N/R | SINOPEC                  |
| PETRONAS             | 268 | SABIC                    |
| PFIZER               | 198 | JOHNSON & JOHNSON        |
| PHILIP MORRIS        | N/R | BRITISH AMERICAN TOBACCO |
| PHILIPS              | 10  | GENERAL ELECTRIC         |
| PHOENIX MECANO       | 265 | ELMA Electronic          |
| PIONEER              | N/R | PANASONIC                |
| PIRELLI              | N/R | MICHELIN                 |
| PORSCHE              | N/R | VOLKSWAGEN               |
| POSTEN NORDEN        | N/R | DEUTSCHE POST            |
| POTASHCORP           | 26  | AGRIUM                   |
| POWER ASSETS         | N/R | CLP                      |
| PPG Industries       | N/R | AKZONOBEL                |
| PPR                  | 283 | LVMH                     |
| PROCTER & GAMBLE     | 159 | UNILEVER                 |
| PSA PEUGEOT CITROEN  | 216 | RENAULT                  |
| PTT                  | 258 | PETRONAS                 |
| PUBLICIS             | N/R | WPP                      |
| PUMA                 | 295 | ADIDAS                   |
| QUALCOMM             | N/R | NOKIA                    |
| RANBAXY Laboratories | N/R | DR. REDDY'S Laboratories |
| RANDSTAD             | 64  | ADECCO                   |
| RAPALA               | 296 | AMER Sports              |
| RECKITT BENCKISER    | N/R | HENKEL                   |
| REED ELSEVIER        | 140 | WOLTERS KLUWER           |
| RELIANCE Industries  | N/R | SASOL                    |
| RENAULT              | 99  | PSA PEUGEOT CITROEN      |
| RENTOKIL INITIAL     | N/R | ISS                      |
| REPSOL YPF           | N/R | TOTAL                    |

|                                    |     |                                    |
|------------------------------------|-----|------------------------------------|
| REXAM                              | 179 | AMCOR                              |
| REZIDOR Hotel                      | 120 | ACCOR                              |
| RICOH                              | N/R | CANON                              |
| RIM (Research In Motion)           | N/R | NOKIA                              |
| RIO TINTO                          | 239 | BHP BILLITON                       |
| ROCHE                              | 75  | NOVARTIS                           |
| ROCKWOOL                           | N/R | SAINT-GOBAIN                       |
| ROFIN                              | N/R | JENOPTIK                           |
| ROGERS Communications              | 197 | TELUS                              |
| ROLLS-ROYCE                        | 142 | GENERAL ELECTRIC                   |
| ROYAL DUTCH SHELL                  | 112 | BP                                 |
| RTL                                | 118 | NEWS Corporation                   |
| RWE                                | 130 | E.ON                               |
| RYANAIR                            | N/R | SAS                                |
| 4SC                                | N/R | MORPHOSYS                          |
| SABIC                              | N/R | PETRONAS                           |
| SABMILLER                          | 141 | ANHEUSER-BUSCH INBEV               |
| SAINT-GOBAIN                       | 51  | AGC (Asahi Glass)                  |
| SAMSUNG Electronics                | N/R | PANASONIC                          |
| SANDVIK                            | 110 | ATLAS COPCO                        |
| SANOFI-AVENTIS                     | 227 | NOVARTIS                           |
| SAP                                | 264 | ORACLE                             |
| SAPPI                              | 63  | STORA ENSO                         |
| SAPPORO                            | N/R | ASAHI BREWERIES                    |
| SARA LEE                           | 289 | CONAGRA FOODS                      |
| SAS                                | 2   | LUFTHANSA                          |
| SASOL                              | 9   | SUNCOR Energy                      |
| SCA                                | 12  | KIMBERLY-CLARK                     |
| SCHINDLER                          | 257 | KONE                               |
| SCHNEIDER Electric                 | 117 | ABB                                |
| SEB                                | 40  | PHILIPS                            |
| SECURITAS                          | 60  | G4S                                |
| SHANGRI-LA Asia                    | N/R | HSB (Hongkong and Shanghai Hotels) |
| SHARP                              | 267 | PANASONIC                          |
| SHIMIZU                            | N/R | DAIWA HOUSE                        |
| SHIRE                              | N/R | UCB                                |
| SHISEIDO                           | 185 | KAO                                |
| SIEMENS                            | 109 | ABB                                |
| SIME DARBY                         | N/R | IOI                                |
| SINGAPORE AIRLINES                 | 272 | CATHAY PACIFIC                     |
| SINGTEL                            | 231 | VODAFONE                           |
| SINOPEC                            | N/R | PETROCHINA                         |
| SKANSKA                            | 24  | VINCI                              |
| SKF                                | 43  | MINEBEA                            |
| SMITH & NEPHEW                     | N/R | ZIMMER                             |
| SNC-LAVALIN                        | 199 | ARCADIS                            |
| SODEXO                             | 88  | COMPASS                            |
| SOLVAY                             | 143 | UCB                                |
| SONY                               | 297 | PANASONIC                          |
| SPECTRUM BRANDS                    | N/R | ENERGIZER                          |
| SPEEDY HIRE                        | 157 | WOLSELEY                           |
| SPH (Singapore Press)              | N/R | NEXT Media                         |
| SSE (Scottish and Southern Energy) | 193 | CENTRICA                           |

|                       |     |                              |
|-----------------------|-----|------------------------------|
| STARBUCKS             | N/R | TIM HORTONS                  |
| STATOIL               | 6   | TOTAL                        |
| STMicroelectronics    | N/R | TEXAS INSTRUMENTS            |
| STORA ENSO            | 102 | UPM                          |
| STRABAG               | 23  | HOCHTIEF                     |
| STRAUMANN             | 168 | NOBEL BIOCARE                |
| SUMITOMO              | 236 | mitsubishi                   |
| SUMITOMO Chemical     | 300 | MITSUBISHI Chemical          |
| SUNCOR Energy         | N/R | CANADIAN NATURAL Resources   |
| SUNOCO                | N/R | MARATHON OIL                 |
| SUZLON Energy         | N/R | VESTAS Wind Systems          |
| SUZUKI                | N/R | HONDA                        |
| SWATCH                | N/R | CITIZEN                      |
| SWEDISH MATCH         | 41  | IMPERIAL TOBACCO             |
| SWISSCOM              | N/R | TELECOM ITALIA               |
| SYNGENTA              | 263 | MONSANTO                     |
| TAKEDA Pharmaceutical | 152 | ASTELLAS Pharma              |
| TALAWAKELLE           | N/R | HAYLEYS                      |
| TATA Consultancy      | N/R | INFOSYS Technologies         |
| TATA Motors           | N/R | SUZUKI                       |
| TATA Steel            | 261 | ARCELORMITTAL                |
| TATE & LYLE           | 178 | ASSOCIATED BRITISH FOODS     |
| TDC                   | 271 | TELIASONERA                  |
| TEIJIN                | 83  | TORAY                        |
| TELE2                 | N/R | TELIASONERA                  |
| TELECOM ITALIA        | N/R | TELEFONICA                   |
| TELEFONICA            | N/R | BT                           |
| TELEKOM AUSTRIA       | 48  | DEUTSCHE TELEKOM             |
| TELENOR               | N/R | TELIASONERA                  |
| TELIASONERA           | 214 | TELENOR                      |
| TELSTRA               | N/R | SINGTEL                      |
| TELUS                 | 8   | BCE                          |
| TENAGA Nasional       | 208 | CLP                          |
| TENNECO               | N/R | AUTOLIV                      |
| TESCO                 | 76  | J SAINSBURY                  |
| TEVA Pharmaceuticals  | N/R | RANBAXY Laboratories         |
| TEXAS INSTRUMENTS     | N/R | STMicroelectronics           |
| THE ANDERSONS         | N/R | ADM (Archer Daniels Midland) |
| THE RESTAURANT        | N/R | WHITBREAD                    |
| THOMAS COOK           | 38  | TUI                          |
| THOMSON REUTERS       | N/R | McGRAW-HILL                  |
| THYSSENKRUPP          | 153 | ARCELORMITTAL                |
| TIM HORTONS           | N/R | STARBUCKS                    |
| TIME WARNER           | N/R | NEWS Corporation             |
| TNT                   | 181 | DEUTSCHE POST DHL            |
| TORAY                 | 131 | TEIJIN                       |
| TOSHIBA               | 176 | NEC                          |
| TOTAL                 | 204 | BP                           |
| TOYOTA                | 145 | HONDA                        |
| TRANSALTA             | 207 | HYDRO-QUEBEC                 |
| TRELLEBORG            | 19  | BRIDGESTONE                  |
| TRIVENI               | N/R | JKH (John Keells)            |
| TUI                   | 247 | THOMAS COOK                  |

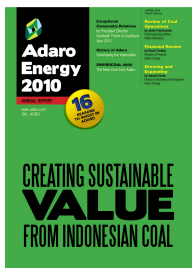
|                      |     |                          |
|----------------------|-----|--------------------------|
| TURKCELL             | 218 | VODAFONE                 |
| TYCO                 | N/R | EMERSON                  |
| TYCO Electronics     | N/R | MOLEX                    |
| UCB                  | 122 | SOLVAY                   |
| UMICORE              | 202 | JOHNSON MATTHEY          |
| UNIBAIL-RODAMCO      | 232 | LAND SECURITIES          |
| UNILEVER             | 81  | PROCTER & GAMBLE         |
| UNITED TECHNOLOGIES  | 225 | GENERAL ELECTRIC         |
| UPM                  | 108 | STORA ENSO               |
| UPS                  | N/R | FEDEX                    |
| USG PEOPLE           | N/R | RANDSTAD                 |
| VALE                 | N/R | RIO TINTO                |
| VALEO                | N/R | DENSO                    |
| VALERO Energy        | N/R | MARATHON OIL             |
| VALLOUREC            | 97  | TATA Steel               |
| VALSPAR              | N/R | AKZO NOBEL               |
| VATTENFALL           | 18  | FORTUM                   |
| VEOLIA Environnement | N/R | GDF SUEZ                 |
| VESTAS Wind Systems  | 285 | SUZLON Energy            |
| VINCI                | 139 | BOUYGUES                 |
| VODAFONE             | 244 | CHINA MOBILE             |
| VOESTALPINE          | N/R | THYSSENKRUPP             |
| VOLKSWAGEN           | 42  | TOYOTA                   |
| VOLVO                | 21  | DAIMLER                  |
| VOSSLOH              | N/R | SIEMENS                  |
| WALMART              | N/R | CARREFOUR                |
| WALT DISNEY          | N/R | NEWS Corporation         |
| WÄRTSILÄ             | 7   | MAN                      |
| WENDY'S ARBY'S       | N/R | McDONALD's               |
| WESFARMERS           | N/R | WOOLWORTHS               |
| WESSANEN             | 169 | ASSOCIATED BRITISH FOODS |
| WEYERHAEUSER         | 287 | INTERNATIONAL PAPER      |
| WHIRLPOOL            | 220 | ELECTROLUX               |
| WHITBREAD            | 162 | ACCOR                    |
| WIENERBERGER         | 16  | BORAL                    |
| WIPRO                | 299 | INFOSYS Technologies     |
| WOLFORD              | N/R | HANESBRANDS              |
| WOLSELEY             | 32  | KINGFISHER               |
| WOLTERS KLUWER       | 94  | REED ELSEVIER            |
| WOOLWORTHS           | 78  | WESFARMERS               |
| WPP                  | 27  | PUBLICIS                 |
| XEROX                | 243 | CANON                    |
| XSTRATA              | 72  | BHP BILLITON             |
| YAMAHA               | 163 | SONY                     |
| YARA                 | 68  | POTASHCORP               |
| YELL                 | 235 | ENIRO                    |
| YTL                  | N/R | TENAGA Nasional          |
| ZIMMER               | N/R | SMITH & NEPHEW           |



# 500 picks for 20 report attributes

What are the most important attributes in an annual report –on paper or online? We have chosen 20. For each of them, 25 better or best practice examples have been selected. Names are listed in alphabetical order and not ranked. Comments are from e.com analysts and rating panel members.

## Covers – Title



## Business overview



## Executive message



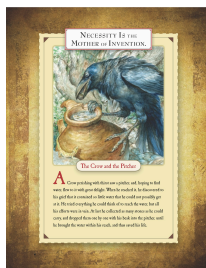
## Industry and growth drivers



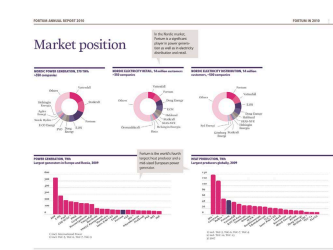
## Investor proposition – Share information



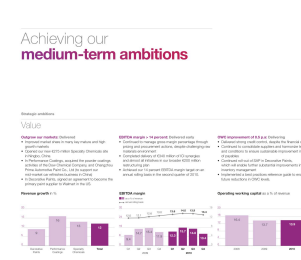
## Message – Theme



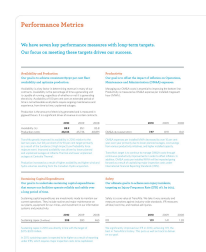
## Key figures



## Business model – Strategy



## Key performance indicators



## Financial review

## Goals – Targets – Outlook



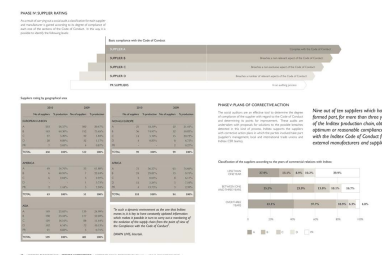
## Risk factors and management



## Governance and compensation



## Corporate responsibility



## Financial history and ratios

| Ratio   | 2010 | 2009 | 2008 | 2007 |
|---|------|------|------|------|
| <b>Financial Performance - Operating Profit</b>                   |      |      |      |      |
| Operating Profit  | 1.1  | 1.0  | 0.9  | 0.8  |
| Operating Profit Margin   | 15.2 | 14.8 | 14.5 | 14.2 |
| <b>Financial Performance - Earnings Before Interest and Taxes</b> |      |      |      |      |
| Earnings Before Interest and Taxes                                | 1.2  | 1.1  | 1.0  | 0.9  |
| Earnings Before Interest and Taxes Margin                         | 16.5 | 16.0 | 15.5 | 15.0 |
| <b>Capital Structure</b>  |      |      |      |      |
| Return on Equity  | 18.5 | 17.8 | 17.2 | 16.5 |
| Return on Assets  | 12.5 | 12.0 | 11.5 | 11.0 |
| Debt to Equity Ratio  | 0.45 | 0.48 | 0.50 | 0.52 |
| Debt to Capitalization Ratio                                      | 0.35 | 0.38 | 0.40 | 0.42 |
| <b>Operational Performance</b>                                    |      |      |      |      |
| Operating Leverage  | 1.2  | 1.1  | 1.0  | 0.9  |
| Operating Leverage Ratio  | 1.1  | 1.0  | 0.9  | 0.8  |
| Operating Leverage Ratio  | 1.0  | 0.9  | 0.8  | 0.7  |
| Operating Leverage Ratio  | 0.9  | 0.8  | 0.7  | 0.6  |
| Operating Leverage Ratio  | 0.8  | 0.7  | 0.6  | 0.5  |
| Operating Leverage Ratio  | 0.7  | 0.6  | 0.5  | 0.4  |
| Operating Leverage Ratio  | 0.6  | 0.5  | 0.4  | 0.3  |
| Operating Leverage Ratio  | 0.5  | 0.4  | 0.3  | 0.2  |
| Operating Leverage Ratio  | 0.4  | 0.3  | 0.2  | 0.1  |
| Operating Leverage Ratio  | 0.3  | 0.2  | 0.1  | 0.0  |
| Operating Leverage Ratio  | 0.2  | 0.1  | 0.0  | 0.0  |
| Operating Leverage Ratio  | 0.1  | 0.0  | 0.0  | 0.0  |
| Operating Leverage Ratio  | 0.0  | 0.0  | 0.0  | 0.0  |

## Online annual report



## Branding



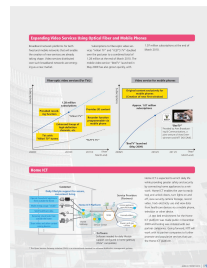
## Style – Design – Layout



## Visuals – Illustrations – Photography



## Charts, tables, graphs



## Covers - Title

Adaro Energy

ConAgra Foods

Dr. Reddy's Laboratories

EDF

EDP (Energias de Portugal)

Entergy

FedEx

Finnair

HT Media

Kemira

Land Securities

Loblaw

Lundbeck

Metro

Neste Oil

Newell Rubbermaid

Novartis

Strabag

Telekom Austria

Tim Hortons

Unilever

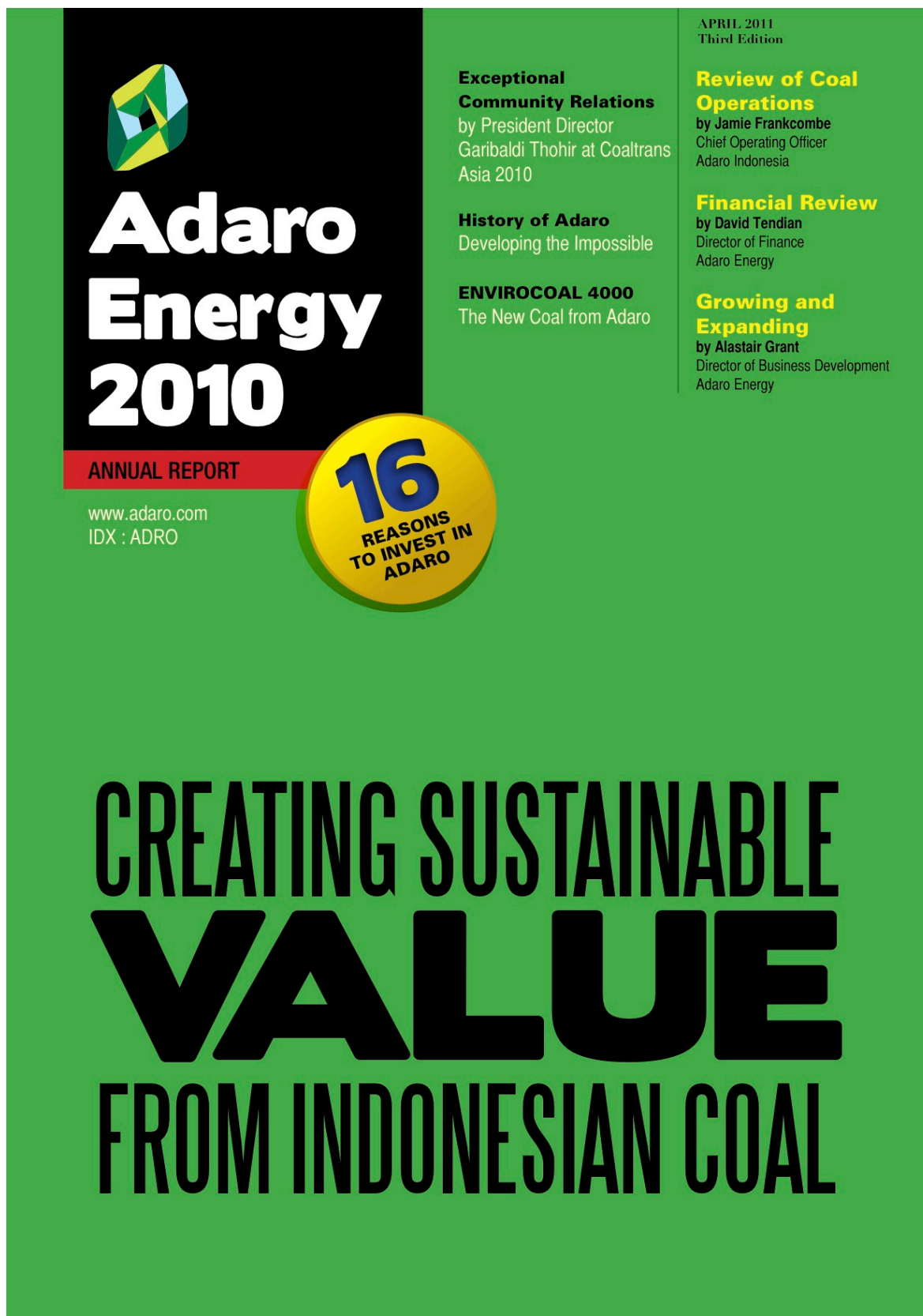
Wärtsilä

Wienerberger

Wolters Kluwer

Yara

## Covers - Title



The cover features a green background with a black header area on the left. The Adaro logo is a stylized green and yellow cube. The title 'Adaro Energy 2010' is in large white font. Below it, 'ANNUAL REPORT' is written in white on a red bar. The website 'www.adaro.com' and stock code 'IDX : ADRO' are listed. A yellow circular badge with '16 REASONS TO INVEST IN ADARO' is prominent. The main text at the bottom reads 'CREATING SUSTAINABLE VALUE FROM INDONESIA COAL'. On the right, a list of articles is provided, including 'Exceptional Community Relations', 'History of Adaro', 'ENVIROCOAL 4000', 'Review of Coal Operations', 'Financial Review', and 'Growing and Expanding'.

**Adaro Energy 2010**  
ANNUAL REPORT  
www.adaro.com  
IDX : ADRO

**16 REASONS TO INVEST IN ADARO**

**Exceptional Community Relations**  
by President Director  
Garibaldi Thohir at Coaltrans  
Asia 2010

**History of Adaro**  
Developing the Impossible

**ENVIROCOAL 4000**  
The New Coal from Adaro

APRIL 2011  
Third Edition

**Review of Coal Operations**  
by Jamie Frankcombe  
Chief Operating Officer  
Adaro Indonesia

**Financial Review**  
by David Tendian  
Director of Finance  
Adaro Energy

**Growing and Expanding**  
by Alastair Grant  
Director of Business Development  
Adaro Energy

**CREATING SUSTAINABLE  
VALUE  
FROM INDONESIA COAL**

**Adaro Energy:** it goes out of its way to grab the readers attention from the cover on and get the message over of “Why it’s good to invest in Adaro”. Putting coal in magazine style makes it, er, user-friendly.

## Message - Theme

Audi  
Belgacom  
Caterpillar  
China Telecom  
ConAgra Foods  
Dalmia Cement  
Diageo  
Encana  
Entergy  
EVN  
IHG (InterContinental Hotels)  
IOI  
Land Securities  
Linde  
Medtronic  
Metro  
Michelin  
Newell Rubbermaid  
Rezidor Hotel  
RTL  
SEB  
Turkcell  
Unilever  
Volkswagen  
Wipro



## Message - Theme

NECESSITY IS THE  
MOTHER OF INVENTION.



The Crow and the Pitcher

**A** Crow perishing with thirst saw a pitcher, and, hoping to find water, flew to it with great delight. When he reached it, he discovered to his grief that it contained so little water that he could not possibly get at it. He tried everything he could think of to reach the water, but all his efforts were in vain. At last he collected as many stones as he could carry, and dropped them one by one with his beak into the pitcher, until he brought the water within his reach, and thus saved his life.

**Entergy:** Great communication that enables to convey the message and weave it all across with consistency through the use of fables and a book-leaning style.



## Business overview

Alfa Laval

Belgacom

Billerud

Boliden

Daiwa House

Electrolux

Esprit

Fortum

Fujifilm

Heineken

Hitachi Metals

Husqvarna

Itochu

Land Securities

Nippon Steel

Schneider Electric

SEB

Statoil

Takeda Pharmaceutical

Tesco

Trelleborg

UPM

Vallourec

Volvo

Wolters Kluwer

WPP

# Business overview

**Business Overview**

**Steelmaking and Steel Fabrication**

**Composition of Sales by Business Field (in Constant)**

|                                |     |
|--------------------------------|-----|
| Pig Iron, Steel Ingots, Others | 2%  |
| Secondary Steel Products       | 1%  |
| Specialty Steel                | 17% |
| Pipe and Tubes                 | 4%  |
| Steel Sections                 | 12% |
| Flat-Rolled Products           | 65% |

**Business Profile**

Nippon Steel's steelmaking and steel fabrication business boasts the world's leading technologies for medium- to high-grade steel, which requires high formability, corrosion resistance and weld strength. Such technologies empower the Company to offer customers a variety of steel as well as a wide range of solutions in such areas as processing and welding.

**Medium-Term Plan**

Nippon Steel will accelerate efforts to further reinforce its corporate strengths and establish a secure revenue base. At the same time, the Company will build a stronger global production and supply base that is needed to achieve sustainable growth over the long term. To this end, we will focus on the following six key initiatives:

1. Further reinforce our corporate structure and earnings base to become a world-leading steelmaker boasting comprehensive capabilities
2. Steadily implement our global growth strategies
3. Fully leverage the benefits of alliances
4. Balance financial standing enhancement with growth strategy implementation
5. Strengthen organizational and operational management and human resource development
6. Bolster the corporate structures of Group companies in this segment

**Export rate (for Constant) by value**

**Export to Asian Countries of Entire Export Volume (in Constant)**

| Item             | 2007    | 2008    | 2009    |
|------------------|---------|---------|---------|
| Net Sales        | 3,994.5 | 4,038.6 | 2,823.1 |
| Operating Profit | 475.9   | 307.0   | (20.5)  |

**Export rate (for Constant) by value**

**Export to Asian Countries of Entire Export Volume (in Constant)**

**Breakdown of Exports by Destination**

**Annual Summary**

During the first half of fiscal 2009, the world saw a significant drop in steel demand caused by the global recession. Like other steelmakers, Nippon Steel was forced to continue substantial production cutbacks. However, the Company adhered to strategically lean operations under conservative production. At the same time, we worked diligently to reduce our fixed costs while promoting other Companywide initiatives aimed at securing profitability during the first half.

In the second half, the building construction and civil engineering sectors in Japan continued to suffer stagnant market conditions. Nevertheless, Japanese automakers and electric and electronic appliance manufacturers started increasing production on the back of recovery in overseas demand. These conditions helped steel demand to return to a mild recovery course. Overseas steel demand trended favorably throughout the second half, driven by rapid economic recovery in Asian nations.

In response to such recovery trends, and with the aim of accurately tapping relatively robust overseas demand, Nippon Steel resumed operations of the No. 1 blast furnace at its Oita Works in August 2009, for which it had suspended the commencement of operations after renovation. The Company also resumed operations of the No. 2 blast furnace at its Kimitsu Works in October 2009, for which it had carried out banking. Through the resumed operations of these blast furnaces, we boosted our production output and shipment volume to a designated level.

Still, Nippon Steel's shipment of steel products in fiscal 2009 declined 1.11 million metric tons year on year to 27.09 million metric tons, reflecting the production cutbacks made during the first quarter in line with demand decline. Also reflecting deteriorated conditions in the commodity and other markets, net sales in the steelmaking and steel fabrication business decreased ¥1,215.5 billion compared with fiscal 2008 to ¥2,823.1 billion. This business posted an operating loss totaling ¥20.5 billion.

**Entering an Era of Global Mega-Competition**

Customer needs continue to diversify. While strategically accommodating these needs, Nippon Steel is bolstering its global production and supply structure.

In order to effectively capture expanding demand in rapidly growing emerging nations, Nippon Steel made investments in or formed business alliances with a number of local companies during fiscal 2009. Specifically, in February 2010, the Company invested in E-Galv Steel Industries Sdn. Bhd., a Malaysian manufacturer of electrogalvanized steel sheets, to form Nippon EGalv Steel Sdn. Bhd. Having attracted many Japanese manufacturers of thin-screen TVs and audio equipment, Malaysia is now showing great demand for electrogalvanized steel sheets. By providing a stable supply of cold-rolled steel sheets—a base material of electrogalvanized steel sheets—and technological support to E-Galv Steel Industries, we aim to establish a solid structure to supply electrogalvanized sheets that satisfy the quality requirements of Japanese manufacturers and other customers operating in that country. In addition, Nippon Steel invested in Yung Kong Galvanizing Industries Bhd. (YKGI), another powerful steel sheet manufacturer in

Nippon Steel: Steel-making flow intelligibly charted, salient facts, product features and uses made very clear.

## Key figures

Adaro Energy

AkzoNobel

Cascades

Dalmia Cement

EDP (Energias de Portugal)

EVN

Fortum

Fujitsu

HeidelbergCement

IOI

Konica Minolta

Lundbeck

Mitsubishi

Neste Oil

Omron

Phoenix Mecano

Sapporo

Strabag

Teijin

Telekom Austria

Telus

UPM

Vattenfall

Vestas Wind Systems

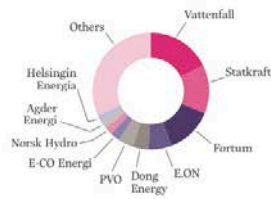
Wienerberger

# Key figures

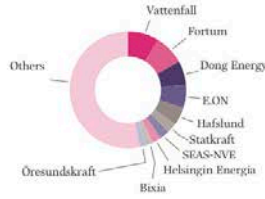
## Market position

In the Nordic market, Fortum is a significant player in power generation as well as in electricity distribution and retail.

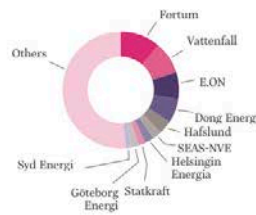
**NORDIC POWER GENERATION, 370 TWh**  
~350 companies



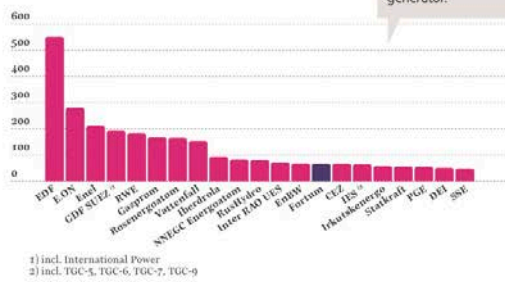
**NORDIC ELECTRICITY RETAIL, 14 million customers**  
~350 companies



**NORDIC ELECTRICITY DISTRIBUTION, 14 million customers**  
~500 companies

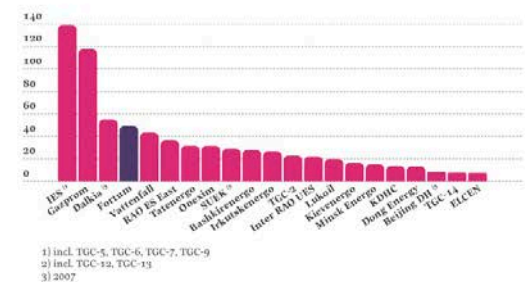


**POWER GENERATION, TWh**  
Largest generators in Europe and Russia, 2009



Fortum is the world's fourth largest heat producer and a mid-sized European power generator.

**HEAT PRODUCTION, TWh**  
Largest producers globally, 2009



Source of all graphs on the page: Fortum, company information, 2009 figures. Effect of later structural changes taken into account.

**Fortum:** It doesn't take long to get a wide array of financial, operating and market figures. "One of the most spectacular reports ever seen in the sector and outside," says a panelist.

## Executive message

Allergan

Asahi Breweries

Astellas Pharma

Bombardier

Caterpillar

China Telecom

Daiwa House

Electrolux

Entergy

FedEx

Fujitsu

Itochu

Johnson & Johnson

Kellogg

Komatsu

M&S (Marks & Spencer)

Marubeni

Novartis

Pearson

PepsiCo

Telus

Volvo

Wipro

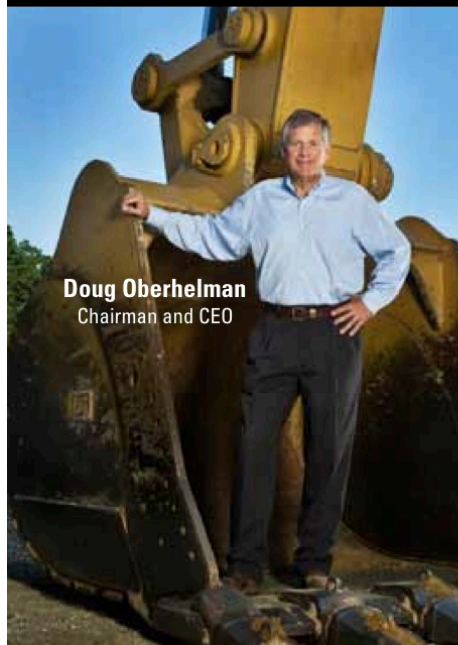
WPP

Xerox

## Executive message



## CHAIRMAN'S MESSAGE



**Doug Oberhelman**  
Chairman and CEO

## THINK LIKE AN OWNER

Throughout my career, whenever I've taken on a new job, I've really had to learn as I go. Most people probably have that same experience because there usually isn't time for a lengthy transition – your boss shows you to your new desk and away you go. But this year, as I started my new job – my dream job – as Chairman and CEO of Caterpillar, I did have the benefit of a smooth and carefully planned transition.

Jim Owens designed a plan that allowed me to focus on creating our new strategy while he kept the day-to-day operations under control. For six months, I led a diverse group of Caterpillar leaders as we took a critical, in-depth look at our business and laid out our new Enterprise Strategy to guide Caterpillar from 2010 to 2015. Jim kept the team focused on finishing strong on our 2010 goals, while I worked with our leaders to create and teach our new strategy to employees, dealers and suppliers. It couldn't have worked out better!

**Team Caterpillar Delivers**

2010 proved to be exciting. While we faced challenges, including continued uncertainty in the global economy, our team rolled up their sleeves and delivered. Sales and Revenues were \$42.588 billion, an increase of 31 percent from 2009, and our profit per share of \$4.15 was up from \$1.43 in 2009. We had good news worldwide – and after the pain of the past couple of years, it feels pretty good! I can't say enough about our team as they delivered these outstanding results in the face of not only continued external uncertainty, but also some significant internal changes.

First, we reorganized into strategic businesses, which will give group presidents direct profit and loss responsibility for their parts of the business, as well as end-to-end accountability for the products and services in their organizations. These changes signal a change in the way we think about Caterpillar, the way we serve customers and the speed with which we respond to our markets.

Second, we rolled out a new Enterprise Strategy that builds on the foundation of *Our Values in Action*, keeps us focused on customers and renews our commitment to our Business Model. We win by delivering valued, quality products, services and solutions to our customers that provide the lowest total owning lifecycle costs. This, along with our unmatched customer support, creates the largest field population, highest customer loyalty and attractive profitability throughout the business cycle. Our leaders did a great job teaching our new strategy not only to our employees, but also to our dealers and suppliers who are critical to our success. Leadership and personal accountability are a big part of our new strategy, and taking responsibility for helping everyone learn, understand and internalize the strategy was a great place to start. I could not be more pleased with how our team has already responded. We launched a new leadership development program. We are acting on ideas from suppliers as we have the opportunity to add value for our customers at every level of the supply chain. We are taking costs out of products and adding in value. And we are beginning to change the way we work, so we are faster and more responsive.

Third, we made major announcements about new facilities and capacity expansion around the world including three big acquisitions that will profoundly change our company – Electro-Motive Diesel, Inc., MWM Holding GmbH and Bucyrus International, Inc. All of these deals will help us take our company to the next level, expand our business in ways that make sense and serve customers like never before.

2

**Caterpillar:** A CEO who talks in entrepreneurial style and not, like too many, as a chief bookkeeper. That gives a real visionary drive.



## Business model - Strategy

AkzoNobel

AstraZeneca

BASF

Billerud

Boliden

Concordia Maritime

Daiwa House

Electrolux

Fortum

Lufthansa

Marubeni

Metso

Michelin

MVV Energie

PotashCorp

Randstad

SABMiller

Saint-Gobain

Sasol

Securitas

SKF

Statoil

Strabag

Thomas Cook

Trelleborg

Vattenfall

## Business model - Strategy

# Achieving our medium-term ambitions

### Strategic ambitions

### Value

#### Outgrow our markets: Delivered

- Improved market share in many key mature and high growth markets
- Opened our new €275 million Specialty Chemicals site in Ningbo, China
- In Performance Coatings, acquired the powder coatings activities of the Dow Chemical Company, and Changzhou Prime Automotive Paint Co., Ltd (to support our mid-market car refinishes business in China)
- In Decorative Paints, signed an agreement to become the primary paint supplier to Walmart in the US.

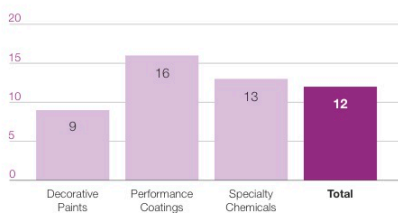
#### EBITDA margin > 14 percent: Delivered early

- Continued to manage gross margin percentage through pricing and procurement actions, despite challenging raw materials environment
- Completed delivery of €340 million of ICI synergies and almost all initiatives in our broader €200 million restructuring plan
- Achieved our 14 percent EBITDA margin target on an annual rolling basis in the second quarter of 2010.

#### OWC improvement of 0.5 p.a: Delivering

- Delivered strong credit control, despite the financial crisis
- Continued to consolidate suppliers and harmonize terms and conditions to ensure sustainable improvement in days of payables
- Continued roll-out of SAP in Decorative Paints, which will enable further substantial improvements in inventory management
- Implemented a best practices reference guide to enable future reductions in OWC levels.

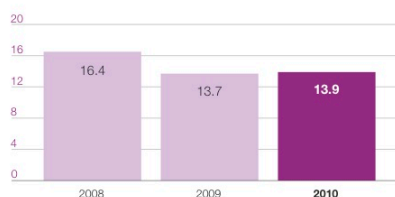
#### Revenue growth in %



#### EBITDA margin



#### Operating working capital as a % of revenue



**AkzoNobel:** Strategic agenda made very accessible online and substantiated with a thorough review of performance level improvement.

## Industry and growth drivers

ACS

Agrium

Boliden

Cameco

Carlsberg

Concordia Maritime

ExxonMobil

Fortum

Infineon Technologies

Lanxess

Metso

Neste Oil

PotashCorp

Randstad

Rexam

SAS

SEB

SKF

Trelleborg

UCB

Vattenfall

Wärtsilä

Wienerberger

WPP

Yara

# Industry and growth drivers

18 Rexam annual report 2010 **directors' report**

market review

Greater ethnic diversity and greater availability of multicultural foods also provide increased opportunities for packaging. The desire is for product authenticity and differentiation. Packaging that incorporates clear signs of provenance and stands out on the shelf will become more sought after in the future.

**health and wellbeing, safety and sustainability**

The health and wellbeing trend is now moving towards preventive healthcare fuelling growth in food and beverage products that target healthy lifestyles. Demand for low and light, fresh and safe, natural and organic as well as functional and fortified options are expected to continue to grow in 2011 and beyond.

Wellbeing extends to product safety and security. More packaging innovations – such as Rexam's Nea Airless™ solution and the Novelia™ preservative free multidose eyedropper – that prevent contamination or degradation, counterfeiting and tampering will become increasingly important in reassuring consumers about the safety and authenticity of the products they are buying.

Concerns about the use of excessive packaging and the sustainability of our society remain prevalent. Consumers continue to challenge 'green' claims on products and packaging. They want more help understanding the complex, confusing world of environmentally friendly products and packaging. Small, subtle changes to packaging, such as lightweighting and recycling information on packs, will make it easier for consumers to make informed lifestyle choices and they are more likely to purchase products that are packaged in eco friendly packaging.

Rexam is fully aware of its responsibility to address these concerns and, while we emphasise that packaging has a positive role to play in the sustainability of our society, as a leading global consumer packaging company, our focus is on achieving optimal packaging solutions that balance the needs of the consumer society and the environment.

**value, hi-lo consumerism and convenience**

Following the global economic downturn, many consumers curbed their spending on some basic items so that they could trade up to more premium goods, a term known as hi-lo consumerism.

**megatrends affecting packaging**

| demographic trends/<br>ageing society  | sustainability/<br>ethical consumerism  | health and wellbeing/<br>health conscious   | value/hi-lo consumerism/<br>premiumisation   |
|--|---|---|--|
| <ul style="list-style-type: none"> <li>Less family packs</li> <li>Simple solutions</li> <li>Vitality, energy and longevity key to grey appeal</li> <li>Easy to open packs</li> <li>Anti ageing products</li> </ul> | <ul style="list-style-type: none"> <li>Growing middle classes – increase in packaging required</li> <li>Rising number of women working</li> <li>Kid/tween power</li> <li>Male grooming</li> </ul>       | <ul style="list-style-type: none"> <li>Small moves in eco – 'Eco Easy'</li> <li>Excessive packaging concerns</li> <li>Light weighting</li> <li>Waste/recycling</li> <li>Ethically sourced</li> </ul>  | <ul style="list-style-type: none"> <li>Recyclable packs</li> <li>Reusable packs</li> <li>Cheaper pack forms</li> <li>Alternative packs/energy shortages</li> <li>Biodegradable pack</li> <li>Waste management</li> </ul>                   |
|  |   | <ul style="list-style-type: none"> <li>Calorie control packs</li> <li>Product labelling</li> <li>Dosing/portion control</li> <li>Self medication</li> <li>Customised products</li> <li>Natural/organic</li> <li>Comfort/cooconing</li> </ul>    | <ul style="list-style-type: none"> <li>Preventive vaccines/medicines</li> <li>Tamper resistant packs</li> <li>Anti counterfeiting</li> <li>Medical tourism</li> <li>Rising awareness of fitness/diet</li> </ul>                            |
|  |   |   | <ul style="list-style-type: none"> <li>Balancing added value/affordability</li> <li>Quality and moderation</li> <li>Multi functional</li> <li>Trading down/private label</li> <li>Mass customisation</li> <li>Indulgence/treats</li> </ul> |
|  |   |   | <ul style="list-style-type: none"> <li>Conspicuous consumption</li> <li>Rising demand for luxury and imported goods/brands</li> <li>Personalised goods</li> <li>Transparent packs</li> </ul>   |
| convenience/<br>on-the-go lifestyles   | concerns about product safety<br>and security   | growing ethnic diversity/<br>rapid urbanisation   |  |
| <ul style="list-style-type: none"> <li>Single unit dosing</li> <li>Easy open/close</li> <li>Longer shelf life</li> <li>Simplified formats</li> <li>Temp control pack</li> <li>DIY beauty/spa</li> </ul>            | <ul style="list-style-type: none"> <li>Emergence of impulse shopping</li> <li>Shift towards eating out culture</li> <li>Ready to eat/cook</li> <li>Alternative distribution channels/vending</li> </ul> | <ul style="list-style-type: none"> <li>Anti counterfeiting</li> <li>Child resistant packs</li> <li>Compliance</li> <li>RFID (security packs)</li> <li>Blister packaging</li> <li>Intelligent packaging</li> <li>Time strips (expiry)</li> </ul> | <ul style="list-style-type: none"> <li>Concerns about food security</li> <li>Increased demand for pharma packs</li> <li>Transparent packs</li> <li>Clear labelling and instructions</li> </ul>   |
|  |   | <ul style="list-style-type: none"> <li>Greater choice of products/variants</li> <li>More ethnic foods</li> <li>Product saturation/category blurring</li> <li>Packs standout</li> <li>Authenticity/provenance</li> </ul>                         | <ul style="list-style-type: none"> <li>More efficient use of packaging</li> <li>Greater use of returnable packs</li> <li>Burden on resources</li> <li>Better logistics</li> <li>New products</li> </ul>                                    |

■ Impact on developed markets  
■ Impact on emerging markets

**Rexam:** Megatrends affecting the industry and company are clearly set forth.

## Key performance indicators

AkzoNobel

Autoliv

Billerud

British American Tobacco

IOI

Loblaw

Lufthansa

National Grid

PotashCorp

Rentokil Initial

Rolls-Royce

SABMiller

Sappi

SAS

Sasol

SCA

Securitas

Strabag

Tesco

TransAlta

Vodafone

Wolseley

Xstrata

## Key performance indicators

### Performance Metrics

We have seven key performance measures with long-term targets.

Our focus on meeting these targets drives our success.

#### Availability and Production

Our goal is to achieve consistent 89-90 per cent fleet availability and optimize production.

Availability is a key factor in determining revenue in many of our contracts. Availability is the percentage of time a generating unit is capable of running, regardless of whether or not it is generating electricity. Availability of 100 per cent over an extended period of time is not achievable as all plants require ongoing maintenance and experience, from time to time, unplanned outages.

Production is the amount of electricity generated and is measured in gigawatt hours. It is a significant driver of revenue in certain contracts.

|                  | 2010          | 2009   | 2008   |
|------------------|---------------|--------|--------|
| Availability (%) | <b>88.9</b>   | 85.1   | 85.8   |
| Production (GWh) | <b>48,614</b> | 45,736 | 48,891 |

TransAlta greatly improved its availability in 2010 relative to the last two years, but fell just short of its 90 per cent target primarily as a result of the Sundance 3 High Impact Low Probability force majeure event. Improved availability was driven by lower planned and unplanned outages at Alberta Thermal and lower unplanned outages at Centralia Thermal.

Production increased as a result of higher availability and higher wind and hydro volumes resulting from the Canadian Hydro acquisition.

#### Productivity

Our goal is to offset the impact of inflation on Operations, Maintenance and Administration (OM&A) expenses.

Managing our OM&A costs is essential to improving the bottom line. Productivity is measured as OM&A expense per installed megawatt hour (MWh).

|                         | 2010        | 2009 | 2008 |
|-------------------------|-------------|------|------|
| OM&A (\$/installed MWh) | <b>7.97</b> | 8.91 | 8.61 |

OM&A expenses per installed MWh decreased by over 10 per cent year-over-year primarily due to lower planned outages, cost savings from various productivity initiatives, and higher installed capacity.

TransAlta's target is to continue to manage OM&A costs through continuous productivity improvements in order to offset inflation. In addition, OM&A costs per installed MWh will be impacted going forward as a result of capitalizing major inspection costs under International Financial Reporting Standards (IFRS).

#### Sustaining Capital Expenditures

Our goal is to undertake sustaining capital expenditures that ensure our facilities operate reliably and safely over a long period of time.

Sustaining capital expenditures are investments made to maintain our current operations. They include routine and major maintenance on our plants, equipment for our mines, and investment in our information systems and productivity.

|                                | 2010       | 2009 | 2008 |
|--------------------------------|------------|------|------|
| Sustaining capex (\$ millions) | <b>308</b> | 380  | 465  |

Sustaining capex in 2010 was directly in line with the target of \$275-\$320 million.

In 2011, sustaining capex is expected to be higher as a result of reporting under IFRS, which requires major inspection costs to be capitalized.

#### Safety

Our ultimate goal is to achieve zero injury incidents; targeting an Injury Frequency Rate (IFR) of 1 by 2015.

Safety is a core value at TransAlta. We take it very seriously and measure ourselves against industry-wide standards. IFR measures all fatal, lost-time, and medical aid injuries.

|     | 2010        | 2009 | 2008 |
|-----|-------------|------|------|
| IFR | <b>1.19</b> | 1.41 | 1.28 |

We significantly improved our IFR in 2010, achieving 1.19, the best in TransAlta's history. This puts us well on track to deliver on our goal.

**TransAlta: Performance Metrics** summed up and reviewed in depth, explanations of changes in cash-flow statements among the plus points of a solid MD&A.



## Investor proposition - Share information

Air Liquide

AkzoNobel

Alfa Laval

Assa Abloy

Atlas Copco

Autoliv

BASF

Bayer

Boliden

Electrolux

Ericsson

Fortum

Holmen

Metso

Neste Oil

SCA

Securitas

Skanska

SKF

Stora Enso

Strabag

Swedish Match

UPM

Volvo

Wärtsilä

## Investor proposition - Share information

Under the roof of the parent company STRABAG SE, a number of legally independent subsidiaries are active in their respective national markets. The top level of organisation is the segment, each of which is headed by two management board members, one with technical and another with commercial responsibilities. This "four-eyes" principle applies not only at the management board level, but at all management levels, and the dual management structure is an important aspect of internal control and risk management.

The management board of STRABAG SE exercises the coordinated management of the group, is responsible for maintaining its financial balance, and determines its strategic goals. During the execution of these tasks, the management board is supported by central staff divisions, central divisions (service companies) and the divisions.

The division managers coordinate and steer their subdivisions and report directly to the management board member responsible for their division. They manage their business independently and on their own responsibility within the framework of the group's business policy, i.e. it is their responsibility to reach the objectives laid out in the strategic and operative planning and to realise the specified measures.

The operating business is managed by the sub-divisions, which in turn are organised into individual business units. They are responsible for the greatest possible success in their regional markets and are, as a rule, managed, coordinated and controlled by the division manager.

### "ECONOMIES OF SCALE THROUGH CENTRAL SERVICES"

The central divisions are one of the main ingredients for the group's success. They handle group-internal services in the areas of accounting, treasury, controlling, risk management, personnel development and administration, technical development, equipment management, quality management, process management and logistics. The central service companies support the operating units so that these can concentrate on the core business and deliver their services to the clients in an efficient manner. The uniformity of the organisation creates economies of scale and results in standardised controlling and reporting. The central staff divisions are responsible for legal matters, contract management as well as internal audit and report directly to the CEO.

In order to maintain an overview of the entire group, we have developed a management information system that helps us to ensure that the same standards apply in all regions where STRABAG is active. Clear criteria for the assessment of new projects, a standardised process for the submission of bids and control systems serve as filters to avoid loss-bringing projects.

## SUCCESS FACTOR: A STABLE SHAREHOLDER STRUCTURE

### SHAREHOLDER STRUCTURE ON 31 DECEMBER 2010



|                      |        |
|----------------------|--------|
| ■ HASELSTEINER GROUP | 29.5 % |
| ■ RAIFFEISEN GROUP   | 15.5 % |
| ■ UNIQA GROUP        | 15.0 % |
| ■ RASPERIA TRADING   | 17.0 % |
| ■ FREE FLOAT         | 23.0 % |

STRABAG is a publicly listed, but owner-managed company. Our CEO, Hans Peter Haselsteiner, and his family hold a 29.5 % interest. Raiffeisen Group and UNIQA Group have also been core shareholders since 1998. This stable shareholder structure combines the best of both worlds: the years-long cooperation of the management and the investors in the boards allows STRABAG to implement strategic decisions quickly. At the same time, the stock market listing assures the highest-possible level of transparency in the field of financial and corporate governance. (Details as to the shareholder structure can be found on page 80.)

**Strabag:** Well built, solid but also very direct in its tone, also to convey a convincing investor proposition.

## Financial review - Management discussion

Adidas

Agrium

Barrick

BASF

Bayer

BCE

Bombardier

CLP

Hitachi Metals

Husky Energy

Itochu

Lufthansa

Marubeni

Nexen

Philips

Rogers Communications

Securitas

Siemens

SNC-Lavalin

Suncor Energy

Tata Consultancy

Telus

TransAlta

Vodafone

Weyerhaeuser

## Financial review - Management discussion

### 6

#### CHANGES IN FINANCIAL POSITION

A discussion of changes in the Consolidated statements of financial position for the year ended December 31, 2010

Changes in the Consolidated statements of financial position for the year ended December 31, 2010, are as follows:

| Financial position as at December 31<br>(\$ millions)  | 2010  | 2009  | Change<br>(\$ millions) | Change<br>(%) | Explanation of the change   |
|--|-------|-------|-------------------------|---------------|---|
| <b>Current assets</b>                                  |       |       |                         |               |   |
| Cash and temporary investments, net                    | 17    | 41    | (24)                    | (59)          | See Section 7: <i>Liquidity and capital resources</i>   |
| Accounts receivable                                    | 917   | 694   | 223                     | 32            | The increase includes a \$100 million reduction in proceeds from securitized accounts receivable (see Section 7.6), as well as increased receivables due to the growing wireless postpaid subscriber base and increase in postpaid ARPU   |
| Income and other taxes receivable                      | 56    | 16    | 40                      | n/m           | Reflects an increase in accrued recoveries for income and other taxes receivable, net of refunds received   |
| Inventories  | 283   | 270   | 13                      | 5             | Mainly an increase in wireless dealer inventories   |
| Prepaid expenses                                       | 113   | 105   | 8                       | 8             | Mainly an increase in prepaid maintenance contracts net of amortization   |
| Derivative assets                                      | 4     | 1     | 3                       | n/m           | –   |
| <b>Current liabilities</b>                             |       |       |                         |               |   |
| Accounts payable and accrued liabilities               | 1,495 | 1,385 | 110                     | 8             | Reflects an increase in fourth quarter capital and operating expenditures payable, and increased semi-annual interest payable   |
| Income and other taxes payable                         | 6     | 182   | (176)                   | (97)          | Primarily reflects final income tax payments in the first quarter of 2010 for the 2009 tax year and 2010 instalments substantially paid during the year   |
| Restructuring accounts payable and accrued liabilities | 111   | 135   | (24)                    | (18)          | Payments exceeded new obligations from restructuring initiatives  |
| Dividends payable                                      | 169   | 150   | 19                      | 13            | Primarily reflects the 10.5% increase in the dividend rate for the fourth quarter 2010 dividend, as compared to the fourth quarter of 2009  |
| Advance billings and customer deposits                 | 658   | 674   | (16)                    | (2)           | Includes reclassification of \$81 million of the price cap deferral account to Non-current liabilities, net of increased billings due to subscriber growth  |
| Current maturities of long-term debt                   | 743   | 82    | 661                     | n/m           | The balance at December 31, 2010, includes \$736 million for 8% U.S. dollar Notes maturing in June 2011 after partial redemption of the Notes outstanding on September 2. Two smaller issues totalling \$80 million that were current at December 31, 2009, matured and were repaid in 2010. See Section 7.3. The residual amounts are capital leases   |
| Derivative liabilities                                 | 419   | 62    | 357                     | n/m           | The December 31, 2010, balance and net change from December 31, 2009, includes \$404 million for derivative liabilities associated with the June 2011 maturity of U.S. dollar Notes after fair value adjustments and termination of the portion associated with the partial redemption of Notes on September 2. This was partly offset by fair value adjustments for share option and restricted share unit hedges, and unwinding option hedges |
| Current portion of future income taxes                 | 348   | 294   | 54                      | 18            | Primarily due to changes in the accounting classification of related liabilities between current and long-term, reduction in reserves for income tax purposes and changes in partnership income that will be allocated over the next 12 months  |

64 ■ TELUS 2010 annual report

**Telus:** Not the MD&A as usual here: targets -and assumptions- are set, checked and reviewed; Capabilities are analyzed; changes in financial position are explained; effects of IFRS transition are thoroughly reported too.

## Goals - Targets - Outlook

Adidas

Agrium

Alfa Laval

Autoliv

Barrick

BASF

BG

Billerud

Cameco

Continental

Daimler

Deutsche Post DHL

Fresenius

Fujitsu

Heidelberg

Jenoptik

Metro

MVV Energie

PotashCorp

RWE

Skanska

Telus

ThyssenKrupp

TransAlta

Vodafone

## Goals - Targets - Outlook

METRO GROUP : ANNUAL REPORT 2010 : BUSINESS

→ GROUP MANAGEMENT REPORT : 12. SUPPLEMENTARY AND FORECAST REPORT

→ p. 134

### 12. Supplementary and forecast report

#### Supplementary report

##### Events after the balance sheet date

No events that are of material importance to an assessment of the earnings, financial and asset position of METRO AG and METRO GROUP occurred between the balance sheet date (31 December 2010) and the auditor's report (28 February 2011).

#### Forecast report

This forecast report considers relevant facts and events that were known at the time of preparation of the financial statements and that can have an impact on business developments at METRO GROUP.

##### Economic parameters 2011 and 2012

##### Future economic situation

At the end of 2010, the pace of the global recovery from the financial and economic crisis dropped off somewhat. Like the World Bank and most other economic research institutes, we expect growth rates to weaken in general in 2011 compared to the financial year 2010. While emerging markets will see only a slight loss of momentum and remain the global growth engines as a result of their strong domestic demand, the developed economies, in particular, will continue to feel the effects of the financial and economic crisis.

The following factors will impact economic developments in the years 2011 and 2012:

The growth witnessed in 2010 occurred on the back of the crisis-related collapse of economic output in 2009. The subsequent recovery process has slowed again of late. At the same time, the stimulus programmes of the past years have been replaced by austerity measures aimed at

reducing public debt. These savings measures place a particular burden on private consumption, for example through increases in value-added tax in such countries as Greece, the UK, Romania and Spain. In addition, persistent global economic risks exist – from the ongoing consolidation of bank balance sheets to the effects of expansive monetary policies and overheating tendencies in the Chinese economy.

However, we also expect the labour market recovery to continue on the back of moderate growth, providing a positive impulse for private consumption and the retail industry. As a result, we expect the gradual upward trend in the retail industry to continue in 2011, particularly given the fact that the retail industry is a late-cyclical sector. However, the rise in commodity prices, especially in food prices, is likely to lead to a continuation of the increase in consumer prices that started at the end of 2010 in 2011.

The factors dampening the economic recovery should gradually dissipate in 2012. Like the "Kiel Institute for the World Economy" and other research institutes, we therefore project a return to stronger global growth rates in 2012.

##### Germany

Germany is likely to remain Western Europe's economic growth engine in 2011. All of Germany's economic research institutes expect the German economy to grow by far more than 2 percent. Although this would represent a slowdown from the record growth rate of 3.6 percent notched in 2010, it would still amount to above-average growth. At the same time, the institutes expect the positive trend on the labour market to continue. Despite additional burdens on the population, which result, amongst other things, from rising statutory health fund contributions and higher electricity costs, private consumption looks set to make a bigger contribution to overall economic growth. Most institutes now project a price-adjusted increase in private consumption of more than 1 percent, after 0.5 percent in the previous year. The retail industry will also develop relatively favourably. As in earlier economic cycles, however, it will profit only disproportionately from the overall recovery.

All in all, the recovery in Germany is on a solid footing and is likely to continue beyond 2011. Given the high public debt burdens, however, future economic developments in particular in Europe present a certain risk.

**Metro:** Dares committing itself to a comprehensive forecasting exercise, not evasive about the possible impact on business operations and financial performance.

## Risk factors and management

Adidas

AkzoNobel

Alfa Laval

Anglo American

Areva

BASF

Bouygues

Continental

Deutsche Post DHL

Holmen

Lufthansa

Metso

Nexen

Philips

Rexam

Sandvik

SCA

Statoil

TDC

Telus

Trelleborg

Vattenfall

Wärtsilä

Wolseley

Yell



# Risk factors and management

## Report of the Directors Financial risk management

| Risk  | Exposure  | Comments                |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
|---|---|-------------------------|---|-------------------------|---|-------------------------|-----------|---------------------------|-------|--------------------------|---------------------------------|--------|--------|-------------------|-----------|------|--------------|-------------------|---------------|---|--------|------------------------|-------------|------|--------|------------------------|---------------|---------------|------------|------|--------|------|------|---|
| <p><b>Liquidity and refinancing risk</b></p> <p>Liquidity and refinancing risk is defined as the risk that financing possibilities will be limited when loans must be refinanced, and that payment commitments cannot be met as a result of insufficient liquidity.</p>   | <p><b>Maturity profile for borrowing and liquid assets</b><br/>Nominal amount, SEK M</p> <table border="1"> <caption>Maturity profile for borrowing and liquid assets (Nominal amount, SEK M)</caption> <thead> <tr> <th>Year</th> <th>Nominal amount (SEK M)</th> </tr> </thead> <tbody> <tr><td>2010</td><td>4,783</td></tr> <tr><td>2011</td><td>-3,440</td></tr> <tr><td>2012</td><td>-350</td></tr> <tr><td>2013</td><td>-2,009</td></tr> <tr><td>2014</td><td>-1,356</td></tr> <tr><td>2015</td><td>-5,803</td></tr> <tr><td>2016</td><td>-3,288</td></tr> <tr><td>2017</td><td>-3,375</td></tr> <tr><td>2018</td><td>-1,956</td></tr> <tr><td>2019</td><td>-324</td></tr> <tr><td>2020</td><td>-1,343</td></tr> <tr><td>2021</td><td>-1,292</td></tr> <tr><td>2022</td><td>0</td></tr> <tr><td>2023</td><td>-1,139</td></tr> <tr><td>2024</td><td>-500</td></tr> </tbody> </table> | Year                    | Nominal amount (SEK M)                  | 2010                    | 4,783                                   | 2011                    | -3,440    | 2012                      | -350  | 2013                     | -2,009                          | 2014   | -1,356 | 2015              | -5,803    | 2016 | -3,288       | 2017              | -3,375        | 2018  | -1,956 | 2019                   | -324        | 2020 | -1,343 | 2021                   | -1,292        | 2022          | 0          | 2023 | -1,139 | 2024 | -500 | <p>According to the finance policy, the Group's capital employed excluding cash and cash equivalents should be financed on a long-term basis and the short-term liquidity reserve should correspond to at least two weeks' operating expenses. At year-end, the Group's capital employed, excluding cash and cash equivalents, was SEK 58.5 billion and long-term financing, including share capital, pension liabilities, long-term tax liabilities, long-term provisions and long-term guaranteed credit facilities, amounted to approximately SEK 73 billion. The short-term liquidity reserve amounted to about SEK 12 billion compared with two weeks' estimated operating expenses of nearly SEK 2.7 billion.</p> <p>Sandvik has credit facilities totaling EUR 1.5 billion, of which EUR 0.5 billion will mature in 2012 and EUR 1 billion in 2013. These credit facilities have been placed at the company's disposal by a group of banks that also have other relations with Sandvik. The facilities, which are the Group's primary liquidity reserve, were unutilized at year-end. The size of the facilities is revised regularly and adapted to the Group's need for a liquidity reserve.</p> <p>The aim of Sandvik's financing strategy is to maintain a well-balanced maturity profile for liabilities to reduce refinancing risk. The share of long-term loans in relation to total borrowing was 87% at year-end 2010 compared with 79% one year earlier.</p> <p>At year-end, Standard &amp; Poor's, the international credit rating agency, had assigned a BBB credit rating to Sandvik's long-term borrowing and A-2 for its short-term borrowing. For a continuous update on Sandvik's credit rating, refer to <a href="http://www.sandvik.com">www.sandvik.com</a>.</p> |
| Year  | Nominal amount (SEK M)  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2010  | 4,783   |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2011  | -3,440  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2012  | -350  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2013  | -2,009  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2014  | -1,356  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2015  | -5,803  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2016  | -3,288  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2017  | -3,375  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2018  | -1,956  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2019  | -324  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2020  | -1,343  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2021  | -1,292  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2022  | 0   |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2023  | -1,139  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| 2024  | -500  |                         |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| <p><b>Borrowing, size of programs and remaining credit periods</b></p>  | <table border="1"> <thead> <tr> <th>Currency</th> <th>Recognized liability, SEK M</th> <th>Size of programs, SEK M</th> <th>Average remaining credit period (years)</th> </tr> </thead> <tbody> <tr> <td>Bond loans, Swedish MTN</td> <td>SEK 9,165</td> <td>15,000</td> <td>4.8</td> </tr> <tr> <td>Bond loans, European MTN</td> <td>EUR 5,295</td> <td>27,005</td> <td>3.2</td> </tr> <tr> <td>Private placement</td> <td>USD 5,948</td> <td>—</td> <td>8.9</td> </tr> <tr> <td>Commercial papers</td> <td>SEK —</td> <td>16,751</td> <td>—</td> </tr> <tr> <td>Other loans from banks</td> <td>Other 6,795</td> <td>—</td> <td>1.4</td> </tr> <tr> <td><b>Total borrowing</b></td> <td><b>27,203</b></td> <td><b>58,756</b></td> <td><b>4.5</b></td> </tr> </tbody> </table>  | Currency                | Recognized liability, SEK M             | Size of programs, SEK M | Average remaining credit period (years) | Bond loans, Swedish MTN | SEK 9,165 | 15,000                    | 4.8   | Bond loans, European MTN | EUR 5,295                       | 27,005 | 3.2    | Private placement | USD 5,948 | —    | 8.9          | Commercial papers | SEK —         | 16,751  | —      | Other loans from banks | Other 6,795 | —    | 1.4    | <b>Total borrowing</b> | <b>27,203</b> | <b>58,756</b> | <b>4.5</b> |      |        |      |      |   |
| Currency  | Recognized liability, SEK M   | Size of programs, SEK M | Average remaining credit period (years) |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Bond loans, Swedish MTN   | SEK 9,165   | 15,000                  | 4.8                                     |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Bond loans, European MTN  | EUR 5,295   | 27,005                  | 3.2                                     |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Private placement   | USD 5,948   | —                       | 8.9                                     |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Commercial papers   | SEK —   | 16,751                  | —                                       |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Other loans from banks  | Other 6,795   | —                       | 1.4                                     |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| <b>Total borrowing</b>  | <b>27,203</b>   | <b>58,756</b>           | <b>4.5</b>                              |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| <p><b>Credit risk</b></p> <p>The Group's commercial and financial transactions give rise to credit risk in relation to Sandvik's counterparties. Credit risk or counterparty risk is defined as the risk for losses if the counterparty does not fulfill its commitments.</p> <p>The credit risk to which Sandvik is exposed can be divided into three categories:</p> <ul style="list-style-type: none"> <li>Financial credit risk</li> <li>Credit risk in trade receivables</li> <li>Credit risk in customer financing</li> </ul> | <p><b>Total credit risk – Financial instruments</b></p> <table border="1"> <thead> <tr> <th>SEK M</th> <th>2010</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>Trade receivables</td> <td>12,738</td> <td>11,587</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>4,783</td> <td>7,506</td> </tr> <tr> <td>Unrealized gains on derivatives</td> <td>1,189</td> <td>652</td> </tr> <tr> <td>Other receivables</td> <td>764</td> <td>550</td> </tr> <tr> <td><b>Total</b></td> <td><b>19,474</b></td> <td><b>20,295</b></td> </tr> </tbody> </table>  | SEK M                   | 2010                                    | 2009                    | Trade receivables                       | 12,738                  | 11,587    | Cash and cash equivalents | 4,783 | 7,506                    | Unrealized gains on derivatives | 1,189  | 652    | Other receivables | 764       | 550  | <b>Total</b> | <b>19,474</b>     | <b>20,295</b> | <p>With respect to the financial credit risk, Sandvik has entered into agreements with the banks that are most important to the company covering such matters as the right to offset receivables and liabilities that arise from financial transactions, so-called ISDA agreements. This means that the company's counterparty exposure to the financial sector is limited to the unrealized positive results that arise in derivative agreements. At 31 December 2010, the value of these amounted to SEK 1,189 M (652).</p> <p>The Sandvik companies are exposed to credit risk in outstanding trade receivables from ongoing sales. The use of payment terms and risk management are regulated in Sandvik's Group-wide credit policy. Credit risk is diversified over a large number of customers in all business areas and satisfactorily reflects the spread of sales. Collateral for credit is used to a certain extent and payment hedging instruments are used particularly in export transactions involving large amounts and following an assessment of the counterparty's credit rating. Sandvik's credit losses amounted to SEK -108 M (-135). Credit losses have not exceeded 0.1%–0.2% of sales for the past number of years. The total gross value of outstanding trade receivables was SEK 13,399 M (12,300) at 31 December. Total impairment of these was SEK -661 M (-713). Ageing analyses of trade receivables at 31 December are presented in Note 20.</p> <p>Sandvik offers short and long-term customer financing through its own financing companies and in partnership with financial institutions and banks. Customer financing usually takes place in conjunction with the sale of products from Sandvik Mining and Construction, with the aim of supporting and promoting sales and enhancing competitiveness in the market. Customer financing at Sandvik is being developed, for example, by expanding the partnership with the Swedish National Export Credits Guarantee Board (EKN). At year-end, the value of outstanding credits in financing companies was SEK 523 M (421), of which SEK 20 M was reserved for doubtful receivables.</p> <p>Sandvik regularly provides buyback guarantees, that is, a promise to repurchase a machine at a price established in advance. At year-end, the outstanding buyback guarantees amounted to SEK 382 M (368).</p> <p>In addition to the traditional financing of equipment that the customer buys, Sandvik also offers rental machines to customers that only require the use of a machine for a shorter period. At year-end, the net carrying amount of these machines was SEK 562 M (652).</p> |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| SEK M   | 2010  | 2009                    |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Trade receivables   | 12,738  | 11,587                  |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Cash and cash equivalents   | 4,783   | 7,506                   |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Unrealized gains on derivatives   | 1,189   | 652                     |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| Other receivables   | 764   | 550                     |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |
| <b>Total</b>  | <b>19,474</b>   | <b>20,295</b>           |   |                         |   |                         |           |                           |       |                          |                                 |        |        |                   |           |      |              |                   |               |   |        |                        |             |      |        |                        |               |               |            |      |        |      |      |   |

**Sandvik:** Risk factors and specific exposure elements laid out to be understood, with nearby comments.

## Governance and compensation

ABB

AstraZeneca

BG

BHP Billiton

BT

Centrica

Compass

Diageo

EGCO

Ericsson

Foster's

GSK (GlaxoSmithKline)

IHG (InterContinental Hotels)

M&S (Marks & Spencer)

Novartis

PTT

Reed Elsevier

Rio Tinto

Royal Dutch Shell

SABMiller

Siemens

SSE (Scottish and Southern Energy)

Unilever

Wolseley

Woolworths

WPP

# Governance and compensation

To find out more, visit [marksandspencer.com/annualreport2010](http://marksandspencer.com/annualreport2010)

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|                              |       |
|------------------------------|-------|
| Operating & Financial review | p16 ← |
| <b>Governance</b>            | ↙     |
| Financial statements         | p78 → |



**M&S (Marks & Spencer):** First-string governance: measures of board effectiveness, committees' job and evaluation, remuneration, risk control...

## Corporate responsibility - Sustainability

Accor

AkzoNobel

Billerud

Boliden

Bouygues

Cisco Systems

Danone

EDP (Energias de Portugal)

Holcim

Holmen

Inditex

Kesko

Konica Minolta

Kyocera

Michelin

NHK Spring

Novartis

Novo Nordisk

Ricoh

Schneider Electric

Sodexo

Stora Enso

Umicore

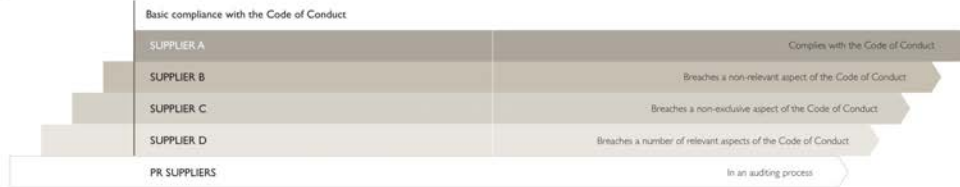
Vattenfall

Wärtsilä

# Corporate responsibility - Sustainability

## PHASE IV: SUPPLIER RATING

As a result of carrying out a social audit, a classification for each supplier and manufacturer is gained according to its degree of compliance of each one of the sections of the Code of Conduct. In this way, it is possible to identify the following levels:



## Suppliers rating by geographical area

| 2010                  |              | 2009             |              |             |
|-----------------------|--------------|------------------|--------------|-------------|
| No. of suppliers      | % production | No. of suppliers | % production |             |
| <b>EUROPEAN UNION</b> |              |                  |              |             |
| A                     | 253          | 26.37%           | 302          | 20.47%      |
| B                     | 163          | 64.30%           | 152          | 75.63%      |
| C                     | 27           | 5.20%            | 22           | 1.84%       |
| D                     | 28           | 0.89%            | 32           | 1.17%       |
| PR                    | 7            | 3.03%            | 4            | 0.87%       |
| <b>TOTAL</b>          | <b>458</b>   | <b>100%</b>      | <b>512</b>   | <b>100%</b> |
| <b>AMERICA</b>        |              |                  |              |             |
| A                     | 49           | 54.76%           | 33           | 61.80%      |
| B                     | 6            | 40.95%           | 7            | 22.44%      |
| C                     | 4            | 2.84%            | 5            | 2.07%       |
| D                     | -            | -                | 1            | 5.75%       |
| PR                    | 2            | 1.44%            | 5            | 7.94%       |
| <b>TOTAL</b>          | <b>63</b>    | <b>100%</b>      | <b>51</b>    | <b>100%</b> |
| <b>ASIA</b>           |              |                  |              |             |
| A                     | 149          | 23.03%           | 139          | 24.96%      |
| B                     | 198          | 53.42%           | 177          | 52.69%      |
| C                     | 129          | 16.16%           | 88           | 11.44%      |
| D                     | 102          | 6.54%            | 72           | 10.13%      |
| PR                    | 21           | 0.83%            | 3            | 0.73%       |
| <b>TOTAL</b>          | <b>599</b>   | <b>100%</b>      | <b>481</b>   | <b>100%</b> |
| 2010                  |              | 2009             |              |             |
| <b>NON-EU EUROPE</b>  |              |                  |              |             |
| A                     | 25           | 18.50%           | 22           | 21.43%      |
| B                     | 36           | 74.97%           | 32           | 50.83%      |
| C                     | 14           | 5.70%            | 15           | 20.72%      |
| D                     | 4            | 4.83%            | 8            | 6.75%       |
| PR                    | -            | -                | 2            | 0.27%       |
| <b>TOTAL</b>          | <b>99</b>    | <b>100%</b>      | <b>99</b>    | <b>100%</b> |
| <b>AFRICA</b>         |              |                  |              |             |
| A                     | 75           | 56.37%           | 65           | 73.60%      |
| B                     | 24           | 23.81%           | 13           | 9.75%       |
| C                     | 3            | 0.63%            | 8            | 6.17%       |
| D                     | 12           | 5.24%            | 5            | 7.10%       |
| PR                    | 4            | 13.75%           | 1            | 2.39%       |
| <b>TOTAL</b>          | <b>118</b>   | <b>100%</b>      | <b>94</b>    | <b>100%</b> |

"In such a dynamic environment as the one that Inditex moves in, it is key to have constantly updated information which makes it possible in turn to carry out a monitoring of the evolution of the supply chain from the point of view of the Compliance with the Code of Conduct".

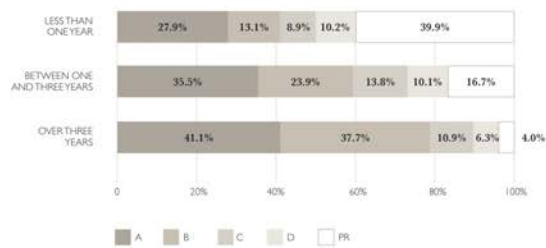
DAWN LIVIS, Intertek.

## PHASE V: PLANS OF CORRECTIVE ACTION

The social auditors are an effective tool to determine the degree of compliance of the supplier with regard to the Code of Conduct and determining its points for improvement. These audits are undertaken with proposals for solutions to the possible breaches detected in this kind of process. Inditex supports the suppliers with corrective action plans in which the parties involved take part (supplier's management, local and international trade unions and Inditex CSR teams).

*Nine out of ten suppliers which have formed part, for more than three years, of the Inditex production chain, obtain optimum or reasonable compliance with the Inditex Code of Conduct for external manufacturers and suppliers*

## Classification of the suppliers according to the years of commercial relations with Inditex



**Inditex:** A well-achieved example of integration of sustainability in reporting, including numerous quantitative measures and indicators.

## Financial history and ratios

Agrium

Alfa Laval

AngloGold Ashanti

Electrolux

Fortum

Fujitsu

Hindalco Industries

Husqvarna

Infosys Technologies

IOI

ISS

Japan Tobacco

Loblaw

Lufthansa

Power Assets

SAS

Sasol

SCA

SKF

Tata Steel

TeliaSonera

Vattenfall

Volvo

Wipro

Woolworths



## Financial history and ratios

### Ratios

|   | Mar-10          | Mar-09  | Mar-08  | Mar-07  | Mar-06  |
|---|-----------------|---------|---------|---------|---------|
| <b>Financial Performance - Growth (%)</b> |                 |         |         |         |         |
| Revenue                                   | 6               | 28      | 33      | 41      | 30      |
| Profit Before Interest and Tax            | 18              | 25      | 16      | 35      | 24      |
| Profit After Tax                          | 19              | 19      | 12      | 42      | 27      |
| <b>Financial Position</b>                 |                 |         |         |         |         |
| Cash and Investments to Capital Employed  | 43              | 36      | 34      | 53      | 58      |
| Current Ratio                             | 2.13            | 1.72    | 2.12    | 1.66    | 1.44    |
| Days Sales Outstanding (in days)          | 66              | 67      | 64      | 60      | 62      |
| <b>Returns - (%)</b>                      |                 |         |         |         |         |
| Return on Capital Employed                | 24              | 25      | 27      | 36      | 37      |
| Return on Average Network                 | 29              | 31      | 36      | 35      | 36      |
| Return on Invested Capital                | 37              | 37      | 45      | 80      | 84      |
| Operating Cashflow to PBIT                | 98              | 82      | 66      | 92      | 87      |
| <b>Per Share - Rs.</b>                    |                 |         |         |         |         |
| Book Value                                | 124             | 93      | 80      | 66      | 46      |
| Dividend Per Share                        | 6               | 4       | 6       | 6       | 5       |
| Market Price as on March 31               | 659*            | 410     | 529     | 559     | 560     |
| PE Ratio                                  | 21              | 15      | 22      | 27      | 38      |
| <b>Market Cap in Rs. Million</b>          | <b>966,523*</b> | 600,245 | 773,255 | 816,164 | 797,995 |
| <b>Segment Level</b>                      |                 |         |         |         |         |
| <b>IT Services</b>                        |                 |         |         |         |         |
| Revenue growth (%) - in dollar terms      | 2               | 19      | 40      | 34      | 34      |
| PBIT growth (%)                           | 18              | 29      | 11      | 36      | 25      |
| ROCE (%) - IT Services & Products         | 40              | 40      | 44      | 62      | 60      |
| <b>Consumer Care &amp; Lighting</b>       |                 |         |         |         |         |
| Revenue growth (%)                        | 14              | 37      | 86      | 36      | 27      |
| PBIT growth (%)                           | 22              | 34      | 89      | 25      | 20      |
| ROCE (%)                                  | 16              | 14      | 19      | 48      | 76      |

\* Based on closing price in NSE as on June 1, 2010

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**Wipro:** Many of the key ratios gathered and available at a glance.

## Web annual report - Online features

AkzoNobel

BASF

Centrica

Danone

Deutsche Post DHL

Ericsson

General Mills

Heineken

J Sainsbury

Kingfisher

Land Securities

Merck KGaA

Minebea

Panasonic

Philips

Reed Elsevier

Royal Dutch Shell

Sodexo

Statoil

Telekom Austria

Tesco

Wärtsilä

Whitbread

Wolters Kluwer

Yara

## Web annual report - Online features

WÄRTSILÄ ANNUAL REPORT 2010

Search

Download full report (PDF) Text size A A Suomeksi | På svenska

ESSENTIALS BUSINESS SUSTAINABILITY CORPORATE GOVERNANCE INVESTOR INFORMATION BOARD OF DIRECTORS' REPORT FINANCIALS

WÄRTSILÄ

Quicklinks > Message to the shareholders Highlights of 2010 Strategy Financial targets Corporate governance statement 2010

Intro

THAT MEET

LOCAL

GLOBALLY BALANCED SOLUTIONS

NEEDS

Wärtsilä is a global leader in complete lifecycle power solutions for the marine and energy markets. We continuously focus on innovation and R&D. Our aim is to be the technology leader in our industries. We think globally and act locally.

- > Goals
- > Drivers
- > Values

**Wärtsilä:** No search engine needed: you power through an online-first annual where most information is at your fingertips, with drivers, investor data, financial targets, sustainability among strong points.

## Branding

Accor

Adidas

Audi

Coca-Cola

Compass

Danone

Diageo

Esprit

General Mills

H&M

Harley-Davidson

Heineken

HT Media

IHG (InterContinental Hotels)

J Sainsbury

Kellogg

M&S (Marks & Spencer)

Macintosh Retail

Michelin

Pernod Ricard

RTL

SEB

Swatch

Thomas Cook

Walt Disney

Whirlpool

## Branding

# The brand portfolio

### An unrivaled portfolio of brands

Accor is the only hotel group present in the five market segments with attractive, strategically aligned brands: **Sofitel** in luxury, **Pullman** and **MGallery** in upscale, **Novotel**, **Suite Novotel** and **Mercure** in midscale, **ibis** and **all seasons** in economy, and **Etap Hotel**, **hotelF1** and **Motel 6** in budget. The portfolio also offers a range of lodging solutions with both standardized and non-standardized chains as well as long-stay facilities.

ACCOR 2010 ANNUAL REPORT

|          | Standardized   | Non-standardized         | Extended Stay               | Related Skills        |
|----------|--|--------------------------|-----------------------------|-----------------------|
| Luxury   |  | SOFITEL<br>LUXURY HOTELS |                             | LENÔTRE<br>PARIS      |
| Upscale  |  | pullman MGallery         | Grand Mercure<br>Apartments | Thalassa<br>SEA & SPA |
| Midscale | NOVOTEL Suite NOVOTEL  | Mercure                  | adagio                      |                       |
| Economy  | ibis HOTEL   | all<br>seasons           |                             |                       |
| Budget   | Etap HOTEL IN EUROPE HOTEL FORMULE 1 OUTSIDE EUROPE<br>6 IN CANADA hotelF1 IN FRANCE |                          | studio 6 IN THE US          |                       |

Figures in the following pages are as of December 31, 2010.

31

**Accor:** Now a 100% hotel group it has done a fine display of brands, both at corporate -thoughtful use of “bird” logo element- and at segment level.

## Style - Design - Layout

Accor

Air Liquide

Associated British Foods

Belgacom

Bombardier

Cascades

Compass

Corio

Daiwa House

Danone

Encana

Entergy

Land Securities

M&S (Marks & Spencer)

Neste Oil

Next Media

PepsiCo

Renault

Compass

RTL

Schneider Electric

Statoil

Swedish Match

Tesco

United Technologies



# Style - Design - Layout

24 | Energy Management Solutions

## Smart Grid Responding to the energy revolution with vision

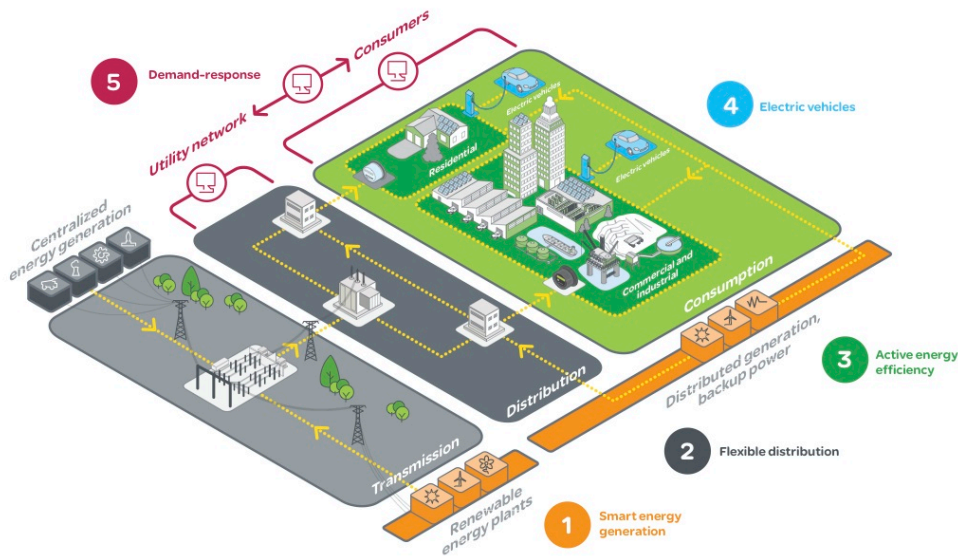


Read more about how our customers are managing energy intelligently  
schneider-electric.com/smartgrid

The world's traditional electrical network – simple and linear, with centralized energy production and passive consumption – is undergoing a transformation to a much more complex, interconnected, and interactive model: the Smart Grid. However, for this network to become intelligent, users will require connectivity, simplicity, and security. They will also need access to a reliable and safe energy source that guarantees optimal operation of their installations, infrastructures, and equipment.

Schneider Electric has the foresight, the offers, and the willpower necessary to be a major player within this energy revolution, as we enter a new era of intelligent energy management:

- > With **renewable energy**, consumers can produce their own energy and access a 'greener' energy mix
- > **Flexible distribution** enables a more responsive and stable electrical network
- > **Active energy efficiency** and energy management make energy visible and allow individuals to act on their consumption
- > **Electric vehicles** are revolutionizing the perception of mobility and, at the same time, access to energy, its use, and storage
- > **Real-time grid management** enables anticipation of consumption and adaptation of the offer



- 1 Smart energy generation:**
  - > Renewable energy plants: solar, wind, biomass, etc.
  - > Decentralized (generated by the end-users themselves)
  - > Mid-term positive impacts on CO<sub>2</sub> emissions decrease
- 2 Flexible distribution:**
  - > Distribution needs to become more automated, protected, and efficient - more flexible - to manage the challenge of integrating renewable energy sources while optimizing capacity and demand
- 3 Active energy efficiency:**
  - > Making energy visible
  - > Providing means to optimize energy consumption
  - > Offering new technologies that are now available
  - > Achieving up to 30% energy savings and with fast payback
- 4 Electric vehicles:**
  - > Positive impact; decreased CO<sub>2</sub> emissions
  - > Main challenges for adoption are costs, batteries, and safe, accessible, and intelligent electrical infrastructure
- 5 Demand response:**
  - > Anticipating energy consumption in real time to adapt production accordingly and thus avoiding use and/or construction of fossil-based generation capacities

2010-2011 Strategy & Sustainable Development Report

**Schneider Electric:** Electrifying and energizing, also thanks to a well-ventilated layout..

## Visuals - Illustrations - Photography

Adidas

Audi

Bertelsmann

Compass

Entergy

Esprit

Estée Lauder

GfK

H&M

Harley-Davidson

Heineken

Johnson & Johnson

Kemira

Lanxess

Linde

Lundbeck

LVMH

Metro

Novartis

Pernod Ricard

Rolls-Royce

Unibail-Rodamco

Vinci

WPP

## Visuals - Illustrations - Photography

27

“Much more than just molecules.”

As Head of Global Process Industries, Volker Häckh drives the company's research and development activities worldwide. Here he describes how the company goes about identifying and developing new market opportunities.

Mr Häckh, how do you turn elements of the atmosphere such as oxygen, nitrogen or hydrogen into marketable products?

↳ That all depends on what use you put these gases to. We are not just marketing molecules here. We analyse the processes involved in manufacturing and treating a wide range of materials, from steel, glass and aluminium right through to foodstuffs or oil in refineries. And then we develop gas-enabled applications that enable our customers to increase process efficiency, product quality and overall profitability. With each new application scenario, we open up new market opportunities. It's not about ploughing money into new technologies – it's all about brainpower.

How do you ensure that your ideas really target future trends?

↳ We focus on the global megatrends relevant to our company. In other words, mainly energy, the environment and healthcare. Beyond that, we also keep an eye on current developments in the food and beverages industry, for instance. Here, consumers are increasingly leaning towards convenience products that can be quickly and easily prepared. →



**Linde:** Interviews, good-quality illustrations and animated spotlight pages show a business that goes beyond gas.

## Charts, tables, graphs, diagrams

Adidas

Alfa Laval

Anglo American

Asahi Breweries

Astellas Pharma

Boliden

Bombardier

Cascades

CLP

Daiwa House

EDP (Energias de Portugal)

Electrolux

Inditex

Japan Tobacco

JKH (John Keells)

Neste Oil

NTT

Pearson

Petronas

PotashCorp

SAS

Sasol

Skanska

Teijin

Xstrata



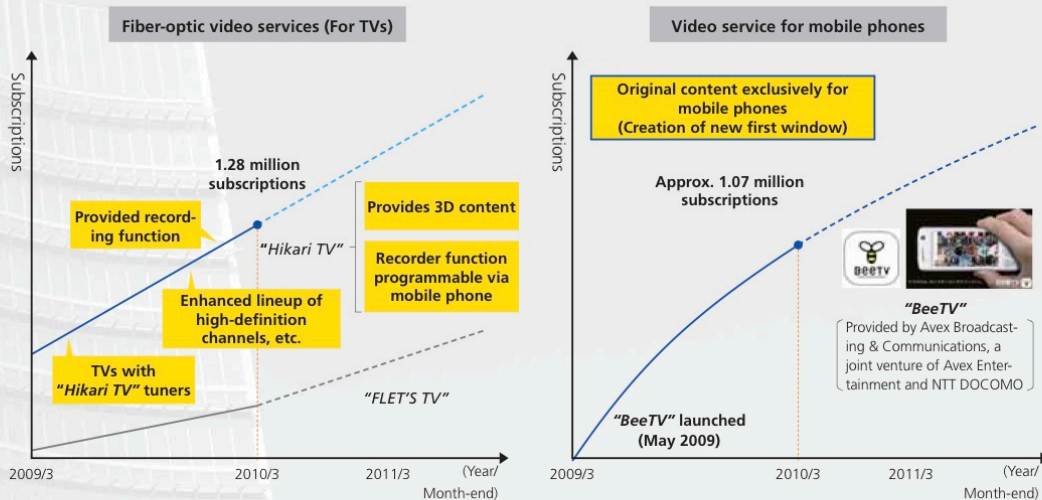
## Charts, tables, graphs, diagrams

### Expanding Video Services Using Optical Fiber and Mobile Phones

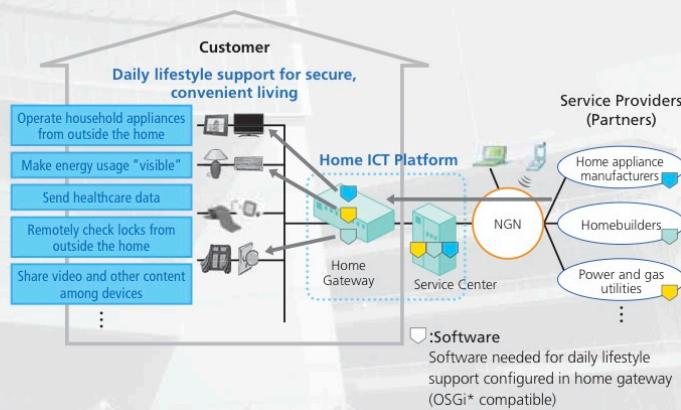
Broadband network platforms for both fixed and mobile networks that will enable the creation of new services are already taking shape. Video services distributed over such broadband networks are emerging as a new market.

Subscriptions to fiber-optic video services "Hikari TV" and "FLET'S TV" doubled over the past year to a combined total of 1.28 million at the end of March 2010. The mobile video service "BeeTV" launched in May 2009 has also grown quickly, with

1.07 million subscriptions at the end of March 2010.



### Home ICT



Home ICT is expected to enrich daily life while providing greater safety and security by connecting home appliances to a network. Home ICT enables the user to easily lock and unlock doors, turn lights on and off, view security camera footage, record video, track electricity use and view data from healthcare devices via a mobile phone, television or other device.

A test bed environment for the Home ICT platform was made public in December 2009 and testing was initiated with our partner companies. Going forward, NTT will work with its partner companies to further promote and popularize services that use the Home ICT platform.

\* The Open Services Gateway initiative (OSGi) is an international standard for software distribution management systems.

**NTT:** The intensive use of diagrams and charts (though sometimes intricately put) really helps to grasp markets, products and trends.

# 15 questions on (annual reports on) annual reports

## Q 1. Why is the annual report not yet extinct?

For Richard Carpenter, managing partner at London-based MerchantCantos, "A good annual report has a value similar to a one-on-one meeting with investors." While David Robinson, marketing professor at the Haas School (University of California) says: "No one reads that stuff... So the truth of the matter is that annual reports arrive too late to be useful, and in any case don't contain a lot of the information shareholders ought to know... I view annual reports as completely irrelevant." In a similar vein, in an article titled "The death of the annual report" (October 2007), James Guthrie wrote: "The annual report may not yet be extinct but it is certainly an endangered species."

For many listed companies, the primary purpose of an annual report is simply to meet legal requirements. Consequently, they only care about compliance and don't really invest much in corporate reporting. This trend is now most obvious in the U.S. -the place where the annual report was invented- where a vast majority of annuals have become, bar the numbers, interchangeable and unreadable 10-K forms (naming these interactive on the Web doesn't make a difference). Questioning their relevance is indeed here far from... irrelevant.

Many others (including non-listed ones) still dedicate significant human and monetary resources, and seem committed to making their annual reports informative, communicative and attractive. Besides providing last year(s) figures and complying with regulatory demands, the report becomes a rendezvous with or even a beacon for investors and stakeholders, but also remains in best-practice examples a strategic document, a corporate communication vehicle, a reference book. Far from extinct, that is.

The Web has also given the good old annual report a new lease on life. New channels, new tools, new formats, new techniques, renewed accessibility. Renee Carter, coordinator at the Australasian Reporting Awards, says: "The annual report is definitely not dead. If anything it is alive and kicking. In fact, the report now just has more avenues for reaching people... The stats are showing that the annual report has a huge online audience and should be capitalized on by companies to communicate a strong message to attract investors and solidify shareholder confidence." Hold on a minute, though. Recently, Toronto-based IR Web Report reported that "Investors spend just 5 minutes on (online) annual reports". Yet based on arguable statistics, this can be chalked up to the one-minute culture, and is not necessarily good news for wise investment decisions.

With a job incurring such essential questions and involving such a lot of work -online and/or in print- is the annual report still worth the effort? "The fact that... investors on average don't read them for a long time, hides the fact that some investors, the ones that count..., may spend a long time reading them. Perhaps "who" reads the annual report and the number of times an annual report is viewed, provides more insight as to its usefulness." (Rob Stangroom, CEO, African Information Solutions for Companies Online). After all, how many readers read a newspaper or newssite from beginning to end?

By giving the broader and longer perspective through upswings or downturns, as well as through a number of distinctive attributes, an annual report may prove to be an information antidote to short-termism and that "instant culture"; the herd instinct -remember Keynes's words: "Investing is trying to predict how other investors will behave"-; and blind stock-picking, three value-destructive flaws in today's global economy.



The *Annual Report on Annual Reports* is designed for those report teams and (internal and external) makers who commit themselves to doing a good job, for the ones who comply... and go beyond compliance, for the quick readers (hopefully spending more than 5 minutes) and for the ones who read carefully (before or after investing, for analysis purpose, or just out of stakeholder's curiosity). Any other reader is of course welcome!



**Quaker Oats 1996:** No. 1 annual report in 1997.

## Q 2. What is ReportWatch?

ReportWatch is the denominator, trademark and website for the report monitoring, scanning, scoring and rating process that results in the *Annual Report on Annual Reports*, which is posted online yearly in July or August. Based both on e.com's internal desk research and an external panel of reporting specialists, this survey of annual reports' best practice is often regarded as the most comprehensive, international and authoritative survey on annual reports (see <http://www.reportwatch.net/uploads/files/what-readers-and-users-think.pdf> for readers' comments and <http://www.reportwatch.net/best-annual-reports/media/> for corporate and other media coverage).



**Sara Lee 1998:** No. 1 annual report in 1999.

### Q 3. What is the main objective of the Annual Report on Annual Reports?

This is the 15<sup>th</sup> issue of the *Annual Report on Annual Reports* (°). The *Annual Report on Annual Reports* was created in 1996 at the Enterprise Group, a small Brussels-based international consulting boutique that had set up a reporting unit (spun off into e.com in 1999) to advise companies on their annual reporting process and content. The purpose is to survey and benchmark best reporting practice in order to strive for higher standards in financial reporting, investor relations, stakeholder information and corporate communication. With higher report value, richer report content, better access to company information, increased investor confidence, and decreased cost of capital as subsequent results.

(°) Below each answer to the 15 questions are featured the reports that made n° 1 in the ranking since its launch.



**Sara Lee 1997:** No. 1 annual report in 1998.

## Q 4. How are companies selected?

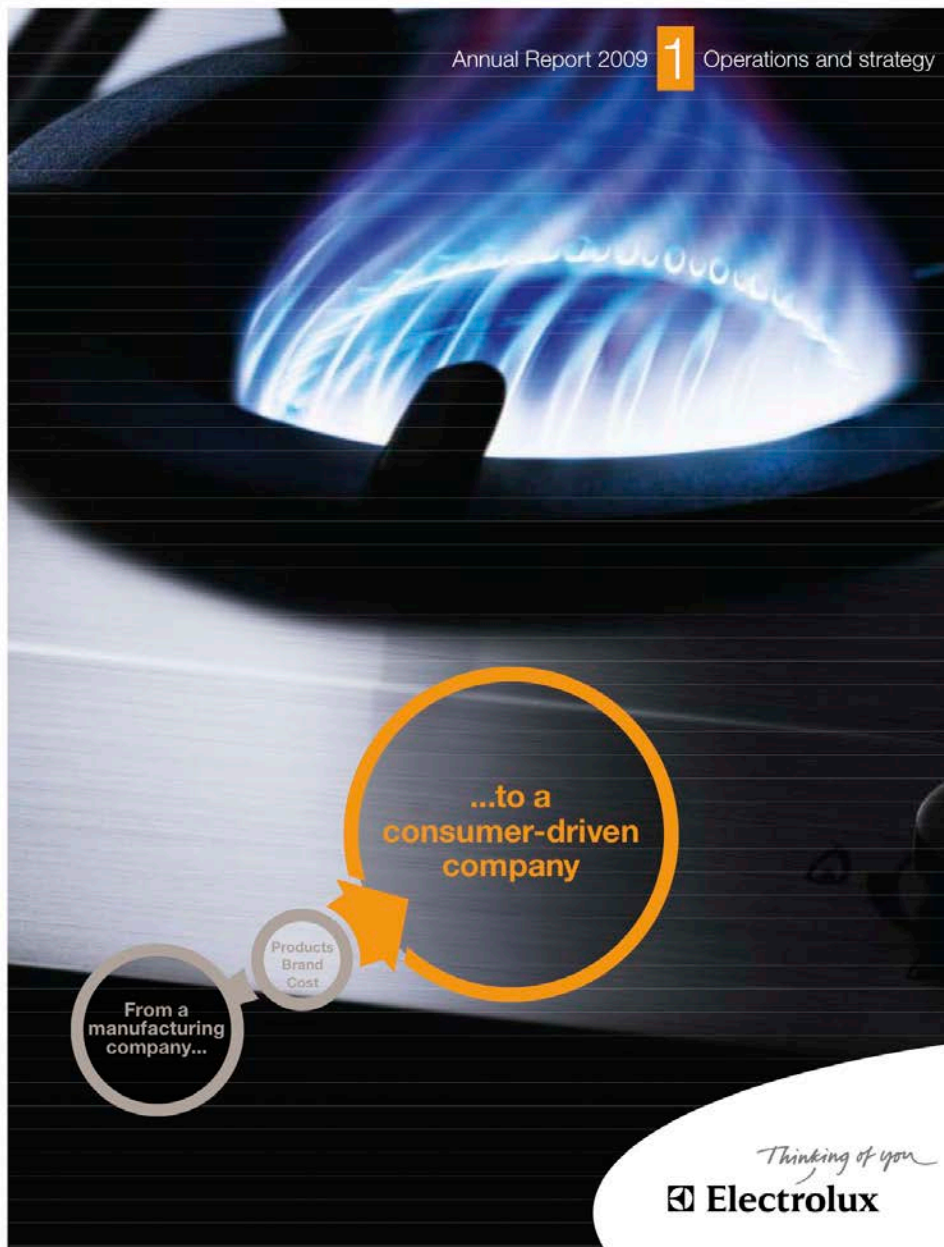
The ReportWatch monitoring process starts with the selection of a sample -from 250 to 500 in the early years to about 1,500 for this year's survey- of listed companies. Our sources for selection include published international and local rankings as well as internal desk research based on company positions, peer groups and report performance. Many of the large(st) companies are therefore part of the primary selection but many disappear later due to insufficient report quality. We have also recorded an increasing number of spontaneous applications these last years.

Though imperfectly -due to various factors such as lower reporting standards, only blossoming report practices, less developed IR policies, or the lack of report applications- our list of companies and their reports is a relatively representative cross section which reflects the industrial, geographical and stock market diversity upstream, and best reporting practice downstream. The fact that a majority of reports rated and ranked come from Western and Japanese origins is thus not entirely our fault. Still, following the shift in the global economy, watch for more new reporting (quality) players in the next years.

Our main goal is to be selective and representative rather than comprehensive. Although striving for a sample as representative and large as possible, we easily admit to cover a small portion of the worldwide quantity of listed companies, now estimated at about 40,000. A survey of all of them would be a mission impossible to accomplish, wouldn't it?

The name of the company that appears in this document is the one as referred to on the covers or as written or abbreviated in key report sections. For legibility reasons, legal forms or words such as corporation, company, group, holding, etc. are not reproduced. Names do not take into account mergers, acquisitions or brand identity changes that might have occurred and been approved after the fiscal year-end or the report release.

A ranking is competitive in nature, but we have made competition tougher by going for a direct comparative approach. Every report scanned is immediately compared with a peer. The results of this option are that some industries, companies and reports are left out, while some reports are left in just because they are compared to higher ranked peers. Of course that penalizes hundreds of companies whose annuals may certainly deserve a good rating.



Electrolux 2009: No. 1 annual report in 2010.

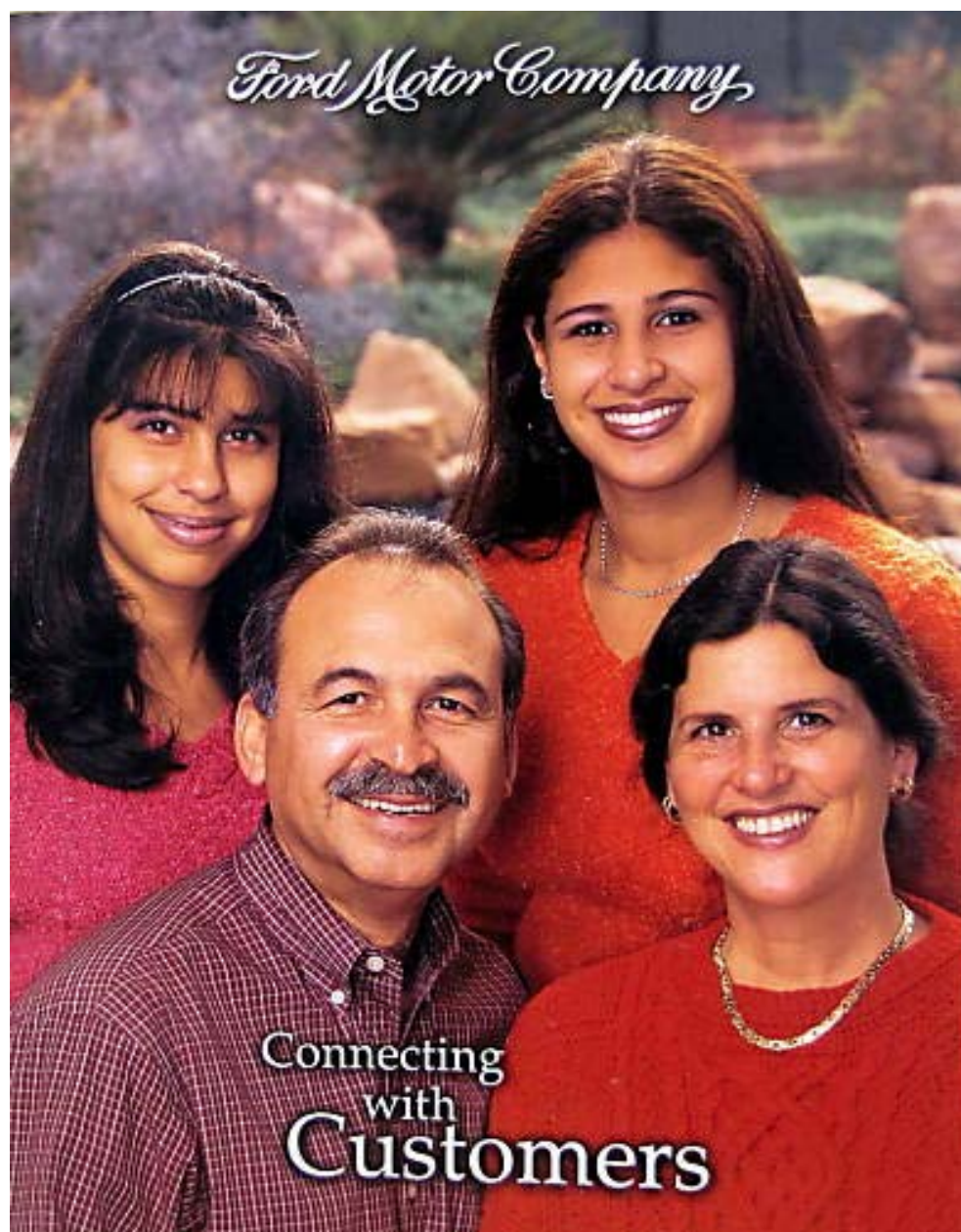


## Q 5. Why focusing on listed companies?

Was the annual report invented first for listed corporations to report to their shareholders? Not sure, yet highly probable. There are hundreds of thousands or millions of institutions in the world releasing a yearly report, and some of them can be very exciting (some even much more than dull pieces from the private sector). The fact is that *"in 1959, IBM hired Paul Rand, a prominent book designer, to create its annual report. As a result, the high-concept annual report was born."* (Addison Annual Report Handbook 2005). A limit has to set, and since its inception the *Annual Report on Annual Reports* has focused on reports from listed firms (note that as a consultancy e.com regularly advises privately owned or publicly controlled ones).

Though the selection and the evaluation criteria remain primarily based on stock-listed companies we leave the doors open to any company who wants to submit its annuals for rating.

That explains why the readers find an increasing number of less known (yet) companies, including privately or government-owned companies (small or larger) in our ranking –some of them producing annuals that rival with, and sometimes surpass listed firms' documents.



**Ford 1999:** No. 1 annual report in 2000.

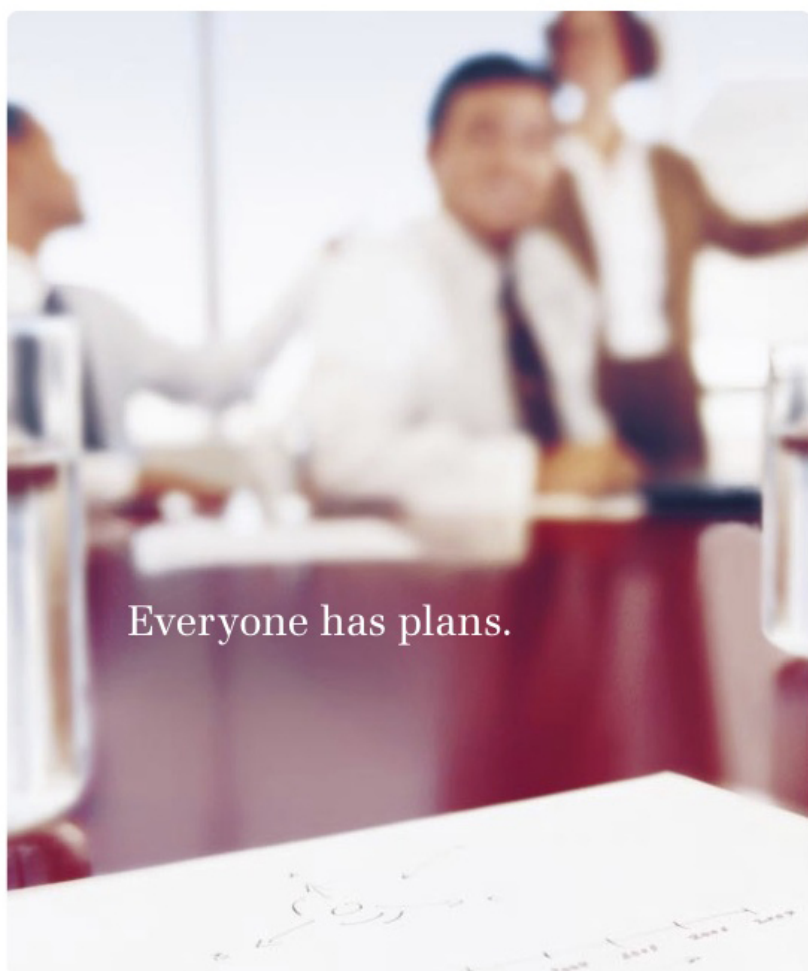


## Q 6. Who cannot compete (well, at least here)?

Are not considered for selection in the *Annual Report on Annual Reports*:

- Financial sector companies (banks, insurance, investment funds, financial holdings) (see below);
- Privately owned companies (except those electing to compete);
- Purely government-owned companies (except those electing to compete or those compared with);
- Wholly-owned subsidiaries (except those electing to compete);
- Investment, income, mutual or real estate funds and trusts;
- Listed stock exchanges;
- Central banks;
- Development or reconstruction banks and similar financial institutions;
- Public agencies;
- Non-profit organizations from any sector;
- Reports for a fiscal year before or after 2010 or interim/quarterly reports.

The above are not included in our survey due to the inapplicability of a significant part of report evaluation criteria based on listed companies, as well as to various comparability and consistency reasons (apples and oranges).



Bank of Montreal 184th Annual Report 2001 Book One



**Bank of Montreal 2001:** No. 1 annual report in 2002.

## Q 7. What is judged –the company or the report?

The scoring, rating and ranking are based on an evaluation of the company report and output and cannot be interpreted as such as an assessment -and even less a rating!- of the company that releases the report. Put plainly, ReportWatch scans the how and, to some extent, the what is reported and not as such the who and the why. That said, investors, and especially long-term ones and other stakeholders, might infer some opinions and decisions based on report content for last year and also over a period of time (\*). *"The key point (in a report) is to get as much of the information that management uses when making its decisions out there, so investors can understand it,"* explains Ken Lever, formerly in charge of Tomkins annual report.

Even though a relationship may sometimes be found -or argued- between company, report and shareholder value, this should be dealt with all due caution. On the one hand, and to choose but one example, some among the renowned financial institutions used to produce decent (and better than that) annual reports before the latest "home-made" crisis; while on the other hand, some famous top companies have never been capable of publishing high-quality annuals. Good performance and even less company size don't necessarily translate into good reports: comparing the top-rated annuals with top-ranked companies in Fortune, Financial Times, Forbes or other rankings would often be merciless for the latter.

After all, shouldn't a company who treats its current shareholders, potential investors and other stakeholder audiences well, not least through good reporting practice, deserve more market confidence than others?

(\*) For tracking historical annual report performance, use our ranking index available at <http://www.reportwatch.net/best-annual-reports/a-z-ranking-index/>.

PS: The *Annual Report on Annual Reports* does not represent directly (what about indirectly?) an offer to buy, sell, hold or trade the securities to which the reports cited or ranked in this survey are related.

YOU'RE ONE PAGE AWAY  
*from the* NO-HOLDS-BARRED STORY  
*of* ONE YEAR  
*in* THE LIFE OF A COMPANY.

*It's the story of*  
BIG BATTLES,  
STINGING DEFEATS  
&  
GRITTY COMEBACKS.  
UNEXPECTED ALLIANCES,  
DARING FORAYS  
&  
GAME-CHANGING  
DISCOVERIES.

*In many ways,*  
IT'S A STORY ABOUT THE FUTURE,  
AS WELL AS THE RECENT PAST,  
AND ABOUT ALL BUSINESS TODAY.  
WHICH MEANS IT'S ABOUT E-BUSINESS.  
AND ONE IN PARTICULAR.



ANNUAL REPORT 2000

**IBM 2000:** No. 1 annual report in 2001.

## Q 8. Why are reports from the financial sector no longer rated?

*“Letter to Shareholders and Clients”* in Lehman Brothers Annual Report 2007: *“Dear Shareholders and Clients, In 2007, Lehman Brothers produced another year of record net revenues, net income, and earnings per share and successfully managed through the difficult market environment (...) Despite this record performance, our greatest disappointment in 2007 was that our share price declined for the first time in five years. We are more focused than ever on demonstrating to the markets that we have a proven ability to continue to grow our diversified set of businesses, manage risk and capital effectively, and deliver strong results in all market environments.”* In September 2008, it became the largest bankruptcy filing in U.S. history.

Bank of America annual report 2007: *“A mortgage without the worries”* (p 19). Federal bailout in January 2009: \$20 billion, plus \$118 billion worth of *“guarantees against bad assets”*.

Credit Suisse corporate citizenship report published in 2008: *“In the financial services industry, professionalism, trustworthiness, diligence... are more than just catchwords”* (p 12). A few months later, some traders were suspended in connection with a \$2.85 billion over-evaluation of assets.

Fortis Board of Directors’ message in the annual report 2007: *“We believe that our acquisition of selected activities of ABN Amro can be described as truly transformational.”* Nine months later, the group had to drop the purchase plan and was bailed out by the Dutch and Belgian governments.

Yes, reports are assessed, not companies (see above). But when the gap between what is reported and realities is as big as... a bubble, making report evaluation less applicable than a lie detector, a line must be drawn.

For consistency, comparability and credibility reasons (at both ends) it has been decided not to select financial sector institutions for the *Annual Report on Annual Reports* since 2009, i.e. annuals for annus horribilis 2008 (a premonition: the page for risk reporting examples was already *“intentionally left blank”* for 2007 reports). This does not imply that there are not (very) good and improved reports in the sector, such as some who ranked (some of them high) in past surveys. However, with a solid track record in the assessment and benchmarking of reports in the financial sector, e.com keeps on providing evaluation services to some financial institutions who strive for higher reporting standards and best practice.



The Next Stage®

## Measuring the Next Stage of Success

The 15 most important measures of success in today's financial services industry



**Wells Fargo 2003:** No. 1 annual report in 2004.

## Q 9. Is report entry free?

Absolutely! Participation in the survey is entirely free of charge, except of course for mailing, downloading, copying or printing costs incurred.

Report submission does not automatically guarantee rating and ranking.

The use of e.com report evaluation services is no prerequisite to -and no guarantee for- being selected, rated and ranked and is independent of the ReportWatch process and the results as published in the *Annual Report on Annual Reports*. We view this as a guarantee of neutrality.

SCA

### Annual Report 2002

Cash-flow goals achieved

Change in CEO  
and Board Chairman

New acquisitions within  
Hygiene Products and  
Packaging



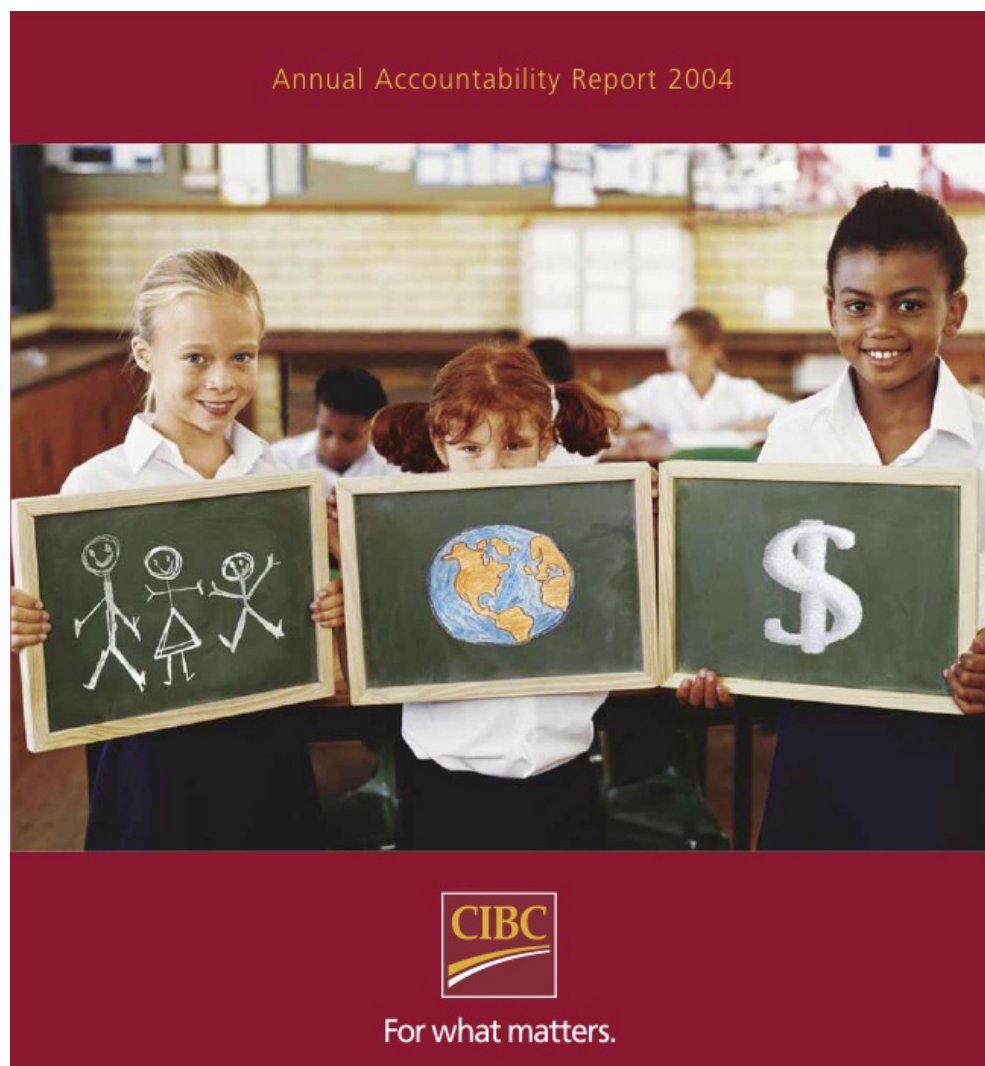
SCA 2002: No. 1 annual report in 2003.



## Q 10. Which documents are assessed?

Documents named, linked to and referred to as “*Annual Reports*” are assessed, as well as summary versions (reviews, overviews...). Corporate social responsibility (CSR) and sustainability reports are checked, either in printed, PDF or online format, not as such but as a component of annual reporting. Proxy forms or separate governance documents are considered when made accessible enough.

Reports simply made up of a legal file (e.g. 10-K, 20-F or other similar GAAP and proxy forms) are considered as eligible -even if they fail to match a significant number of our evaluation criteria- only when they are compared to more elaborate reports. That explains why a number of well-known blue chips who stick to purely legal reporting forms do not qualify for being rated and do not appear in the ranking.



**CIBC 2004:** No. 1 annual report in 2005.

## Q 11. Printed or online reports?

The sharply increasing use of Internet as a corporate communication and investor relations channel is reckoned with. Most of the ReportWatch process is now based on HTML reports or PDF versions downloaded from corporate websites. However, printed copies, printouts or effective e-books are still preferred when it comes to in-depth report screening. When an online report is judged as optimized for reading, the scoring and rating is based on it. In other situations, and these still constitute a very large majority, PDF, e-book or printed versions are scanned.

The ReportWatch criteria are based on report content and apply whether published on paper or on screen. The investor, analyst, stakeholder and any reader should find the information required by regulatory bodies as well as what the company makes available beyond compliance whatever the mode of communication. Except for communication and a few specific aspects, all evaluation criteria (see below) apply in both printed (or PDF) and web (or HTML) contexts.

Does that imply that an online report should simply be a copy-and-paste of a printed one (the so-called “interactive” 10-K being the most laughable example) or, in the future, vice versa? Certainly not. Corporate and investor websites can be used to (re)format, (re)structure, (re)build annual and other reports, and, in best practice, to add value by providing extra features and contents for stakeholders. These aspects are taken into account in our scoring and rating job.

**BASF 2010:** No. 1 annual report in 2011.

## Q 12. Which evaluation criteria are used to score reports?

The total number of evaluation criteria is 50, with each item scored on a scale of 0 to 2. Evaluation criteria are divided into 10 categories. Maximum marks are 100.

The report evaluation criteria are:

1. Packaging
2. Highlights
3. Strategy
4. Business
5. Financials
6. Investors
7. Governance
8. Accounting
9. Responsibility
10. Communication

Though the emphasis has always been placed on financial and performance reporting and investor indicators, report assessment criteria have consistently been based on a well-balanced perspective blending financial and business analysis, short- and long-term performance aspects, strategy and operations, visual and textual elements, share- and broader stake-holders issues, information content and communication style, whether in print or online. Evaluation criteria have evolved -an explanation to changes in report ranking in some cases- and are updated and upgraded regularly.

The scoring process is the first stage of the ReportWatch assessment. It is carried out by e.com report analysts (financial analysts, investor relations specialists, corporate communication advisers, accountants, economists, copywriters, at senior or junior levels) and it provides a basis for final ratings by the rating panel and results in the report ranking published in the *Annual Report on Annual Reports*.

The increasing complexity of reporting requirements and... the overall improvement in reporting practices over the last decade have made our scoring job more difficult. If the gap between lowest marked reports and top ones remain as big as in the past, there is less than a 20-point difference between some reports ranked between 100 and 150 and top 20 ones.

Neither the total score nor the breakdown is publicly disclosed. These are only available through an order for a Report Scan (\*) placed directly by the company or via an internal representative or external agency. In addition to the marks, the Report Scan (see below ad) 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 enable e.com to publish a self-financed survey based on independent research. Go to <http://www.reportwatch.net/e-com/making-reports-pay-off/> for more information.

# staying ahead

2005 business review

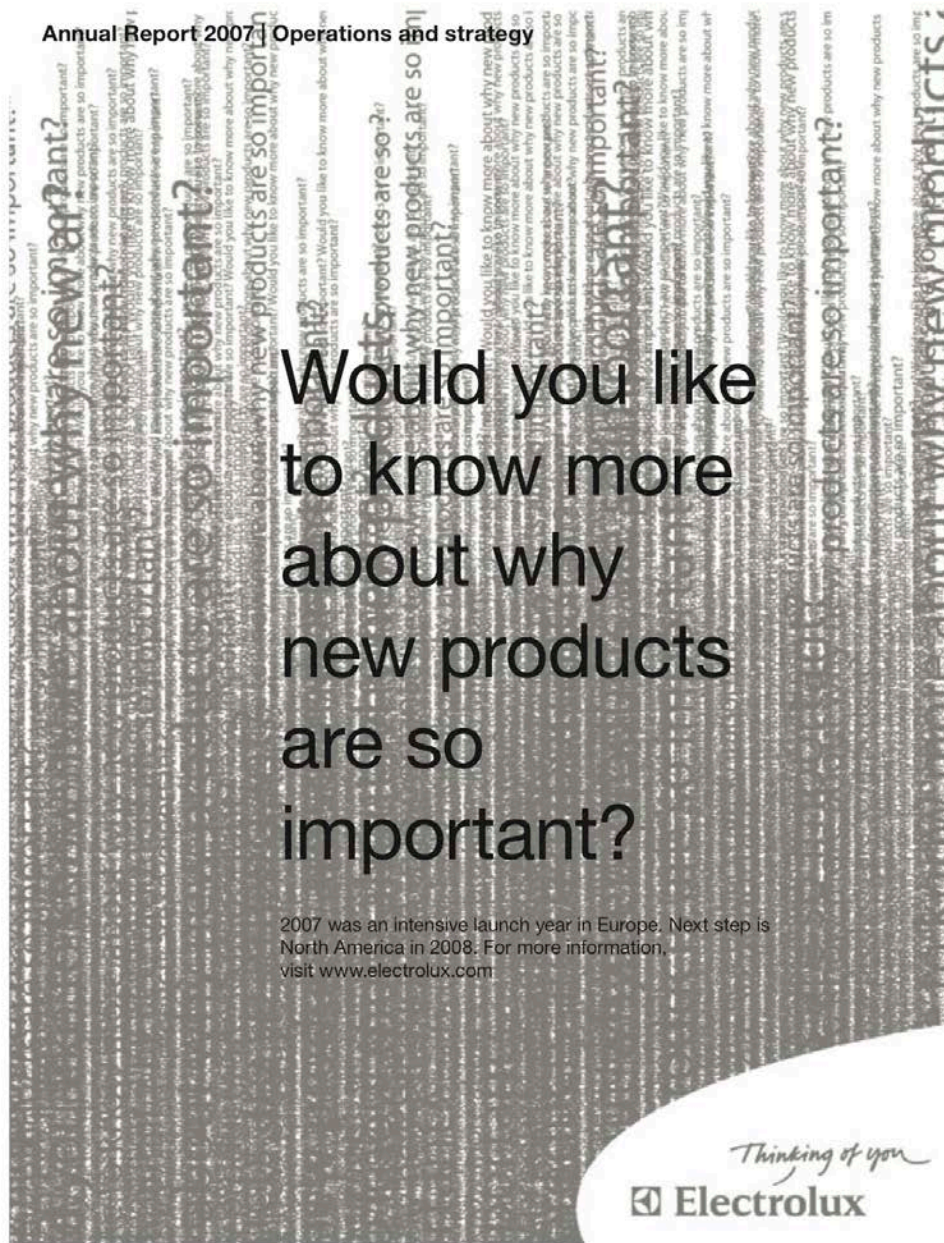


**Telus 2005:** No. 1 annual report in 2006.



### Q 13. Are the report marks made public?

No. Only the ratings are made public. In line with our tradition since the launch of this survey, the total score or its breakdown is never publicly disclosed. It may be obtained by companies or via their advisers through an order for a Report Scan (an edited output of e.com’s internal desk research). The revenues generated through scans and other evaluation services help us produce the *Annual Report on Annual Reports* –and keep it independent.



Electrolux 2007: No. 1 annual report in 2008.

## Q 14. How are reports rated? What is the rating panel's role?

Based on the marks resulting from e.com's scanning job, an internal rating is given to reports. The primary role of the independent rating panel is then to cross-check top reports scored by e.com and to help move from a very quantitative and "dry" scoring to a more qualitative rating, based both on intrinsic report value and communication towards various investor and stakeholder audiences. As a result, some reports are upgraded while others are marked down, from slightly to significantly. An estimated quarter or third of top 100 reports move up or down in the ranking after rating panel's intervention. Because of rising reporting standards, better practices and increased homogeneity in requirements, and like for the scoring job (see above), the rating task is more difficult than in the past. One example: between 2002 and 2011, the number of reports rated B+ and above has increased by 50%.

Panel members are appointed for their experience and expert knowledge in corporate reporting, financial communication, investor and public relations, and any matter related to report publication and content (see separate section for panelists' profiles). The ReportWatch rating panel has always been characterized by its diversity (see <http://www.reportwatch.net/best-annual-reports/report-rating/>).

Panelists have to judge independently of their own interests (reports in which panelists are or have been involved may not be judged by them). Individual votes are not publicly disclosed. The final ratings and ranking as published in the *Annual Report on Annual Reports* are the sole responsibility of e.com - ReportWatch.

Ratings and rating agencies have drawn a lot of criticism these last years, mainly due to the use and misuse of measurements, questionable accuracy, misjudgments, et al. It is worth reminding that, even when based on objective assessment criteria -what we are trying to achieve with our annual survey- ratings are also often made up of more subjective judgments and hardly avoid bias. Our report ratings should therefore be seen as indicative and not be considered as an opinion about the companies/stocks/investments.



**Adidas 2008:** No. 1 annual report in 2009



## Q 15. What are the report ratings?

Report ratings are:

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

## A report scan?



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## On the report rating panel

**Ewold de Bruijne**



Ewold is a financial communications consultant with more than twenty years of experience. He has worked on more than a dozen annual reports as a copywriter and editor. After a first job as PR officer in the Netherlands Navy, he started his career as corporate then financial communication officer with the large insurance group Aegon. After having worked as an IR consultant and corporate communication manager at Buhrmann/Corporate Express and Organon BioSciences, Ewold founded Brightmen and Coolwords in 2005, an independent PR and financial communication agency with an international scope. Ewold has written “Exceptional gains. Strategies for enhancing corporate communications”.

E-mail: [ewold@bmcw.nl](mailto:ewold@bmcw.nl)

**Jakob Ivarsson**



Jakob is a highly respected communication consultant with a rich experience acquired through the production of several annual reports for some of the largest Swedish companies. He contributes with strategy, structure and contents in order to clarify the company’s message and the report as a vehicle towards stakeholders. Jakob runs the Stakeholder Communication company in Gothenburg. Prior to his present occupation he held a position as senior advisor and partner at Solberg, one of Sweden's leading corporate communication consultancies on financial reporting. He is also a deputy board member of the Swedish IR Association.

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**Mike Guillaume**



Mike is the co-founder and manager of e.com-ReportWatch, a London-based firm that specializes in report assessment and benchmarking. Recognized as a leading international expert on corporate and financial reporting, he has reviewed thousands of reports, consulted for hundred-plus international companies, and is the co-founder and editor of the Annual Report on Annual Reports. Prior to that, as an executive director of The Enterprise Group, his track record has included an extensive entrepreneurial and global management consulting experience in Europe, North America and Southeast Asia. An economist and financial analysis specialist, Mike is also the author of “*The Seven Deadly Sins of Capitalism*”.

E-mail: [mike.g@reportwatch.net](mailto:mike.g@reportwatch.net)

## Pravin Ujjain



Pravin K Ujjain has been consulting on investor and marketing communications for over fifteen years. An avid annual report enthusiast, he is the CEO of AR Insight, an annual report consulting firm in India that has shaped more than 60 annual reports for 35 companies. AR Insight has recently conducted a unique annual report exhibition, “*An Eye Opener*”, that displayed a selection of 80 Annual Reports from Pravin’s library in Mumbai and intends to take it to other Indian cities in coming times. Pravin has also started “*Reportinsights*”, a quarterly online journal on corporate reporting, with an aim to spread awareness on the latest happening in the world of annual reports, sustainability reports, etc.

E-mail: [ujjain\\_p@feedbackglobal.com](mailto:ujjain_p@feedbackglobal.com)

## Reg Pauffley



Reg Pauffley is widely regarded as one of the most experienced figures in global corporate communications. Reg’s credentials stem largely from his experience as the founder of what is now Further, a major UK corporate design consultancy. Under Reg’s direction (1984 to 2001), Pauffley became a reference in both corporate brand development and global reporting and communications. Clients included a number of global blue chips and FT European top 300 companies. After having been in charge of business development at Merchant and having acted as chairman at Likemind, Reg has set up Creative Consortia, which gathers small best-in-class firms covering all corporate communication needs.

E-mail: [reg.p@creativeconsortia.com](mailto:reg.p@creativeconsortia.com)

## Rob Berick



For the past twenty years, Rob has provided counsel and strategy on a wide range of investor relations and corporate governance issues to the senior leadership teams of publicly traded, global companies of all market-cap sizes. A former corporate investor relations officer, Rob currently serves as a senior managing director of Dix & Eaton, where he oversees the firm’s investor relations practice. During his career, he has played a pivotal role in the conceptualization and execution of award-winning annual reports. Rob is a regular author on emerging capital markets and investor relations trends, and frequently serves as a panelist for various industry organizations, including the U.S. National Investor Relations Institute.

E-mail: [rberick@dix-eaton.com](mailto:rberick@dix-eaton.com)

## Vero Escarmelle



A marketing and communications manager at RICS Europe (pan-European office of the UK-based property professionals' body), Vero previously worked in marcom positions at Research International (a WPP company), for a U.S. firm and at The Enterprise Group (e.g. in marketing and communication activities in Southeast Asian markets). She was the co-founder and marketing manager of the reporting unit (spun off into e.com in 1999) and of the Annual Report on Annual Reports. She worked on the annual report coordination (of communication, design and content areas) for a few financial institutions and has stayed an adviser and panel member to the ReportWatch team ever since.

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## The report rating panel on:



*"Whether in print or online, the optimum length for an annual report should be between 100 and 150 pages. Some are capable of doing it without sacrificing contents."*



*"Some reports, even among the top-ranked, are very rich content but their read appeal and layout (lack of) let them down."*



*"Surprising that major shareowners are hard to find in a number of annuals. Is free float an excuse?"*



*"A lot of companies confuse quantity with transparency — it's easy to add a whole lot of stuff in an undisciplined way."*



*"Though less than in the past, some reports are still overly designed and written as if to distract investors from the company's poor results."*



*"Reporting on key performance indicators has improved these last years. However, many remain vague about their real content, and most don't report over more than the last two years."*



*"Why aren't more reports made in magazine style? Why is the interview format for CEOs -that helps getting the message across- so much used by Japanese companies and underused elsewhere?"*



*"French reports have much improved on style, structure and readability. Even the official documents, yet very heavy, are often designed to be read. Compare this with a 10-K!"*



*"Reports from 'Western' companies tend to focus more on results and performance, those of 'Eastern' ones on purpose and continuity."*



*"The trendsetting American reports have disappeared. And that was a long time ago."*



*"A large majority of so-called web reports don't go yet beyond the pdf, e-book (yet these may be convenient for some users) or online copy-and-paste of a printed format. Then there are the few ones making a real effort to format reporting for online use."*

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Our goal is to help our customers improve their “reporting bottom lines”, by reflecting company value, enhancing report value, showing investor value, and finally increasing stakeholder value.

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### **ReportWatch**

ReportWatch is the denominator, trademark and website for the report monitoring, scanning, scoring and rating process that results in the *Annual Report on Annual Reports*.

Created in 1996, and based both on e.com’s internal desk research and an external panel of reporting specialists, this survey of annual reports’ best practice is often regarded as the most comprehensive, international and authoritative survey on annual reports.

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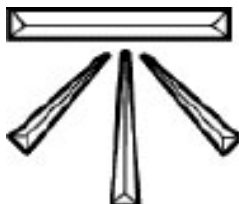
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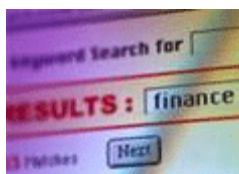
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