

Press Release

HGB presents trend report and survey results for annual reports after the economic crisis:

Companies live up to corporate responsibility

Hamburg, 7 June 2010 - Responsible management and sustainable business have reached the core of the German economy. Current annual reports are dominated by this topic, next to the effects of the economic and financial crisis on balance sheets. In addition, companies take care to present the business year in recently published reports with a greater focus on facts than in the past. They show how they reconcile economic goals with responsibility towards customers, employees and the environment. These are the findings of the "DAX Reports 2009", which the special agency HGB Hamburger Geschäftsberichte GmbH & Co. KG will present at its "Summer Lounge" customer event at the Hamburg rowing club Favorite Hammonia on Monday evening.

"Sustainable business has left the niche for ethically oriented investors. The increasing importance in financial communication shows that all investors demand responsible action of companies and also base their risk assessment on this. One drastic example of what happens when companies make mistakes here is the current decrease in share price of the oil group BP after the explosion of the oil rig," says Peter Poppe, managing partner of HGB.

Goodbye to shareholder value

The results of the trend report are also supported by an HGB survey conducted among 55 financial and business communication experts about the current situation of annual reports. They, too, share the opinion that shareholders no longer focus solely on short-term business success. They pay increasing attention to the economic, ecological and social performance of a company and how they contribute to the long-term success of the business.

The "Responsibility report" is still found primarily in global corporations from Germany. Good examples include the annual reports of the chemical group BASF, the medical company Fresenius Medical Care, Deutsche Post DHL, the cosmetics and detergent producer Henkel of the DAX30 index and the operator of the Frankfurt Airport, Fraport AG, of the MDAX index.

Smaller companies have not picked up the trend yet. "Of course, the general public is eyeing large companies much more critically now. However, smaller corporations and SMEs also need to get used to the fact that politicians have already discovered the issue. Therefore, regulations from Brussels or Berlin are to be expected in the near future with regard to how companies should

report on customer orientation, environmental protection and climate or human resources policies," explains Peter Poppe.

This results in another trend that the 55 experts interviewed by HGB expect: annual and sustainability reporting will be united in an integrated report. At the moment, many companies are still publishing different reports on financial figures, environmental protection, social responsibility, human resource issues or privacy protection. Peter Poppe: "If sustainability and stakeholder value are being increasingly integrated into the corporate strategy, it is only logical to combine financial and sustainability reporting. A challenge of upcoming years will therefore be to prepare internal reporting systems for this task."

Increased significance of annual reports

For its trend report, HGB evaluated and weighed all annual reports of DAX30 companies, among other measures. The astonishing result: The 30 reports for the 2009 business year weigh almost 31 kilograms altogether. Readers need to flip through 7,075 pages (2008: 2,007). The significance of the annual report has increased in the current economic and financial crisis - an opinion shared by the majority of experts interviewed by HGB. "Financial reporting is strongly influenced by the effects of the crisis this year. In order to achieve trust in successful management of the crisis and the proper strategic position for achieving a recovery, businesses are primarily relying on annual reports as a well-known and continuous medium," says Peter Poppe.

The expert answers of the HGB survey also show that the demands for annual reports have increased: the report should include a more transparent report on the situation and clear statements as to the company's sustainability. This corresponds to the expert opinion that the financial situation, the performance and strategy of the company should be paramount. They also demand better comprehensibility, conclusive contents and also encourage, albeit less vocally, an open discussion about possible problems of the company or uncertainty about the further development.

Service for editors: Further results of the HGB trend report and the expert survey can be found online at: <http://www.hgb.de/en/>

The company HGB Hamburger Geschäftsberichte is THE large special agency for business reports in Germany. HGB performs all services, from concepts to printed reports and online versions. The HGB reference list includes more than 100 German companies, at the moment the agency is working, among others, for Arubis, Brenntag, DEKRA, Deutsche Lufthansa, Deutsche Telekom, EADS, EDEKA, Gerresheimer, Greenpeace Energy, Hamburger Hochbahn, Hamburger Sparkasse, Landesbank Berlin Holding and XING. The agency has 17 steady employees.

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