

Press release

HGB releases trend report and survey results on annual reports in times of economic growth:

Corporate responsibility remains a big issue.

Hamburg, June 20th, 2011 - The big German companies are significantly changing their ways of publishing information about management and strategy as well as about their environmental and social actions. Annual and sustainability reports are gradually merging into one. The internet, social networks and mobile communication are becoming more and more significant for financial communications. Some companies are even working on ways to present annual reports on mobile devices, such as the iPad. These are the conclusions from a survey by the Hamburg-based specialist annual reports agency HGB, conducted among 63 experts from financial and corporate communications. The company will present these results on Monday night at its customer event "Summer Lounge", which takes place at the Hamburg rowing club Favorite Hammonia.

"In times of economic growth the basis for successful financial communications remains the same: the way a company presents its economic success needs to be convincingly linked to its responsibility to customers, staff, society and the environment. How companies will solve this difficult task is an engaging question. It is only answered by a small, albeit growing, minority of annual reports" says Peter Poppe, president and head of HGB.

The long way to integrated reporting

There is a clear trend to combine facts and figures about finances, environmental protection, staff, information privacy and social responsibility in one report. But this is a long road to travel and will take a lot of work. This is mainly because the reporting systems in the companies are not yet adjusted to this paradigm shift. Only about a quarter of the survey participants stated that their companies are specifically working on integrated annual and sustainability reporting. The majority of companies has not moved in this direction yet. "But even if we can talk about a beginning here, it will surely take a lot of years until the homework is done. Only then will key data be available that can clarify the necessary connection between responsible decision making and corporate success. Because so far capital markets are waiting in vain for the answer," Peter Poppe explains.

The annual report for the iPad

There is a trend toward responsibility reports which not only address shareholders but also stakeholders like customers, staff, politicians and citizens. This will change the communicative behaviour of companies. Today it is necessary to address target groups on several communication channels. "Apart from the print edition of the annual report, online communication and social networks are gaining more and more significance," Peter Poppe says. Almost two thirds of the survey participants think that the future standard will be an interactive annual report on the internet with additional content and features. Particularly innovative companies even prepare their reports for presentation on mobile devices such as the iPad. 21% of the survey participants' companies are working on these kind of solutions. "Sooner or later it will be a matter of course to provide a mobile version of the annual report. The solutions for smartphones and tablet PCs will certainly be different. Reading an annual report however will likely only make sense on a tablet PC."

Heightened demands for annual reports

In addition to the expert survey, HGB have once again analysed the annual reports from the DAX segments. For the trend report "DAX Reports 2010", HGB has also counted and weighed all the annual reports of the DAX30 companies. The astonishing result: the 30 reports of the business year 2010 have a total weight of more than 33 kilograms. The reader has to turn 7,978 pages (7,457 in 2009). The most voluminous report is Volkswagen's at 332 pages. "This wealth of information makes a professional preparation more and more important. It still comes as a surprise that even the reports of the big DAX30 companies often fail to convey clear messages that the reader can quickly grasp," Peter Poppe observes.

But the HGB trend report also lists a great number of positive examples that show how companies can use the medium of the annual report to win people's confidence in times of record results and ambitious strategies. HGB's survey tells us that this task has certainly become more sophisticated. The participants agree that the annual report will be required to include straightforward messages about the company's future viability. Likewise it should aim for more clarity in the management report and for better transparency when it comes to statements about the company's future development.

Service for editorial staff:

Further conclusions from the HGB trend report and the expert survey can be found online at www.hgb.de

HGB Hamburger Geschäftsberichte GmbH & Co. KG is the major specialist agency for annual reports in Germany. HGB performs all services from the initial concept through the printed report to the online version. The reference list of HGB contains over 100 German companies - including Aurubis, Brenntag, DEKRA, Deutsche Lufthansa, Deutsche Telekom, Gerresheimer, Greenpeace Energy, Hamburger Hochbahn, Landesbank Berlin Holding, Q-Cells, SAGA GWG, Sana Kiniken, SGL Carbon, Würth Group, XING, ZF Friedrichshafen. The agency has 17 staff.

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