



## **PRESS RELEASE**

**HGB presents its trend report and the results of its survey on annual reports in times of economic crisis:**

### **Companies radiate optimism**

Hamburg, 14 June 2009 – The current annual reports do not show many signs of the economic and financial crisis. The reports published in the past weeks for the 2008 financial year are more in-depth and more expensive than in the previous year, address vital topics directly, and see the current economic situation less as a burden than as an opportunity to make the company more fit for the future. This is the conclusion of the HGB trend report “DAX Reports 2008“, which the Hamburg-based specialist agency HGB Hamburger Geschäftsberichte GmbH & Co. KG is to present tomorrow evening at its “Summer Lounge” customer event at the Hamburg rowing club Favorite Hammonia.

“When it comes to winning back trust and credibility in the dialogue with the financial markets, the media and the public, companies are again relying more on familiar, well-established means such as the annual report,” says Peter Poppe, managing partner of HGB. The conclusions of the trend report are supported by an HGB survey of 51 experts from financial and corporate communication investigating the current situation for annual reports. The experts questioned by HGB also see a clear renaissance for the annual report: more than half of them believe that its importance has increased in the current situation. A further 40 percent consider the annual report to have remained at least as important as before.



As part of the trend report, HGB weighed and counted the pages of all the annual reports for the DAX30 companies. The surprising result: the 30 reports together weigh over 32 kg – five more than in the previous year – and the reader has more than 7,000 pages (2007: 6,290) to read through. Surprisingly, the reports do not show the signs of the crisis. On the contrary, they are as hefty as ever, and hardly any companies chose to do without an image section. The most striking aspect, however, is the expense the companies went to in their choice of materials and in the finishing. “The flagship medium of the annual report is more important than ever, that’s why no expense is spared with them,” explains Peter Poppe.

The experts’ responses to the HGB survey also indicate that expectations for annual reports have increased. Greater transparency in the management report and clear messages about the company’s future sustainability are considered to be top priority in the reports. Together with this comes the experts’ opinion that the management report and hard topics such as strategy and the future are now even more important. And they also demand comprehensibility and coherent content, and encourage – although less strongly – openly addressing any problems the company is experiencing or uncertainty regarding its future development.

One significant conclusion of the HGB trend report is that these expectations are reflected in the 2008 reports. The style of writing has improved noticeably in comparison to recent years. Admittedly, some lead slogans are as interchangeable as ever, sometimes with a mundane aspect such as “We shape the future” or “We bring the future” or “Challenge Future”. However, the quality of writing in the prefaces and corporate stories in particular has improved. “It is good that companies are not ignoring their target audience’s current increased need for greater comprehensibility, openness and transparency,” says HGB executive manager Jörg Korte, who was responsible for preparing the trend report.



According to Korte, it is also striking that there were no signs of resignation or pessimism in the reports. On the contrary, the current economic situation is seen admittedly as an extraordinary challenge and as a burden, but also as an opportunity. “The general gist is: let’s sort things out, adjust company strategy, give credible answers and make the company fit for the future. Who would have expected this confident attitude from us Germans?” says Jörg Korte.

Another clear trend is that hardly a single DAX annual report does not include a chapter on the topic of sustainability and the company’s social responsibility. The chemicals company BASF provides a potential direction for the future. Instead of publishing a separate sustainability report, as almost all the other DAX companies did, BASF released an integrated report documenting the company’s economic, environmental and social achievements. The concept of linking together the sustainability report and the annual report makes a lot of sense, since there are many overlaps between the content of the two reports. For example, sustainability reports should take account of economic aspects as well as environmental and social ones. And a good annual report also highlights non-financial achievements.

Integrating the topic of sustainability into the annual report is something that HGB recommends not only for large companies, but also as an option which could work well for small and medium-sized companies wishing to gain plus points through these topics which are important to their shareholders and stakeholders. “Sustainability and responsibility are major issues. Companies are well advised not to start blowing their PR trumpets unless they have particular internally developed focuses. Companies which don’t have enough content for a separate report can always give the topic of CSR greater emphasis in the annual report,” says Peter Poppe.



**Service for editorial staff:**

Further conclusions from the HGB trend report and the expert survey can be found online at [www.hgb.de](http://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, DEKRA, Deutsche Telekom, EADS, Landesbank Berlin Holding, MPC Capital, and TUI. The agency has 17 staff.

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