

10 essential ways to improve half-yearly reports

Whilst listed companies prepare to publish their 2010 half-yearly reports, a survey conducted by [Labrador](#) and [Sciences Po Paris](#) on the 2009 half-yearly reports of SBF120 companies and on 70 of their main international competitors, found that documents are poorly presented and this has an adverse effect on the accessibility of the information.

Paris, July 5th 2010. 36% of French groups' reports are in black and white and have no graphics (83%). 27 % of companies publish their documents without a table of contents and 84% of companies' reports are extremely difficult to follow in terms of clear headings and pagination. On average a half-yearly report has 55 pages. These are some of the faults that Labrador has identified by analyzing the 2009 half-yearly reports of SBF120 companies and 70 international companies reports.

And yet, **the half-yearly report is the second most consulted periodic information document after the annual report.** French companies are not the only companies to disregard the presentation of their half-yearly report; some international companies have the same tendency. German companies are the exception applying the same attention to their half-yearly reports as they do to their annual reports.

Even if information is rich in content and well-structured, in the majority of cases, the lack of harmonization and clarity on the layout of the document affects the transparency of financial communication. It makes it harder for the reader to access information and more difficult to compare between several companies. The layout of a document adds no value to its content which penalizes the company as much as the reader.

In light of the results of this study, Labrador has found **10 ways to improve half-yearly reports:**

- 1** Improve the layout to improve the clarity of the report.
- 2** Standardize the name of the English documents (more than twenty different names).
- 3** Present a table of contents with pagination (CAC40 reports have on average 69 pages).
- 4** Standardize the structure of the document (according to best practices chapters would be presented as follows: management report, accounts, statutory auditors' report, declaration by the persons responsible).

- 5 Harmonize the presentation of the French and English documents.
- 6 Improve the balance between the accounts and the management report chapters.
- 7 Detail the risks (nearly all French companies refer the reader to the Registration document which is a major handicap for readers).
- 8 Give clear forecasting information.
- 9 Bring the publication deadline forward (on average, French companies publish on August 15th and international companies on August 4th).
- 10 Systematically publish an English version which only 74% of SBF80 companies do.

Methodology

The 2009 half-yearly reports of SBF120 companies (English and French) and 70 of their main international competitors have been analyzed in light of the 4 transparency pillars defined by Labrador: accessibility, clarity, comparability, availability.

The entire survey is available at this address: <http://expert.labrador.fr>

About Labrador :

Founded in 1992 by Laurent Rouyrès, Labrador has made regulatory information its core competence. Due to the fact that most CAC40 companies want more transparent publications, Labrador gives guidelines to issuers, using a 500-item check-list, to improve the accessibility, comparability, precision and availability of the information they publish. Labrador publishes and translates all types of periodic financial documents, including registration documents, half-yearly reports and market transaction documentation for listed companies.

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About Sciences Po :

Sciences Po is an elite university specializing in humanities and social sciences. Offering courses from undergraduate to doctoral level, Sciences Po has 9,000 students, including 42% international students from over 50 countries. 80% of its courses are designed for business careers: (finance, HR, marketing, communications, law, etc.) Sciences Po is also the leader in preparatory courses for French and European civil service competitive examinations. 6,000 executives and directors also attend the various ongoing training courses offered by Sciences Po. These training programs are supported by nine research centers.

As part of the *Master Finance et Stratégie* program, the Finance stream focuses on the challenges of business and market finance in an international environment, adopting the perspective of different players in the economic world. Students also have the possibility of exploring the issues of fund-raising, financial engineering, regulation, equity control, risk control, asset management and corporate governance.

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