

REPORT LEADERSHIP

TOMORROW'S REPORTING TODAY

TAKE A LOOK AT SOME EXAMPLES

We've noticed many companies using similar ideas to those in Report Leadership over the last few months. Here are some examples from the latest batch of annual reports:

CIMA

PRICEWATERHOUSECOOPERS

ry. radley yeldar
consistently creative

Tomkins

BMO Financial Group

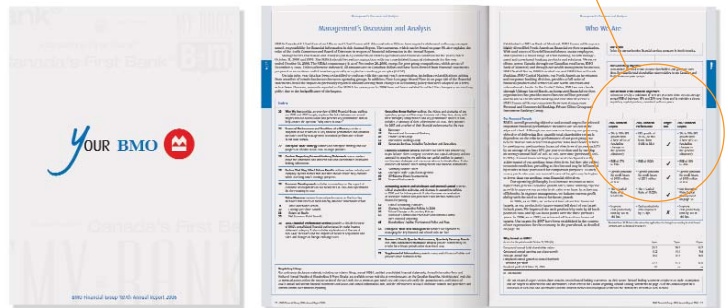
BMO's inside front cover outlines its vision and strategy. Its 2006 strategic priorities are given and readers referred to pages where more information can be found. The Company's progress against its strategy is revealed and new priorities for 2007 listed.

- Aligns strategic themes with financial indicators
- Strategic themes consistent throughout report
- Establishes financial targets and reports progress against them
- Benchmarks performance
- Acknowledges use of, and reconciles, non-GAAP measures

See *BMO Financial Group annual report page 23*
www.bmo.com

Our Medium-Term Financial Objectives
 To increase EPS by a minimum of 10% per year over time; to earn average annual ROE of between 18% and 20% over time; and to maintain a strong regulatory capital position, consistent with our peers.

2006 Financial Targets	2006 Financial Performance	Target Met	2007 Financial Targets
• 5% to 10% EPS growth from a base of \$4.58* (excluding changes in the general allowance)	• EPS growth of 11.6%, on this basis, from \$4.58 to \$5.11	✓	• 5% to 10% EPS growth from a base of \$5.11 (excluding changes in the general allowance)
• ROE of 17% to 19%	• ROE of 19.2%	✓	• ROE of 18% to 20%
• Specific provision for credit losses of \$400 million or less	• Specific provision for credit losses of \$211 million	✓	• Specific provision for credit losses of \$400 million or less
• Tier 1 Capital Ratio of at least 10%	• Tier 1 Capital Ratio of 10.22%	✓	• See Enterprise-wide



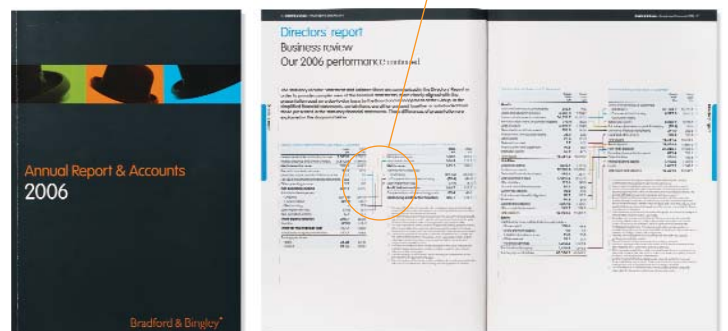
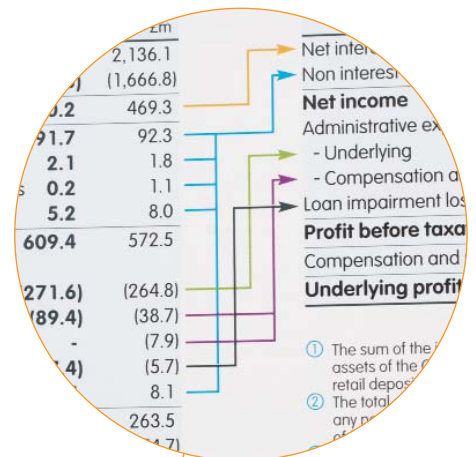
Bradford & Bingley

The Group explains the rationale for presenting a simpler view of its financial statements, which more closely align with the format used on a day-to-day basis. A clear reconciliation is then provided within the annual report between the statutory financial statements and these summary financial statements.

- Differences between statutory and simplified statements diagrammatically explained
- Navigation enhanced by colour-coded tabbing and cross-referencing
- Financial and non-financial KPIs identified and performance graphed
- Sensitivity of defined benefit obligation to four key assumptions illustrated

See *Bradford & Bingley annual report and accounts pages 16-17*

www.bbg.co.uk



Capita

Using clear strategic objectives as the basis for its content, Capita's report has a forward-looking orientation throughout. KPIs, resources and risk mitigation activities are all linked to strategy, while an analysis of the business environment is supported by external statistics.

Strategy used to underpin entire document

Key market drivers identified

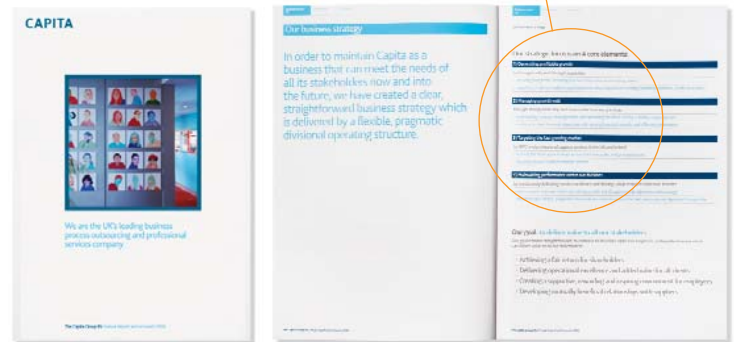
KPIs clearly defined and targets established

Identifies employees as a critical resource, reports on actions taken to attract and retain the right people, and provides quantified data and related targets in support

Easy-to-follow table outlines principal risks and management actions

See *Capita annual report and accounts pages 18-19*

www.capita.co.uk



Diploma

Diploma applies a clear narrative flow throughout its annual report enabling the reader to quickly identify the Group's strategy, key performance indicators and segmental performance. It also leverages innovative communication techniques to better explain its financial performance.

Alternative performance measures clearly identified using box-outs on face of primary statements and in notes, and provided at a segmental level

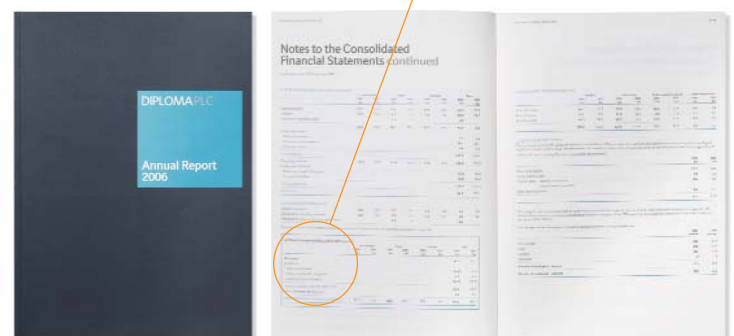
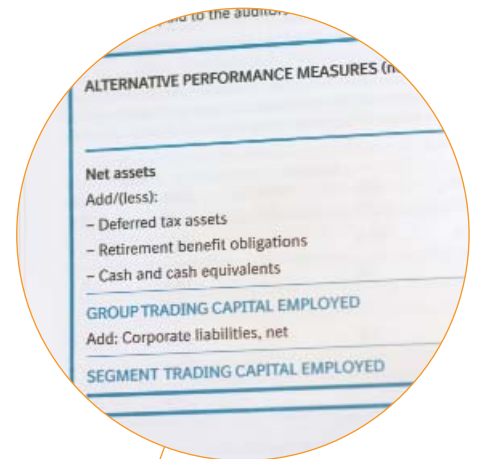
Uses non-GAAP measures to explain performance and clearly reconciles them to financial statements

Revenue bridge outlines key drivers of revenue growth

Detailed risk management information

See *Diploma annual report pages 33-35*

www.diplomapl.com



Electrolux

Electrolux gives the reader a real sense of its cost structure and highlights that raw materials account for almost 50% of its total costs. The report further provides the reader with an insight into how sensitive the Group's earnings are to changes in raw material costs.

Detailed breakdown of costs by nature

Cost/sensitivity analysis found in front of the report

Analysis includes impact of currency/interest rate changes

See *Electrolux annual report page 34*

www.electrolux.com

» Sensitivity analysis

Risk	Change
Raw material	
Steel	10%
Plastics	10%
Currencies¹⁾ and interest rates	
GBP/SEK	-10%
CAD/SEK	-10%
USD/SEK	-10%
EUR/SEK	-10%
Interest rate	1 percentage

includes both translation and economic effects



Friends Provident

Each of Friends Provident's three divisions is assigned a double-page strategy grid. With strategic aims running along the top, the grid integrates 2006 highlights and priorities for 2007, while financial and non-financial metrics illustrate how the Company is performing. Key risks are also included.

Strategy outlined at Group and divisional level

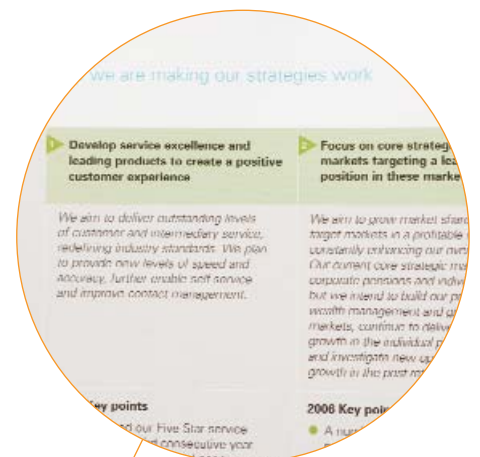
Clearly identifies future priorities for each element of the Group and divisional strategies

Management's view of the trends and factors impacting its markets supplemented by external sources

Consistent structure applied to the discussion for each division

See *Friends Provident annual report and accounts pages 14-15*

www.friendsprovident.co.uk



Home Retail Group

The Group provides a comprehensive analysis of net debt directly after its cash flow statement in its financial statements. The analysis includes net debt from financing and operations and reconciles its net debt figure to the balance found within the balance sheet.

Separate analysis of debt following immediately after primary statements

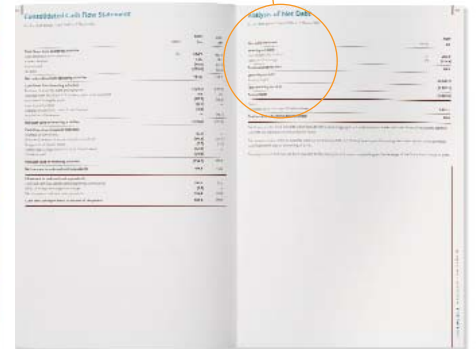
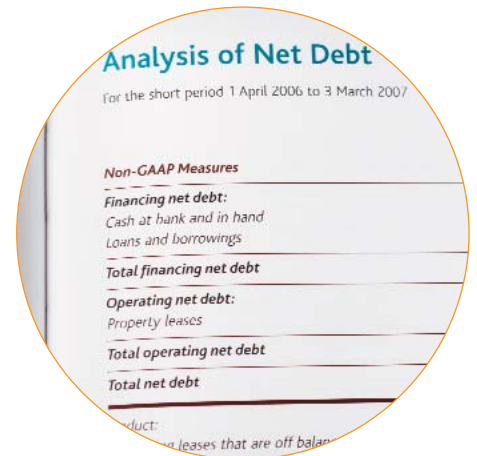
Features both financing and operating debt, the latter including discounted operating lease commitments

Includes management's definition of net debt, as net debt is not defined with GAAP

Reconciles management's measure of net debt to the balance found within the balance sheet

See *Home Retail Group annual report and financial statements* page 63

www.homeretailgroup.com



PartyGaming

PartyGaming's strategic aims are aligned with its business drivers, performance and future goals. These strategic aims are then integrated throughout – and a good explanation of the relationship between KPIs and overall financial performance (revenue) is provided. Tabbing, cross-referencing, icons, a strong typographic hierarchy and a glossary aid navigation through the document.

Icons used to highlight when content relates to strategic aims

Graphical explanation of the relationship between KPIs and revenue

Detailed market information places performance in context

Key messages extracted from text

Clear titles/sub-headings guide the reader

See *PartyGaming annual report* pages 6-7

www.partygaming.com



REPORT LEADERSHIP

TOMORROW'S REPORTING TODAY

You can help shape the way the Report Leadership project evolves by giving your comments, actively participating, or adopting the elements that appeal to you. Please provide any feedback, register your interest and keep up to date with developments at www.reportleadership.com

Report Leadership is a multi-stakeholder group that aims to challenge established thinking on corporate reporting. The contributors to the initiative are the Chartered Institute of Management Accountants (CIMA), PricewaterhouseCoopers LLP, Radley Yeldar and Tomkins plc.