



andBeyond survey finds poor voluntary disclosure from CEOs

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NEW YORK: Nearly nine in 10 Fortune 500 CEOs flunked a recent ethics test on reporting their companies' bottom-line performance, according to an andBEYOND Communications survey.

Last year, 84% of CEOs failed the ethics test.

The New York-based IR firm, that touts itself as an adviser to CEOs on developing ethical communications and practices, surveyed report letters from 100 *Fortune* 500 CEOs in 2003 for its fifth annual Rittenhouse Rankings, named after andBEYOND president L.J. Rittenhouse.

"The CEO letter is really a measure of voluntary disclosure," Rittenhouse said.

Everything else in the annual report is regulated or required by the government, she added.

The survey found that 87% of the CEOs failed to include diluted earnings per share (EPS) numbers for prior and current years in their letters, and didn't match these numbers to those in the income statements. The CEOs also didn't explain significant year-by-year variances in EPS, or explain the difference between GAAP and non-GAAP EPS.

Half of this year's CEO letters did include at least one of these criteria, but did not attempt to link it to the company's bottom line. Seven percent of the letters omitted all discussion of financial results.