EXECUTIVE SUMMARY

This test was administered to assess the usability of the 2004 Progress Energy Annual Report. Four participants took part in this study. They were all owners of stock, some of them in this particular company. They were all well educated individuals with at least 12 years of graduate training among them. Several came from science backgrounds which require a certain comfort level with numbers and information presented in tables and graphs. Participants were required to answer ten questions to which a normal shareholder might want to know the answers. Their answers were recorded on a test report and compared against benchmarked responses both in timing and accuracy to response. Participants were recorded during the test and in the posttest debriefing and their experiences both during the test and during the posttest questionnaire and debriefing were observed and written down.

For each of the ten tasks performed, mean and standard deviations were calculated and compared. In addition, task accuracy percentages were calculated based on the participants completion of the tasks within the benchmarked times, completion of the tasks but outside the benchmarked times, and completion of the tasks with help and outside the benchmarked times. These percentages helped us pinpoint the most serious areas needing change in this annual report.

The major findings of this study indicate that the participants had problems in five major areas:

- The Financial Highlights page that a shareholder uses most frequently was confusing because of a dichotomy of terms used and the lack of definitions of unfamiliar terms.
- The Table of Contents was not sufficiently detailed enough to permit the shareholder to access information easily.
- The design of the headers, sub headers and under headers in the Financial Report section were insufficiently distinct enough for the shareholder to easily know where they were in the report, and to easily find information without having to read through the entire report.
- The running header in the Financial Report was not sufficiently detailed enough to provide the user a landmark for where they were in the report at any given time.
- The graphics, used in the glossy pages at the beginning of the report, carried a rhetorical message that the company may not have wanted to convey.

Of the five major findings listed, the most critical one and the one most likely to bring the greatest assistance to the users of this annual report is a restructuring of the Table of Contents to feature more detailed sections and subsections reflective of the Financial Report sections of the Annual Report.