

## **ABSTRACT**

*MD&A is the important part in the annual report, as it speaks to all stakeholders about companies performance and future plans, it should be readable and comprehensible. The main objective of this study is to determine the readability of MD&A from manufacture companies in Indonesia.*

*The population in this study consist of all manufacture companies listed firms in Indonesia Stock Exchange in year 2014. Sampling method used is simple random sampling. A total sample of 107 companies were used in this analysis. The data is analyzed using readability index and statistic descriptive analysis.*

*The empirical results of this study show that the MD&A are difficult to read and comprehend, it require 12,080 years of formal education before they can fully understood.*

*Keyword: readability, annual report, management discussion and analysis*