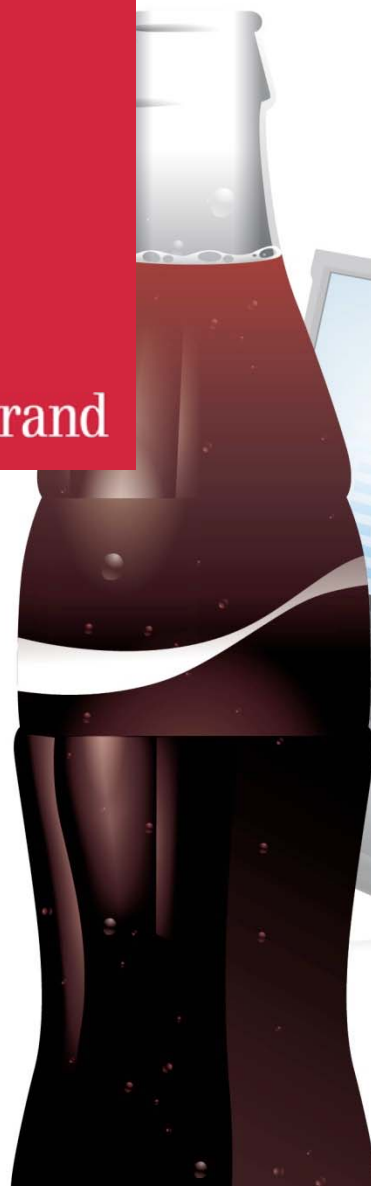


Best Global Brands 2008

League table analysis

Creating and managing
brand value™

Interbrand



1. Coca-Cola
\$66,667 Million
+2% from 2007

2. IBM
\$59,031 Million
+3% from 2007



3. Microsoft
\$59,007 Million
+1% from 2007



4. GE
\$53,086 Million
+3% from 2007



5. Nokia
\$35,942 Million
+7% from 2007



6. Toyota
\$34,050 Million
+6% from 2007



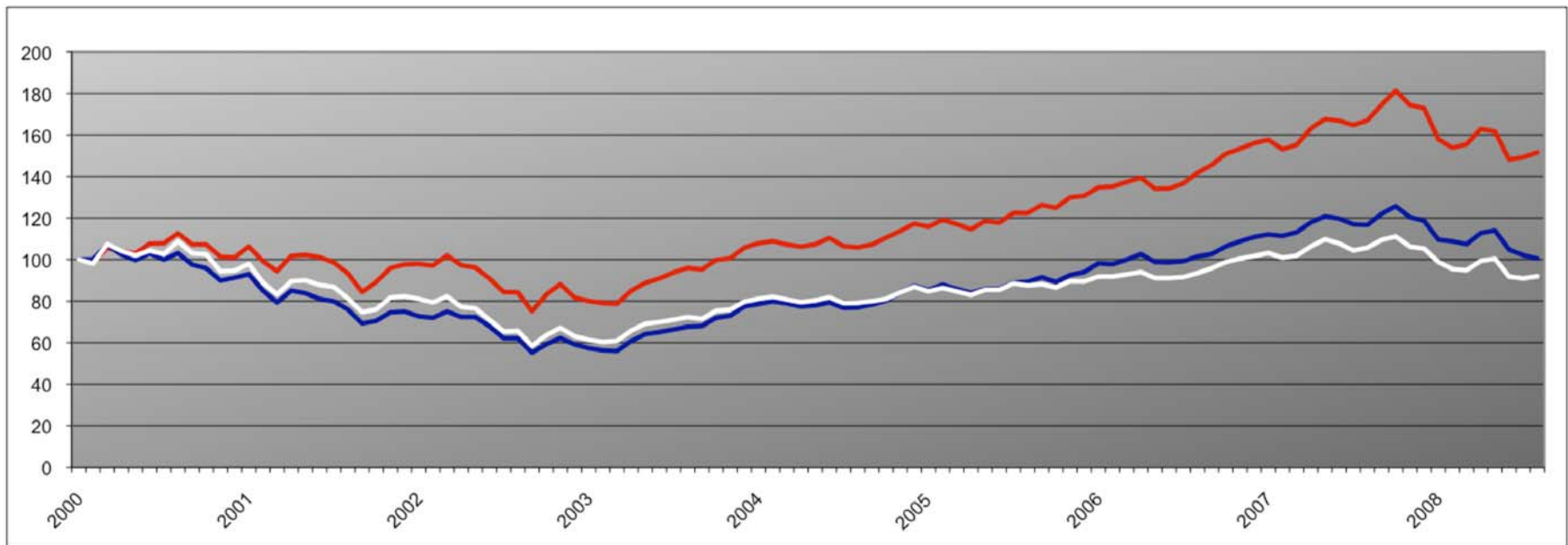
7. Intel
\$31,261 Million
+1% from 2007

Agenda

1. Top 10 Brands
2. 2008 Risers
3. 2008 Fallers
4. New entrants
5. Breakdown by country and industry
6. Key Insights
 - Strong brands grow in weak economies
 - The Red Thread
 - Being a brand leader
 - Sustaining the value of green
 - Emerging markets
 - Building brands
 - The role of luxury brands
7. Our approach and experience
 - The business purpose for brand valuation
 - The methodology
 - Our history
8. More insight from the Best Global Brands 2008 magazine

1. Economic performance of the Best Global Brands

Top 100 Best Global Brands vs. MSCI World Index and S&P 500 performance











	BGB Portfolio	MSCI World	S&P 500
Annual Average Return	4.73%	0.05%	-0.92%
Standard Deviation	14.76%	18.02%	15.36%
Sharpe Ratio	0.07	0.00	-0.06

■ Interbrand Top 100 Portfolio
■ MSCI World Index
■ S&P 500 Index

2. Top 10 Brands

Top 10 brands

2008 Rank	2007 Rank	Brand	Country of Origin	Sector	2008 Brand Value (\$m)	Change in Brand Value
1	1		US	Beverages	66,667	2%
2	3		US	Computer Services	59,031	3%
3	2	Microsoft®	US	Computer Software	59,007	1%
4	4		US	Diversified	53,086	3%
5	5	NOKIA	Finland	Consumer Electronics	35,942	7%
6	6		Japan	Automotive	34,050	6%
7	7		US	Computer Hardware	31,261	1%
8	8		US	Restaurants	31,049	6%
9	9		US	Media	29,251	0%
10	20		US	Internet Services	25,590	43%

2. 2008 Risers

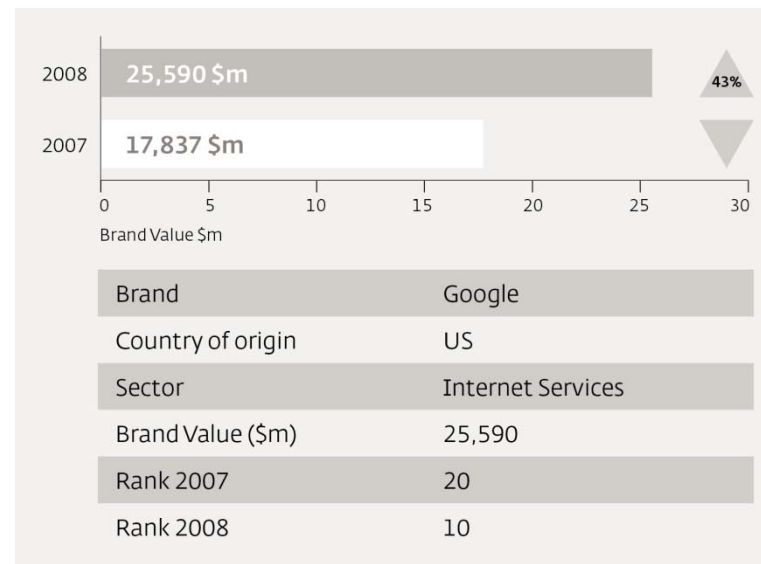
2008 risers



(+43%)



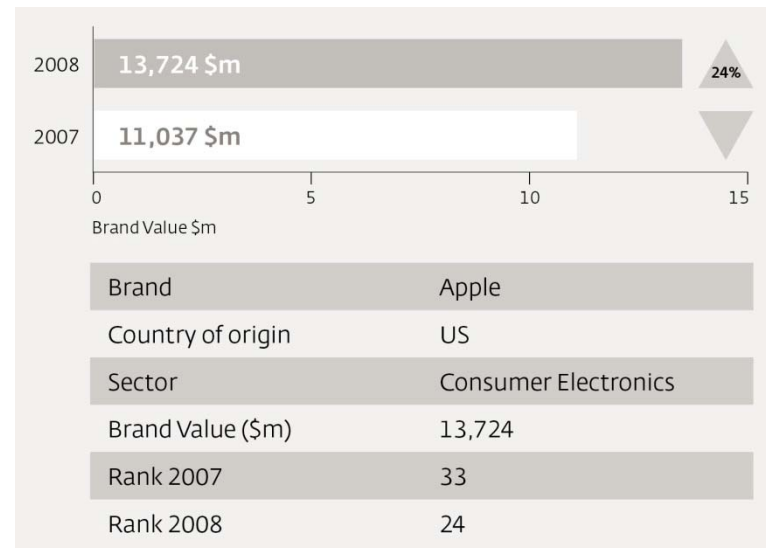
- GOOGLE. Google is the undisputed king of the internet world and the last year has seen it gain even more ground against rivals. Innovations like Google Mobile, Google Docs & Spreadsheets and Google Book Search extend the brand's reach and ubiquity and make it an increasingly important part of our everyday lives.
- Yet these projects wouldn't be possible without its core business – 99% of its revenues come from advertising on its search result pages. Google's meteoric rise from small start-up to corporate behemoth is not without its critics. As it becomes more powerful, the brand is forced to constantly tiptoe around the ever changing landscape of privacy and copyright laws. Google is increasingly tested by its unofficial corporate motto: "Don't be evil."





(+24%)

- APPLE. Can anything slow the ascent of Apple? Its ability to identify new customer needs and deliver products of beautiful simplicity and desirability continue to put it in a league of its own. The latest iPods, iPhone and MacBook Air strike the perfect balance between coolness and mass appeal, while the in-store Apple Genius bars shift consumer expectations of what after sales service should be. Add to that the improved company stance on sustainability and Mr. Jobs and co. really do seem to be ticking all the boxes right now.



(+19%)



- AMAZON.COM. The world's biggest bookstore gets bigger, largely due to a shift in focus away from books. Amazon is fast becoming a super-mall, selling everything from toys, jewelry, clothes, and electronics alongside its core offering of books, CDs, DVDs and games. Recent innovations include the Kindle (a wireless e-book reading device), Amazon MP3, DRM free music downloads, Checkout (Amazon's own online payment system to rival PayPal) and the successful Amazon Prime unlimited free shipping service, which encourages repeat custom. Behind the scenes Amazon's web-services offering gives 330,000 developers access to some of Amazon's technology in exchange for a fee.



(+15%)

ZARA

- ZARA. Having expanded into eight new territories in the last two years, Zara is now a truly global force, with operations in 72 countries. It owes its status as the master of impulse shopping to its truly original business model. The retail stores are not just the end of a highly efficient supply chain, they are the beginning of the design process. Design input comes from market specialists and buyers as well as designers, so its fast fashion is directly customer-driven. The weekly rollout of new stock gives people a reason to visit more regularly than most outlets, and the price point makes spontaneous purchase highly likely. How do you buck a downward trend? Give the people what they want.



ZARA

(+13%)

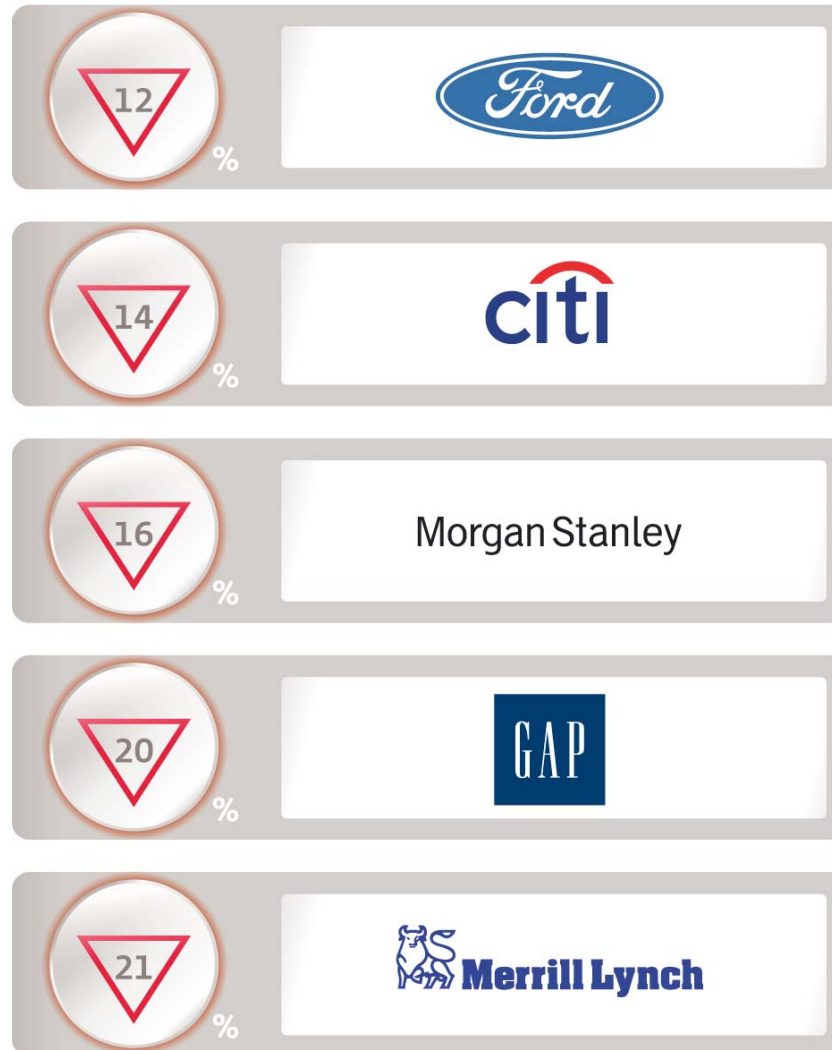


- NINTENDO. In just a few short months, Nintendo pulled off something the gaming industry had been struggling to do for years – widen the market. With the phenomenal success of the Wii and DS consoles, Nintendo has fuelled the acceptance of video games as a form of entertainment for all age groups and genders, giving the games console a legitimate place in the living room and people's hearts. Innovation continues to drive the brand as new concepts, such as Wii Fit and the Brain Training series, push the boundaries of what video games can be and the ways in which people can engage with them.



3. 2008 Fallers

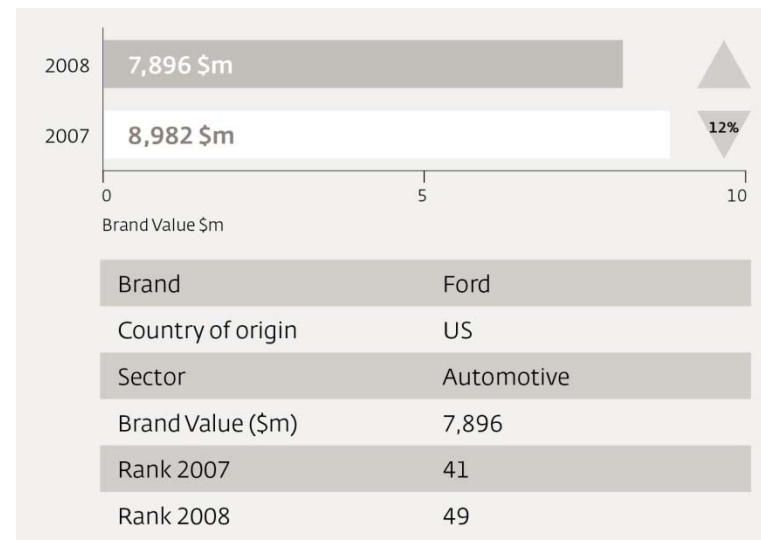
2008 fallers



(-12%)



- FORD. Despite recent changes to the product portfolio, Ford has struggled to convince consumers that it does more than just produce big cars with big engines. This is a problem of momentum – having invested heavily in owning the big-truck space in the past, it's taking time to shift its image. This isn't helped by negative media coverage on the company's performance, undermining confidence in the brand with internal and external audiences. Ford has started the change process and is producing smaller vehicles in the US, but needs to communicate with customers and employees to re-establish its reputation.





(-14%)

- CITI. It's no surprise that the US credit crunch has left a dent in the brand value of most financial services brands, but Citi is one of the worst affected. Negative news continues to plague the brand more than a year after the credit crisis began. It has been one of the more high-profile sufferers, being forced to announce eye-watering losses and cut thousands of jobs. New CEO, Vikram Pandit, has taken bold steps to refocus the business on its core areas, which has resulted in the closure of many unprofitable branches and the sell-off of some global operations.

Citi

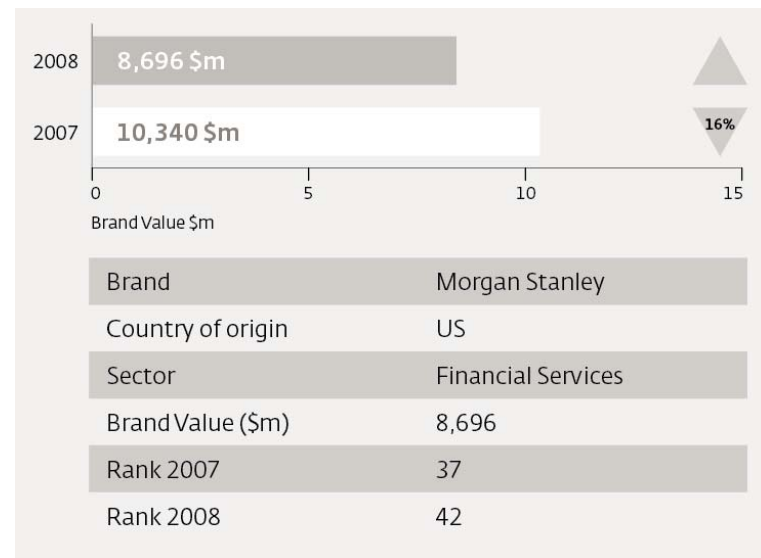


(-16%)

Morgan Stanley

- MORGAN STANLEY. Morgan Stanley lost a lot of ground this year and will need to work hard to reclaim its position. Like many of its competitors, the bank has been involved in a class-action suit with shareholders outraged by its delay in disclosing the level of its exposure to mortgage-backed-securities in the US. Economic crisis aside, the brand is attempting to re-build trust by focusing on its illustrious heritage.

Mor





(-20%)

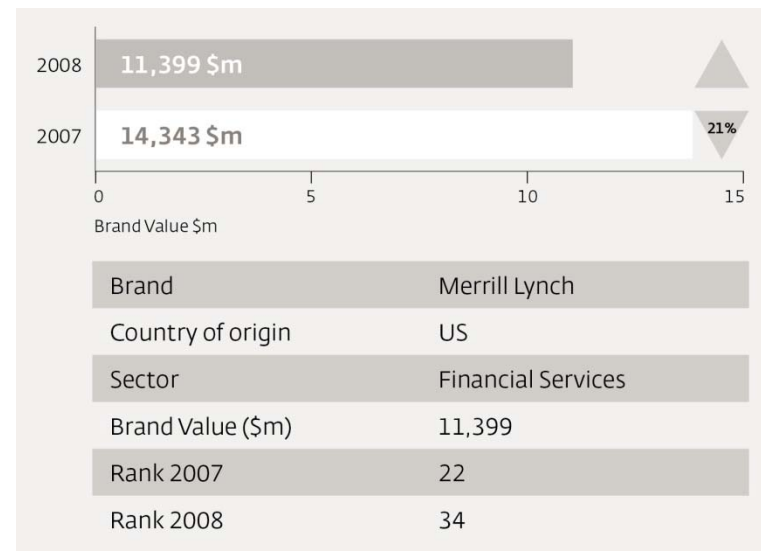
- GAP. When it comes to fashion retailing, the middle ground has always been a battleground, and lately you'd be forgiven for thinking that GAP has been on the losing side. Despite a slow increase in profits, thanks largely to cost-cutting, worldwide sales are in decline as budget-conscious consumers trade down or are lured away by more appealing competitors. Gap's brand reputation has suffered through child labor issues in India and turning things around could take more than just boosting its online offering.



(-21%)











- MERRILL LYNCH. Merrill Lynch is in the unenviable position of being among the worst hit by the credit-crisis. Without a retail side to their business to help support and balance the business, they've been left struggling with the reality of colossal losses. A brand which has traditionally thrived on a reputation for not being a risk taker, has seen its involvement in packaging sub-prime US homeowner securities spectacularly backfire.



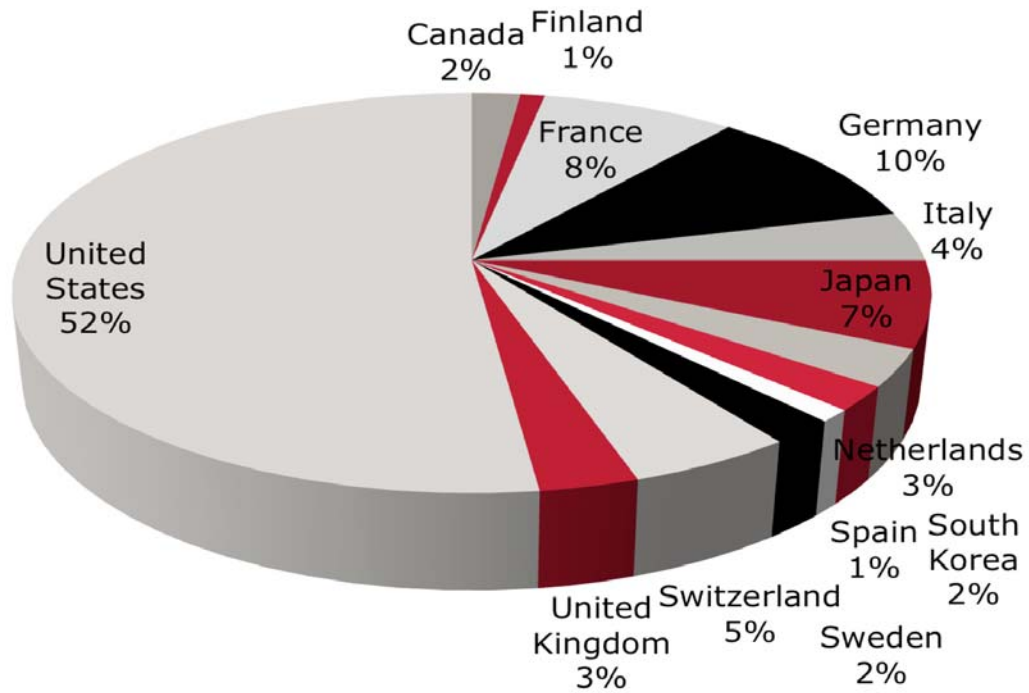
4. New entrants

New entrants

	Rank	Brand Value 2008 (m)	Growth
	22	\$13,840	New
 THOMSON REUTERS	44	\$8,313	New
	73	\$4,802	New
	93	\$3,527	New
	94	\$3,526	New
	96	\$3,502	New
	99	\$3,359	New
	100	\$3,338	New

5. Breakdown by country and industry

Breakdown by country



COUNTRY BREAKDOWN	
CANADA	2
FINLAND	1
FRANCE	8
GERMANY	10
ITALY	4
JAPAN	7
NETHERLANDS	3
SOUTH KOREA	2
SPAIN	1
SWEDEN	2
SWITZERLAND	5
UNITED KINGDOM	3
UNITED STATES	52

Breakdown by industry

INDUSTRY BREAKDOWN	
ALCOHOL	4
APPAREL	3
AUTOMOTIVE	12
BEVERAGES	3
COMPUTER HARDWARE	6
COMPUTER SERVICES	3
COMPUTER SOFTWARE	3
COMPUTER ELECTRONICS	8
DIVERSIFIED	4
ENERGY	2
FINANCIAL SERVICES	13
FOOD	5
HOME FURNISHINGS	1
HOSPITALITY	1
INTERNET SERVICES	4
LUXURY	9
MEDIA	3
PERSONAL CARE	7
RESTAURANTS	4
SPORTING GOODS	2
TOBACCO	1
TRANSPORTATION	2

6. Key insights

Strong brands grow in weak economies

The Red Thread: creating and managing brand value

- The Red Thread is about more than a value-generating brand. It's about creating, managing, and measuring brand value across every aspect of business
- Putting the brand at the core of the business becomes a uniting force behind everything you do and say to drive brand value
- This is the ideal time to optimize your brand performance to ensure that every dollar spent is driving demand and creating value



Taking action: acting like a global brand leader

- Know who your customers are and why they purchase
- Pinpoint the role your brand plays in driving customers' selection
- Understand the strengths and weaknesses of your brand
- Create the business case
- Make sure your employees are included in the program to support the brand
- Build a clear purpose for the brand and relentlessly follow that purpose
- Be consistent and recognize it is a never-ending journey



Sustainability and its impact on brand value

The value of green continues to sustain brand performance

- Companies are starting to evaluate the “triple bottom line” of their sustainability initiatives –the environmental, social and financial impacts.
- A sustainability effort should be consistent with a brand’s positioning, and create value for the business, while also doing the right thing for our world.
 - GE, Toyota and Honda prove there’s a right way to do this



Building brands in emerging markets

Building brands in emerging markets

- Understand the challenges and opportunities in emerging markets
- Understand how the brand experience is changing and what motivates consumers to purchase
- Recognize the maturity of the markets and how touchpoints can differ
- Understand the role of homegrown brands and how they can defend themselves against important brands entering their market
- Identify and offer “provenance-based” elements
- Know the landscape of current brands in the market

Building brands in emerging markets by Interbrand's leaders in Brazil, China, India and Russia

Aléjandro Pinedo, Nicola Stanisch, Iain Ellwood, and Jonathan Chajet share their perspective on the opportunities and challenges facing brands in developing economies.



Biography: Aléjandro Pinedo has

Biography: In addition to her 12

Biography: Iain Ellwood is the head

Biography: Jonathan Chajet is

01. How are consumers in emerging markets different from developed markets?

Nicola Stanisch, Russia: A client told me once, “We are like children that have been looking through the windows of a sweet shop for years. Now we are allowed to go inside and, although we know it is not good for us in the end, we can’t stop eating and trying at the sweets in there.” The market is hungry for new things. Russian consumers are willing to experiment and try out what’s new and exciting rather than seeking stability or reliability in brands. Brands are a means of showing off, to demonstrate the financial success of the newly wealthy. Particularly in service areas like banking and insurance, brands are seen as inexperienced or lacking trust, and are driving consumers to prefer non-Russian brands.

Aléjandro Pinedo, Brazil: Brazil used to be the typical poor, undeveloped “banana republic” country. We focused on our own internal market and, until the mid 1990s, were distant or closed to external products and brands. In the last 12 years, with a more stabilized democratic government (post-military control) Brazil has opened up to the international market. This process has even accelerated in the last five years. Brazil’s economy is now stabilized and growing at a rate of 3%+ per year and inflation is under strict control and has been low for the past 10 years, which is also a rather new development for consumers and companies.

With economic stability and development, consumers in Brazil have improved their economic consumption levels, gaining access to new products and brands. About 20% of the “D” class consumers were upgraded to “C” class, and this represents about 40 million people in Brazil. Brazilian companies have also discovered the international market and are now in need of brands to develop internationally, rather than just commodity products to be exported, which was the case in the past.

Brazilian consumers are more eager, excited and anxious (similar to Russia perhaps), the kids in a candy store than developed market consumers. There seems to be a sense of urgency to participate in international markets. Brazilian are studying and preparing themselves to compete abroad. Consumers and companies look to China and India as the places with which they will have to compete to access more developed markets, such as North America and Europe (either as a

workplace or a place to do business), with Brazilian products, services and brands.

Iain Ellwood, India: The Indian market has been a number of categories and consumer groups leading the expected development path. For example, fixed line telephony has largely disappeared, as it’s simpler and quicker to get a prepaid mobile phone from a store than go through the lengthy and complex process of setting up a line into your home with a full service contract. Mobile phone usage is increasing by over 5 million new customers every single month. There are now more than 25 million mobile phone users in India.

India has a very wide range of socio-economic groups from billions (78 at the moment) to those that live on less than one dollar a day (approximately 350 million people). But despite this diversity, our research confirms that these people largely share aspirations. It is not that they have different aspirations, but just that they are further away from achieving those. They are all looking up at the stars, just some from the penthouse and some from the roadside.

Jonathan Chajet, China: One of the most striking differences between consumers in China and their counterparts in the West is what motivates them to purchase. In developed markets, self-actualization is at the top of Maslow’s hierarchy of needs. In marketing terms, consumers seek brands that help them feel better about themselves. Hence, today’s popularity of sports utility vehicles and Timberland boots. They may never get into the outdoors, but at least I feel like I could!

But in China, status seeking is at the top of the pyramid. Group before individual, we before me, needs of superiors before needs of self – these values are the result of thousands of years of social and family norms. In marketing terms, Chinese consumers seek brands that give them “face”, again and again. What does this brand make others think about me? Mercedes, Volkswagen Golf and Jinnor Walker are extraordinarily popular in Asia – even if consumers rarely make the purchase for themselves.

Theoretically, as luxury goods become more democratized and consumers become more accustomed to a higher standard of living, status seeking will diminish in importance in China. But in emerging countries, such as Japan and Korea, that have been modernized for decades, there is little evidence that this hierarchy is changing. So, for the time being, status seeking is the playground of modern branding in China.

02. Are customer touchpoints different in emerging markets? If so, how?

Nicola: In Russia, I see only one difference: there are no established structures as there are in mature markets. The mobile phone shop rarely starts selling home or integrating a travel agency. There is no experience of “what a bank is” and, therefore, a lack of clarity about the touchpoints. The presence of security personnel is pervasive in Russia and some shopping experiences start with a security check – again, not your best brand touchpoint experience.

Aléjandro: In Brazil, the traditional touchpoints are still the main way to connect with consumers: retail, open networks TV, and radio. The penetration of open TV is attracting and will be the main mass media vehicle for awhile. The same happens with radio broadcasting, especially outside of larger urban centers. Although everyone is excited about new technologies, especially telecom and internet, only a small portion of more sophisticated, upper class, and younger consumers actually use these resources as branding touchpoints. Having said that, we must consider also that Brazil has approximately 120+ million operational cell phones (which reach about 140 million by the end of this year), but most of these are prepaid, used mainly for calls and messaging, not for internet access or other communication purposes.

Iain: The most surprising touchpoint weakness in India is the lack of organized retail. This is predicated on the lack of organized logistics and distribution. Or rather, because margins are so cheap, it is still economical to have an incredibly long and winding supply chain. There are 7 million unorganized retail outlets in India, mostly small kiosk-sized places that are a few bars of soap or shampoo each day. They are local to such an extent that most middle class Indians will still ask their store keeper to select their goods or brands and often have them delivered to their door.

By contrast, and entirely predictable in the land of Bollywood, above the line communications, like advertising, PR and sponsorship activity, are highly sophisticated and impactful. Their advertisements pump out higher raw emotional energy (credibly glamour and eye-popping references). They make western advertising look apologetic and diffident about their product. This over-heated competitive communications

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The role of luxury



- The luxury industry defies all laws of economies – even in economic downturn, consumers will spend more if they perceive the quality of the brand to be greater
- The rise of individualism has also led luxury to be about much more than simply communicating one's status to others

7. Our approach and experience

The business purpose for brand valuation

The business purpose for brand valuation

- Extending the business based on the brand's equity
- Assessing the economic impact on branding decisions, legitimizing brand investments and supporting risk management
- Setting performance metrics for controlling purposes
- Providing a fair opinion and investment advisory
- Reporting, litigation and taxes
- Financing projects and businesses, defining royalty rates



Interbrand's method for valuing the 2008 Best Global Brands

Financial Analysis

Forecasted current and future revenue specifically attributable to the brand

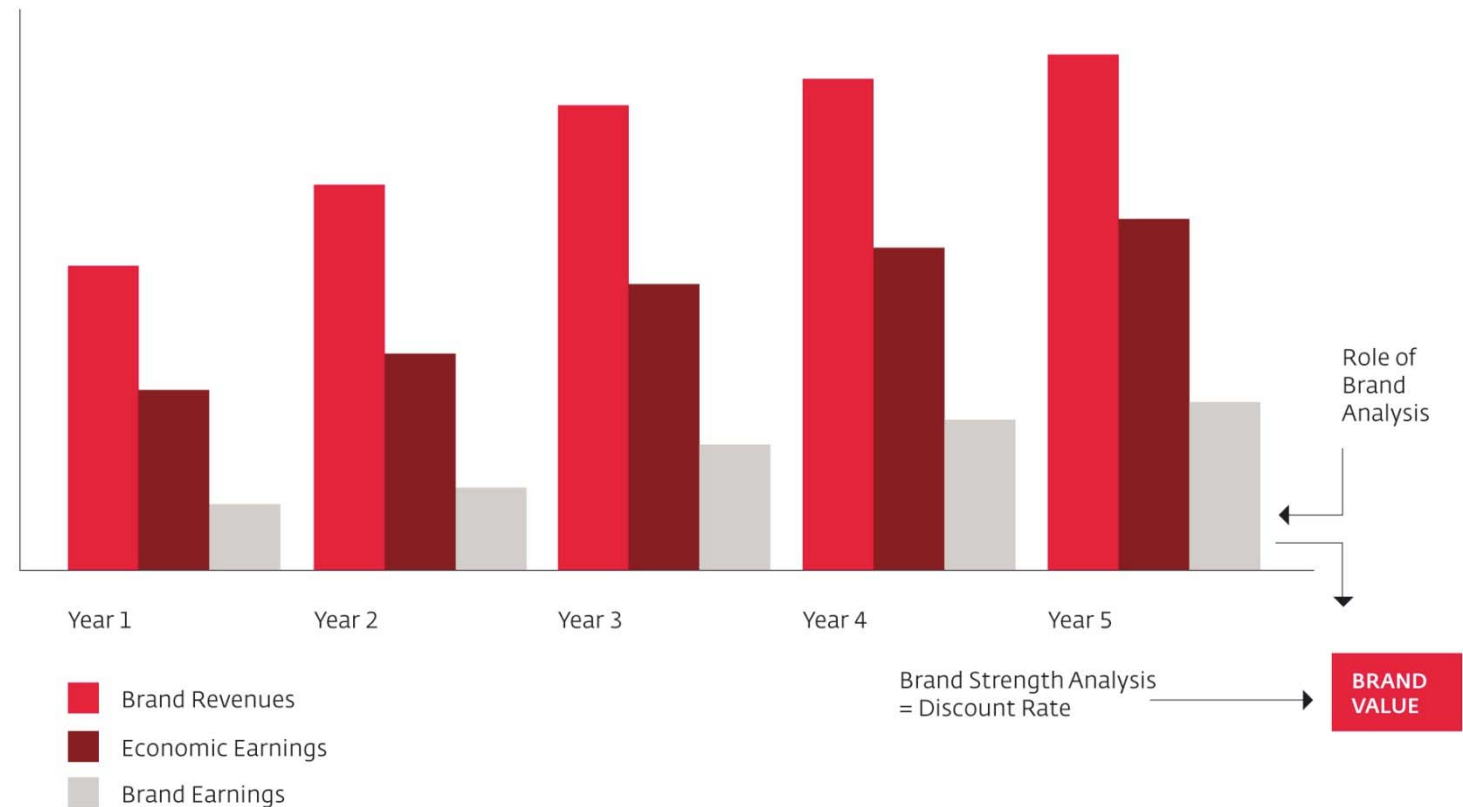
Role of Brand Analysis

A measure of how the brand influences customer demand at the point of purchase

Brand Strength

A benchmark of the brand's ability to secure ongoing customer demand (loyalty, repurchase, retention).

Brand Value Calculation



INTERBRAND'S BRAND VALUATION METHODOLOGY SIMPLE, PROFOUND & TRANSPARENT

FINANCIAL

Forecasted **current and future earnings** specifically attributable to the brand

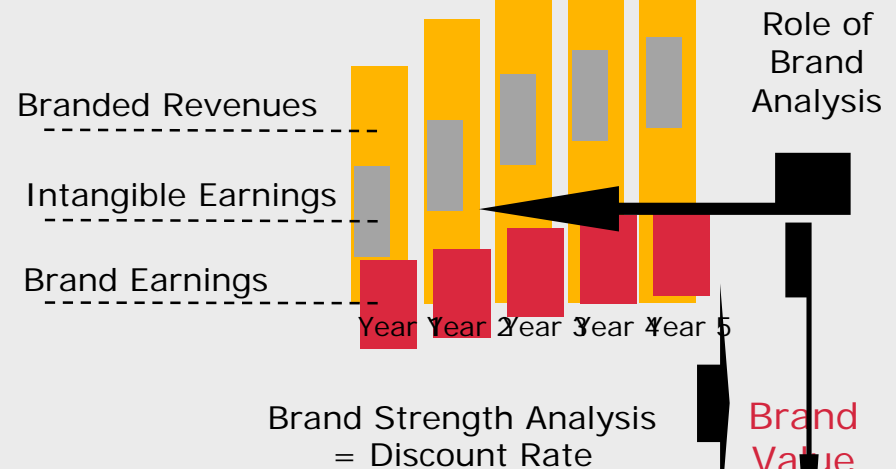
ROLE OF BRAND

A measure of **how the brand influences customer decision-making** at the point of purchase

BRAND STRENGTH

A benchmark of the **brand's ability to secure on-going customer demand** (loyalty, re-purchase, retention)

BRAND VALUE CALCULATIONS



ILLUSTRATIVE

History

- Interbrand pioneered the development of brand valuation techniques in 1988 for Rank Hovis McDougall (RHM), who was resisting a hostile takeover bid. The company needed to demonstrate that their value had been severely underestimated and hired Interbrand to quantify the value of RHM's portfolio of brands.
 - Our approach is the industry standard, endorsed by
 - Academics – Government bodies
 - Auditor – High courts
 - Accountancy firms – Management consultants
 - Analysts – Stock exchanges
 - Advertising agencies – Tax authorities
 - Banks
 - Interbrand completed more than 5000 brand valuations
 - Valuation services used by more than 400 leading companies
 - We've conducted brand valuations in all industry sectors

Why Interbrand?

- Accepted standard across the industry: Interbrand invented brand valuation almost 20 years ago and has continued to innovate its methodology to remain the “gold standard” across the industry. We have been recognized by a range of constituencies that include academics (such as Harvard University), accountants (such as *Accountants’ Digest*), business journalists (such as *BusinessWeek*), and even our competitors.
- Measures brand as a financial asset: Our definition of brand value, as the current and future earnings driven by the brand, gives management a defensible approach to quantify the value of an intangible asset much like the valuation of tangible assets.
- Incorporates rigorous analytic techniques: Our brand value methodology is built on accepted practices in both finance and marketing. In finance we apply established principles of Economic Value Added (EVA) and Net Present Value (NPV). In marketing we utilize the latest analytic techniques such as structural equation modeling (SEM) and choice modeling to quantify brand measures in an objective way. Our consultants stay on top of the latest industry trends and often pioneer new techniques for the industry.
- Provides a diagnostic tool for on-going measurement: The methodology allows for not only measurement, but also management of the brand. The various inputs to the model provide insights into the drivers of brand value that inform both strategy and tactics that ultimately maximize shareholder value. We work with our clients to leverage insights gained from the analysis to develop on-going brand valuation metrics and tracking tools. Many of our clients conduct on-going brand valuations (yearly as well as quarterly) and incorporate these measures into their performance management systems.
- Focused on actionable results: These diagnostic tools and strategic insights lead to recommended actions. We work with clients to identify both short and long-term actions that will protect and grow their brand value based on the various insights gained from the analyses in the brand valuation model.
- Customized to fit specific client needs: Finally, we tailor brand valuation for each client based on its specific branding and business needs. Our brand valuation methodology provides a framework in which the various inputs to the model can be analyzed based on available data and to the level of granularity most relevant for each client.

We have led over 5,000 brand valuation assignments



THOMSON REUTERS

Thank you