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

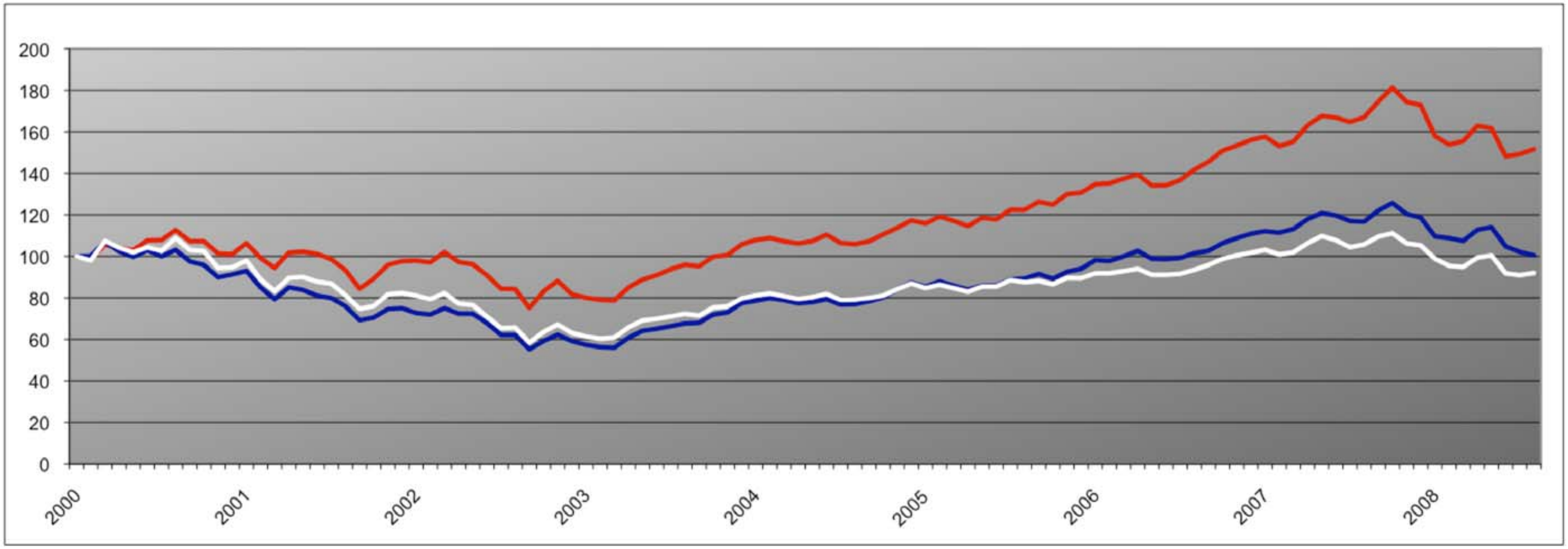
   Sustaining the value of green

   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

Interbrand

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

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2. Top 10 Brands

Top 10 brands

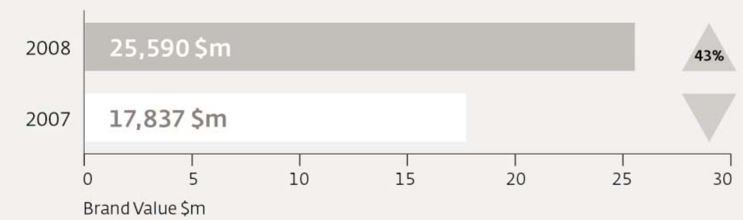
2008 Rank	2007 Rank	Brand	Country of Origin	Sector	2008 Brand Value ($m)	Change in Brand Value
1	1	Coca-Cola	US	Beverages	66,667	2%
2	3	IBM	US	Computer Services	59,031	3%
3	2	Microsoft	US	Computer Software	59,007	1%
4	4	GE	US	Diversified	53,086	3%
5	5	NOKIA	Finland	Consumer Electronics	35,942	7%
6	6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

2. 2008 Risers

2008 risers

(+43%)

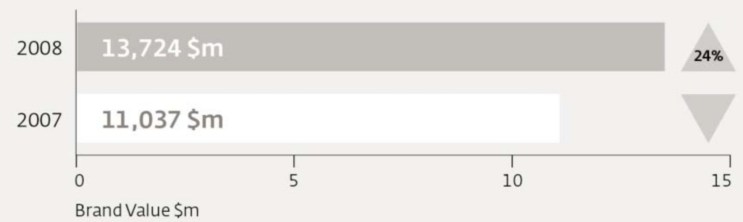
- GOOGLE. Google is the undisputed king of the internet world and the last year has seen it gain even more ground against rivals. Innovations like Google Mobile, Google Docs & Spreadsheets and Google Book Search extend the brand's reach and ubiquity and make it an increasingly important part of our everyday 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."



Brand	Google
Country of origin	US
Sector	Internet Services
Brand Value ($m)	25,590
Rank 2007	20
Rank 2008	10

(+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.

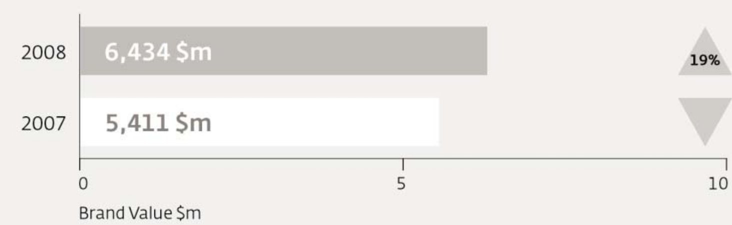


Brand	Apple
Country of origin	US
Sector	Consumer Electronics
Brand Value ($m)	13,724
Rank 2007	33
Rank 2008	24

(+19%)

amazon.com

- 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.

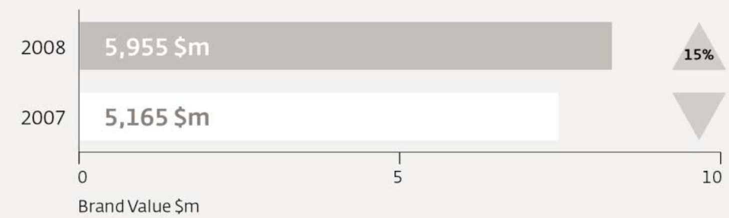


Brand	Amazon.com
Country of origin	US
Sector	Internet Services
Brand Value ($m)	6,434
Rank 2007	62
Rank 2008	58

(+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.

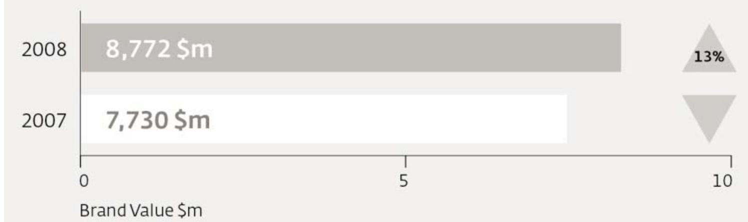


Brand	Zara
Country of origin	Spain
Sector	Apparel
Brand Value ($m)	5,955
Rank 2007	64
Rank 2008	62

Interbrand

(+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.



Brand	Nintendo
Country of origin	Japan
Sector	Consumer Electronics
Brand Value ($m)	8,772
Rank 2007	44
Rank 2008	40

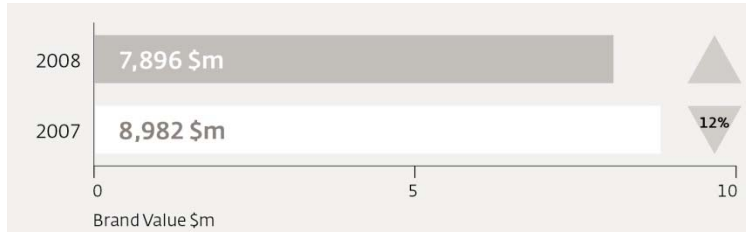
3. 2008 Fallers

2008 fallers

12%	Ford
14%	citi
16%	Morgan Stanley
20%	GAP
21%	Merrill Lynch

(-12%)

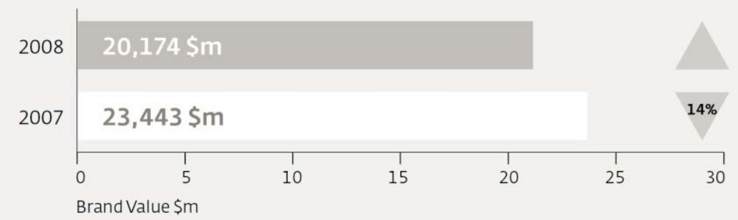
- FORD. Despite recent changes to the product portfolio, Ford has struggled to convince consumers that it does more than just produce big cars with big engines. This is a problem of momentum – having invested heavily in owning the big-truck space in the past, it's taking time to shift its image. This 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.



Brand	Ford
Country of origin	US
Sector	Automotive
Brand Value ($m)	7,896
Rank 2007	41
Rank 2008	49

(-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.

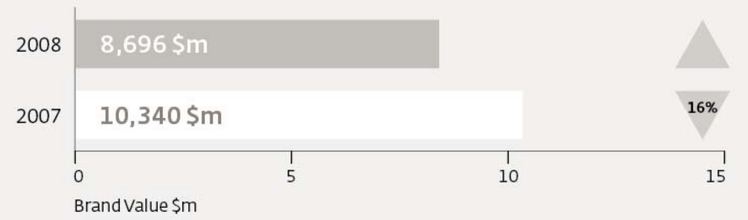


Brand	Citi
Country of origin	US
Sector	Financial Services
Brand Value ($m)	20,174
Rank 2007	11
Rank 2008	19

(-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.

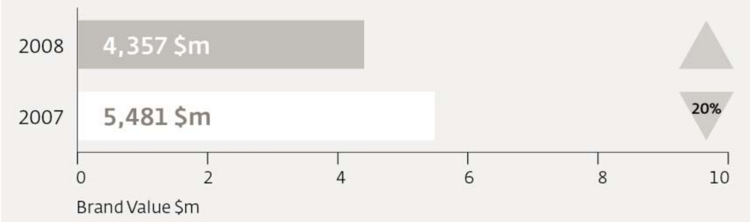


Brand	Morgan Stanley
Country of origin	US
Sector	Financial Services
Brand Value ($m)	8,696
Rank 2007	37
Rank 2008	42

Interbrand

(-20%)

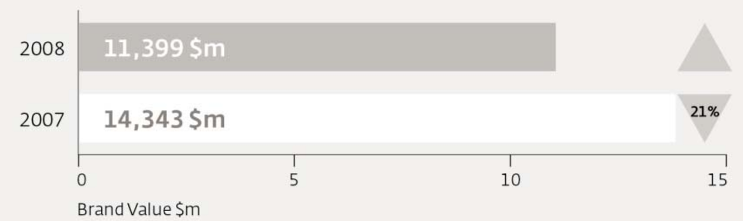
- GAP. When it comes to fashion retailing, the middle ground has always been a battleground, and lately you'd be forgiven for thinking that GAP has been on the losing side. Despite a slow increase in profits, thanks largely to cost-cutting, worldwide sales are in decline as budget-conscious consumers 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.



Brand	Gap
Country of origin	US
Sector	Apparel
Brand Value ($m)	4,357
Rank 2007	61
Rank 2008	77

(-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.



Brand	Merrill Lynch
Country of origin	US
Sector	Financial Services
Brand Value ($m)	11,399
Rank 2007	22
Rank 2008	34

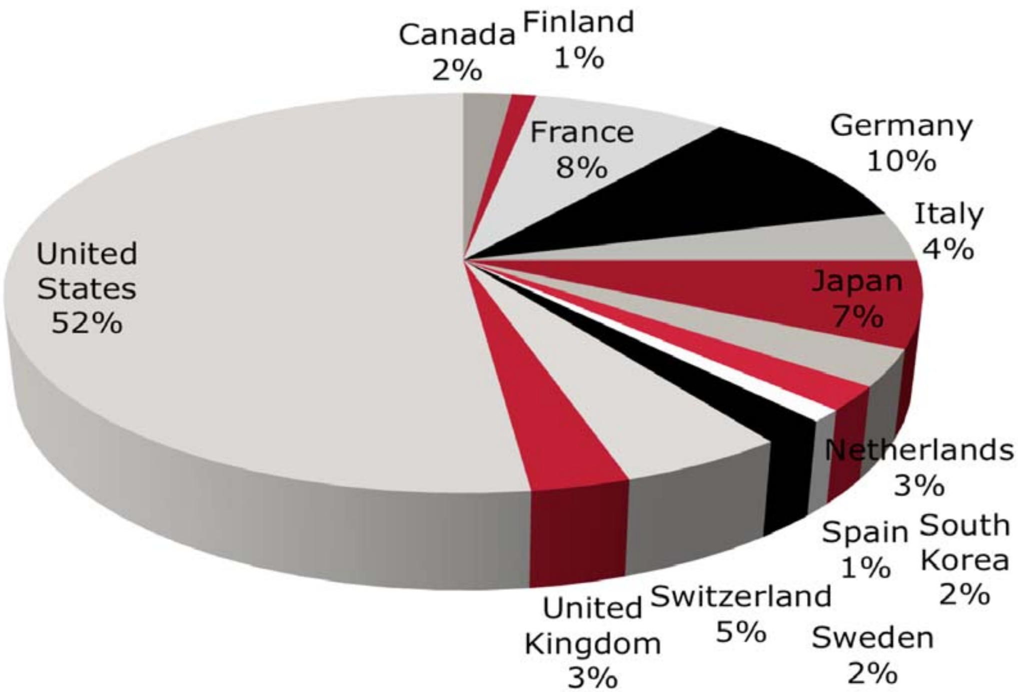
4. New entrants

New entrants

	Rank	Brand Value 2008 (m)	Growth
H&M	22	$13,840	New
THOMSON REUTERS	44	$8,313	New
BlackBerry	73	$4,802	New
Ferrari	93	$3,527	New
ARMANI	94	$3,526	New
Marriott	96	$3,502	New
FedEx	99	$3,359	New
VISA	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

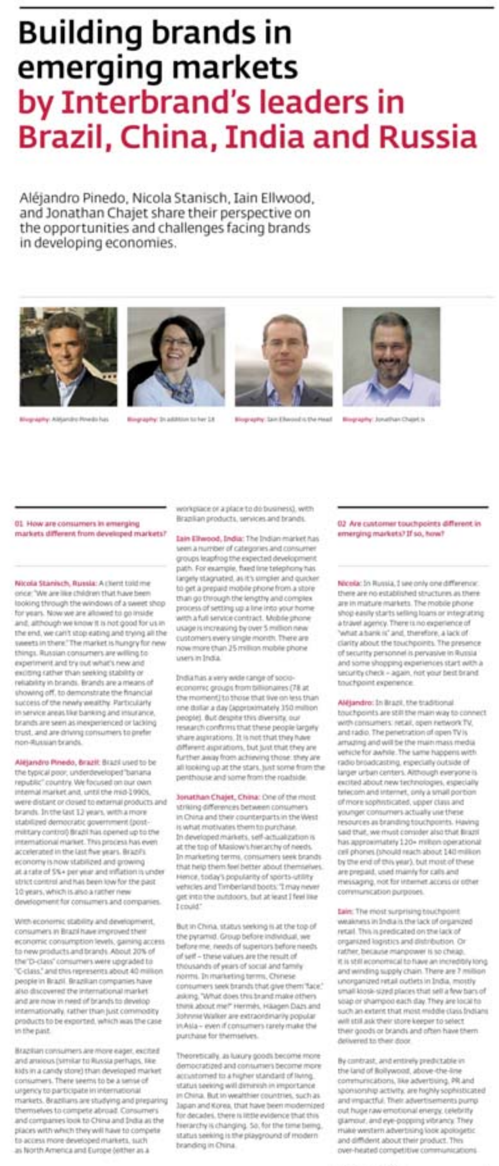
- Companies are starting to evaluate the “triple bottom line” of their sustainability initiatives –the environmental, social and financial impacts.

- 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.

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

Great unbranded beer

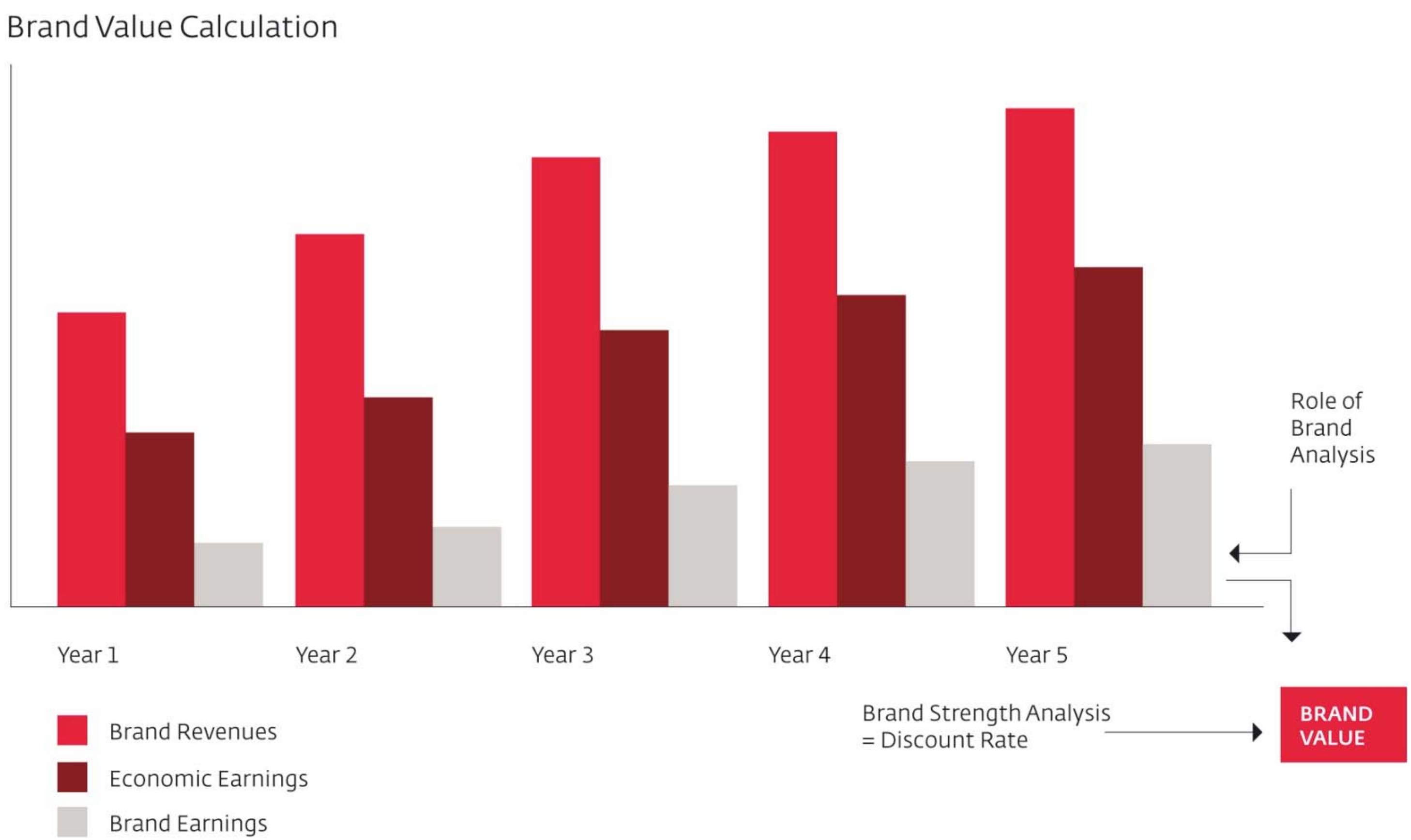
Same great taste, higher price, more preferred

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).



INTERBRAND'S BRAND VALUATION METHODOLOGY
SIMPLE, PROFOUND & TRANSPARENT

FINANCIAL

Forecasted current and future earnings specifically attributable to the brand

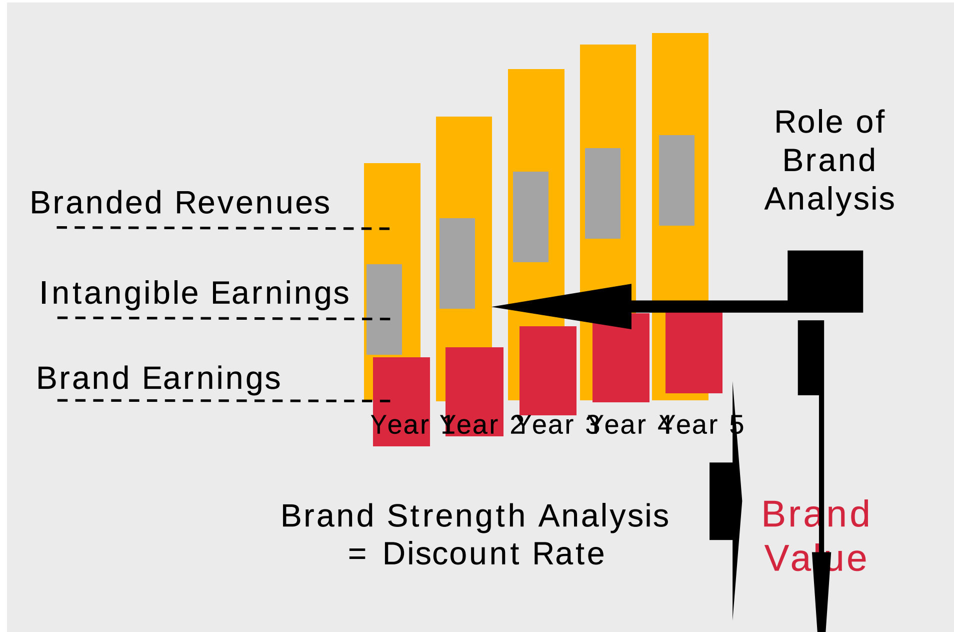
ROLE OF BRAND

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

Thank you

Creating and managing
brand value™

Interbrand