BrandFinance250

The annual report on the world's most valuable brands

January 2007

BRAND·FINANCE®

Foreword

For over a decade Brand Finance plc has been dedicated to the measurement of brand strength and value. The Brand Finance network is independent and global, meaning that our analysis is both objective and well informed.

We use quantitative market data, detailed financial information and expert judgement to provide reliable Brand Ratings and Brand Values. We use methods that are technically advanced and well recognised by our peers, by various technical authorities and by academic institutions.

We have observed that a number of brand valuation consultancies produce brand value league tables using methods that do not stand up to technical scrutiny. We therefore decided that the time was right to publish our own analysis of brand strength and brand value for the major brands of the world.

This BrandFinance250 report is the result of that endeavour. We use publicly available information to provide high level Brand Ratings and Brand Values for the corporate and product brands.

Brand Values have been calculated using the 'Royalty Relief' approach. Not only is 'Royalty Relief' recognised by technical authorities worldwide, but it also ties back to the commercial reality of brands - their ability to command a premium in an arm's length transaction.

Our methods and reports are highly actionable for accounting, tax, litigation and commercial purposes. They also produce diagnostics and analytics that can be used to manage brand strategy better. This is how we add value to our clients' brands.

Brand Finance's mission is not measurement for its own sake. It is measurement to provide the basis for better decision-making and action.

David Haigh.

David Haigh, CEO, Brand Finance plc

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About Brand Finance

Brand Finance is an independent consultancy focused on the management and valuation of brands and of branded businesses. Since 1996, Brand Finance has performed hundreds of brand valuations with an aggregate value of over $150 billion. The valuations have been in support of a variety of business needs including:

- Technical valuations for accounting, tax and legal purposes
- Valuations in support of commercial transactions (acquisitions, divestitures, licensing and joint ventures) involving different forms of intellectual property
- Valuations as part of a wider mandate to deliver value-based marketing strategy and tracking, thereby bridging the gap between marketing and finance.

Brand Finance is headquartered in London and has representative offices in Toronto, New York, São Paolo, Madrid, Amsterdam, Paris, Geneva, Zagreb, Istanbul, Moscow, Dubai, Bangalore, Colombo, Singapore, Hong Kong and Sydney.

www.brandfinance.com

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Key Findings

- **Brands are increasingly recognised as important intangible assets that confer long-term competitive advantages. Increasing the value of these intangible assets is critical to management but the task is often delegated to less senior, less strategic staff.**

- The total value of the 250 most valuable global brands is $2,179 trillion. Much of this brand value is not located in conventional consumer goods sectors, underlining the point that brands now create significant economic value in all sectors, from utilities to finance.

- **New financial reporting standards have led to a marked increase in disclosed intangible assets, including brands, amongst listed companies. This will continue under International Financial Reporting Standards (IFRS).**

- Sadly many companies continue to regard the recognition of brand values as tedious compliance rather than as an opportunity to better manage the business. This will have to change as competition increases in all sectors and countries.

- **Brand valuation and analysis tends to be conducted under duress or for short-term reasons rather than as a management process to understand, plan and ensure a company maximises value from its intangible and brand assets.**

- **Currently US and EU companies dominate our brand value league table with Coca-Cola in number one position. We anticipate that over the next 10 years both non-traditional brands and brands from the developing world will be challenging for position within the top 20.**

Glossary of terms

Brand
Trademarks and associated intellectual property

ßrandßeta®
Brand Finance's proprietary method for adjusting a weighted average cost of capital to arrive at a specific discount rate for each brand (based on its Brand Rating)

Branded business
The whole business trading under particular brands, the associated goodwill and all the other tangible and intangible elements at work within the business

Brand rating
A summary opinion, similar to a credit rating, on a brand based on its strength as measured by Brand Finance's 'Brand Strength Index'

Brand value
The net present value of the estimated future cash flows attributable to the brand (see Methodology section for more detail)

Discounted cash flow (DCF)
A method of evaluating an asset value by estimating future cash flows and taking into consideration the time value of money and risk attributed to the future cash flows

Discount rate
The interest rate used in discounting future cash flows

Enterprise value
The combined market value of the equity and debt of a business less cash and cash equivalents

Fair market value (FMV)
The price at which a business or assets would change hands between a willing buyer and a willing seller, neither of whom are under compulsion to buy or sell and both having reasonable knowledge of all relevant facts at the time

Holding company
A company controlling management and operations in another company or group of other companies

Intangible asset
An identifiable non-monetary asset without physical substance

Net present value (NPV)
The present value of an asset's net cash flows (minus any initial investment)

Tangible value
The fair market value of the monetary and physical assets of a business

Weighted average cost of capital (WACC)
An average representing the expected return on all of a company's securities. Each source of capital, such as stocks, bonds, and other debt, is assigned a required rate of return, and then these required rates of return are weighted in proportion to the share each source of capital contributes to the company's capital structure

Introduction

It is nearly twenty years since RHM, a UK-based food manufacturing company, placed the value of its brand portfolio on the balance sheet as part of its defence against a hostile takeover bid. Whilst it was not the first instance of brand values being capitalised on the balance sheet, the context and subsequent result caused many accountants to fall off their stools in horror.

"How can an internally-generated intangible asset appear on the balance sheet?" they cried, "What mysterious processes can possibly be used to measure such things at fair market value?"

Many marketers applauded RHM's move because it provided strong evidence of the value of brands as key business assets.

However most financial authorities viewed RHM's action differently, and accounting standards were enforced to prevent companies from capitalising internally generated intangible assets in their balance sheets.

Since then, brand valuation methodologies have evolved and are now used as the basis for business decision-making such as:

- Analysing the effectiveness of marketing spend (helping clients identify the '50% they currently waste')
- Making brand portfolio decisions to maximise value
- Driving M&A activity
- Supporting corporate litigation
- Planning tax-efficient structures and transfer pricing

Crucially, the recent changes in international accounting standards now mean that, post-acquisition, the acquired company's brand(s) (and other separately identifiable intangible assets) can be placed on the balance sheet.[1]

There are several ways of valuing brands. Depending on the reason for the valuation, different approaches should be employed.

The BrandFinance250 is based on the 'Royalty Relief' approach, also referred to as the 'Relief from Royalty' approach. This is the method favoured by tax authorities and courts as it is based on documented, third party transactions and removes much of the subjectivity associated with brand valuations.

Our table provides an independent assessment of the 250 most valuable brands in the world. The full league table is reproduced in the 'BrandFinance250 League Table' on page 25 of this report.

[1] See IFRS, FAS 141

Top 10 global brands

Rank	Brand
1	Coca-Cola
2	Microsoft
3	Citi
4	Wal-Mart
5	IBM
6	HSBC
7	GE
8	Bank of America
9	Hewlett-Packard
10	Marlboro

Coca-Cola is the world's most valuable brand. Originally created for medicinal purposes, it has become globally ubiquitous and the most widely distributed brand of all time. Created in 1888, the brand is the second most understood English word globally and is consumed in over 200 countries.

With a brand value of $43,146m, it has survived health scares, the commercial failure of 'New Coke' and becoming a focus for anti-capitalist and anti-American sentiment in various parts of the world. The brand has also extended to cover various flavours and variations, including Diet Coke, Cherry Coke, Vanilla Coke and, most recently, Coke Zero.

Despite these issues, Coca-Cola's value is double that of its rival Pepsi, whose brand is calculated at $23,948m.

The world's largest company by market capitalisation, GE, sees its corporate brand come in at seventh place.

Of the new internet brands the highest entry in the list is Google ranked in 15th place, with a brand value of $24,687m.

Largest brand contribution to enterprise value

Brand value	Enterprise value %
Nike	84%
Prada	77%
Acer	71%
Avon	68%
Bulgari	68%
Chanel	66%
Estée Lauder	61%
Quicksilver	60%
Calvin Klein	58%
adidas	56%

The Nike brand makes the most valuable contribution to its parent company's value – the brand represents 84% of total Enterprise Value.

The second most valuable brand in this category is Prada, representing 77% of the company's value: a testament to the leadership and design skills of Miuccia Prada. Acer makes a surprising entry at number three - the brand owes its entry to a relatively low enterprise value compared to its revenues (revenues are one of the key value drivers in our valuation methodology).

Fashion and cosmetic brands comprise almost all of the top ten, including Chanel and Estée Lauder, representing 66% and 61% of the parent company's value respectively.

On average, brand values represent 18% of the total enterprise value of the businesses represented within the BF250, confirming the importance of brands to the overall value and success of the businesses that they symbolise. This evidence supports calls for brands to be strategically managed by both marketing and financial departments alongside senior management.

Most highly rated brands

Brand Rating	Number of brands	Brands
AAA+	12	Coca-Cola Kellogg’s McDonald's Microsoft Gillette Chanel Nike Sony BMW Google PricewaterhouseCoopers Prada
AAA	8	Gucci Apple Nokia Dell Louis Vuitton Porsche HSBC Harley-Davidson
AAA-	17	Singapore Airlines Disney Budweiser Starbucks Nintendo Siemens Shell Moët & Chandon American Express Wrigley’s Hennessy Heineken Oracle Jaguar eBay Evian BT

The Brand Rating score represents a summary opinion on a brand based on its strength as measured by Brand Finance’s ‘Brand Strength Index’. This competitive benchmarking tool provides an understanding of the strength of each brand and is used to determine appropriate royalty and discount rates in the brand valuation process using our proprietary ßrandßeta® methodology.

The Brand Rating delivers insight into the underlying strength of each brand and illustrates how valuations require a robust analysis of each brand’s performance in order to determine its value. This information is useful to both marketing and finance departments.

Brand Finance’s Brand Ratings are conceptually similar to company credit ratings. The top 12 brands by Brand Rating are Coca-Cola, Kellogg’s, McDonald's, Microsoft, Gillette, Nike, Sony, BMW, Google, Prada and Chanel and PricewaterhouseCoopers. All 12 have a Brand Strength Index score of over 90 which converts into a ‘AAA+’ Brand Rating. These 12 are the only brands to achieve AAA+ ratings in the study.

Brand Ratings are important because they are a leading indicator of future performance. Some very large and valuable brands may have deteriorating ratings. This ultimately leads to destruction in brand value, and vice-versa.

Countries with the most valuable brands

115 US brands dominate the BF250 global league table. This represents 45% of the total and confirms the global dominance of US brands and businesses.

US companies have been successful at creating brands to secure global market leadership and mitigate risk.

However, conditions are changing and even the most valuable brands cannot be complacent. Wal-Mart ($34,899m) and Dell ($23,621m) have both faced considerable criticism in recent years. Wal-Mart's performance in Germany and Dell's in China suggest that the one size fits all, model is giving way to local brand strategies.

99 European brands represent 37% of the BF250 global league table.

The remaining 36 brands come from across the globe with a small number from emerging markets. In future years we expect to see an increasing number of brands from Brazil, Russia, India and China and also from other emerging markets.

Within Europe, the UK, with 26 featured brands, emerges above France, which has 24 brands. Germany has 17 brands - including six global automotive brands, namely Mercedes-Benz, BMW, Chrysler, VW, Porsche and Audi. In fact the odd one out in the automotive sector is Chrysler, which has American origins.

All brands in the BF250 are recorded as being from the country in which the brand owner is listed: in this case DaimlerChrysler has its primary listing in Frankfurt. This illustrates, in an increasing global marketplace, how intangible assets are moving between countries and the effect this has on the ownership of global intangible asset values.

Cross-country transfer of intangible assets, most notably brands, is an issue that stirs up consumer interest. A good example of this is the 2006 buying spree of British-based brands by international players. This resulted in a range of brands moving away from British ownership including P&O (ferry operator), BAA (airport

Countries with the most valuable brands (cont.)

operator), Pilkington (the UK's largest glass-maker), London Electricity and Anglian Water, abbey (financial services) and 02 (mobile telecoms). This led to much debate about the potential long-term effects this might have on 'UK plc', particularly when this spate of acquisitions has not been matched by British companies acquiring foreign assets. This discussion has equally been evident elsewhere both in developed and developing nations.

Few advocate protectionist measures in open markets like Britain. But where it comes to acquisitions there must be a level regulatory playing field. The fact is that some countries are explicitly nationalistic in the defence of their 'crown jewel' brands while others, like Britain, are more liberal.

If the regulatory conditions permit, it seems inevitable that brands from emerging markets will become takeover targets of cash rich brand owners from developed markets. Equally, we expect to see the strongest emerging market brands generating sufficient buying power to acquire developed market brands, along the lines of the Chinese based Lenovo Group's acquisition of IBM's PC Division for $1.75 billion in 2004.

It is important to note that not only is cross-country ownership becoming more common but consumers are increasingly struggling to identify the nationality or origins of a brand, either due to longevity in the market place, such as Heinz, or deliberate product positioning. For example Nando's restaurant chain, has been positioned as Portuguese, when it actually comes from South Africa.

Country of origin is increasingly being used to differentiate company brands and this will become more obvious in the next few years. For example Evian of France and Audi of Germany have used country of origin to reinforce price premium and exclusivity.

Sectors with the most valuable brands

The biggest sector represented within the BF250 is the financial services sector by a considerable margin. The BF250 contains 30 (see Methodology explanation) financial service brands with a total brand value of $327 billion. Over the last decade, branding's contribution to business performance within financial services has increased dramatically. With relaxed legislation, increased international competition and growing consumer awareness of alternative offerings placing more emphasis than ever on creating powerful brands, successful differentiation amongst what is essentially a commoditised market is a key factor.

Some companies have chosen to develop international mono-brands, like HSBC and Citi, whilst others have followed a multi-brand strategy. Understanding the value of each brand within the portfolio, and analysing what drives that value will help those companies to make the difficult decisions as to which brand architecture strategy will be most effective.

The second largest sector in the index is auto-manufacturing with 19 entrants. Toyota takes the automotive honours with a brand value of $24,534m, racing ahead of Mercedes-Benz ($22,551m) and BMW ($17,860m), second and third amongst the automotive manufacturers respectively. Whilst automotive companies continue to keep faith with high spend advertising campaigns, their overall market value and success seems to suggest that their effect is currently not providing sufficient return on investment through differentiation, increased customer loyalty and ultimately improved sales and profit. Suffering brands like Ford and GM would be better placed spending the money on improving the quality of their product.

The next sector with 20 featured brands is retail, headed by Wal-Mart. Tesco takes second place with the goliath Home Depot relegated to third.

In the oil and gas sector, ExxonMobil currently falls below Shell in brand value terms, despite being larger than Shell in total enterprise value terms. BP lies in third place, however, whilst all three have been criticised on occasions for their environmental credentials, ExxonMobil has suffered most from adverse publicity.

The most intangible sector globally according to the Brand Finance 'Global Intangible Tracker'[2] is the media sector. 91% of the total enterprise value in media is intangible. Meanwhile 11 media companies made the grade in the BF250. Disney remains marginally above Time Warner to keep its position as the world's most valuable media brand. All but two of the 11 media companies are US based. The UK owns the other two brands: namely the BBC and Reuters.

Other notable sectors include telecommunications, where Vodafone comes out top of the 19 brands, fashion brand has 11 and there are 10 brands within electronics. Beverages has 11 featured brands topped by Coca-Cola and Pepsi and followed by beer giant Budweiser. Budweiser has almost double the brand value of it's nearest rivals Stella Artois and Heineken.

[2] Brand Finance's analysis of the intangible value contained in the world's 25 largest stock markets.

Winners by sector

Sector	Top brand	Over- all Rank	Brand value (US$M)	Brands/ sector
Aerospace & defence	Boeing	111	6,607	1
Airlines	American Airlines	157	5,032	5
Apparel	Nike	28	17,818	4
Auto Manufacturers	Toyota	16	24,534	19
Auto parts & equipment	Goodyear	230	2,197	2
Beverages	Coca-Cola	1	43,146	11
Chemical	DuPont	234	2,117	1
Commercial Services	PricewaterhouseCoopers	98	7,850	6
Computers	IBM	5	34,074	8
Cosmetics/Personal Care	Gillette	12	26,649	7
Credit Cards	American Express	26	18,109	2
Electronics	Samsung	32	16,537	10
Fashion	Louis Vuitton	22	22,962	11
Financial Services	Citi	3	35,148	30
Food	Nescafé	31	16,542	12
Hand/Machine tools	Black & Decker	224	2,340	1
Healthcare services	Wellpoint	179	4,142	1
Household products/wares	Kleenex	213	2,556	1
Hotels	Hilton	245	1,839	1
Insurance	AIG	39	14,851	11
Internet	Google	15	24,687	5
Machinery construction & mining	Caterpillar	134	5,650	1
Media	Disney	21	23,145	11
Miscellaneous Manufacturers	GE	7	31,850	6
Office/Business Equipment	Canon	89	8,186	2
Oil & Gas	Shell	36	15,621	9
Pharmaceuticals	GlaxoSmithKline	108	6,734	9
Retail	Wal-Mart	4	34,899	20
Retail-restaurants	McDonald's	18	24,083	4
Software	Microsoft	2	37,074	5
Telecommunications	Vodafone	11	26,752	19
Tobacco	Marlboro	10	26,990	2
Toys/games/hobbies	Nintendo	107	6,776	2
Transport-services	UPS	42	14,168	2
Utilities	SUEZ	137	5,610	6
Wireless equipment	Nokia	17	24,280	3

Competitor brands go head to head

Carrefour vs. Tesco

• **Enterprise value**	$42,389m vs.$66,246m
• **Brand value**	$10,512m vs. $16,136m
• **Position**	63rd vs. 34th
• **Brand score/rating**	59/A vs. 77/AA+

At present, one of the most interesting battles in international retail is between two European based multi-nationals, French-owned Carrefour and British-owned Tesco. Both have significant international operations and include a presence in the high growth areas of Eastern Europe and South East Asia.

Carrefour had a clear lead over Tesco in the recent past but Tesco's enterprise value and brand value have since overtaken its rival. In branding terms, Carrefour's value is over $5,000m smaller than Tesco, reflecting the stronger underlying strength of the Tesco brand, which enjoys an AA+ rating.

In brand architecture terms, Tesco employs its corporate name in most countries with the exception of Hymall in China and Tesco Lotus in Thailand. Carrefour operates a very mixed multi-brand strategy for different segments of the market. These brands include Champion and Globe in supermarkets, Dia in hard discounters and Proxi and Shopi in convenience stores.

Both have ambitious growth plans but the market seems to favour Tesco at present whose more ubiquitous brand continues to gain momentum.

British Airways vs. American Airlines

• **Enterprise value**	$15,537m vs. $16,820m
• **Brand value**	$3,648m vs. $5,032m
• **Position**	197th vs. 157th
• **Brand score/rating**	74/AA vs. 75/AA+

Despite similar enterprise values and rumours of a merger of equals, the US-based airline has the edge in terms of brand value. Both have survived the problems caused by 9/11, but BA has also come under attack from the European budget airlines on most of its short haul routes. Negative publicity, including a crisis at its caterers Gate Gourmet, radiation contamination on some of its jets and the security crisis at UK airports, have all impacted the brand value.

Nevertheless both brands still command huge respect amongst both the industry and consumers worldwide.

The trend, however, in the next few years will be very telling. As short haul flying becomes increasingly price sensitive the challenge will not be between full service brands but amongst them and increasing competition from budget airlines such as Air Asia, South Western in the US and easyJet, Ryanair and GermanWings in Europe.

Competitor brands go head to head (cont.)

Honda vs. Ford

• **Enterprise value**	$82,182m vs. $129,920m
• **Brand value**	$10,793m vs. $10,559m
• **Position**	57th vs. 62nd
• **Brand score/rating**	69/AA- vs.66/AA-

These two brands are an interesting pairing; not only do they almost sit together on the index but they also represent a metaphorical exchange: one a 'rising star' and the other a 'problem child'. Whilst Ford's total enterprise value is still significantly above that of its Japanese rival, its brand is now considered less valuable. Unless Ford is able to remedy it's ongoing problems, the brand scores are likely to grow wider apart and in favour of Honda in the BF250 2007.

The Honda brand represents 13% of the parent company's enterprise value versus 8% at Ford. More importantly, it is working harder for its company and making considerable impact on its bottom line. The reputation of Honda, its perceived environmental credentials and the creativity of its advertising and wider marketing efforts, clearly differentiates the marque from its older, more established rival, despite its lack of heritage.

Kraft vs. Nestlé

• **Enterprise value**	$188,803m vs. $143,932m
• **Brand value**	$9,904m vs. $5,707m
• **Position**	69th vs. 131st
• **Brand score/rating**	53/A- vs. 78/AA+

Both Kraft and Nestlé employ a variety of branding strategies, sometimes marketing products that display the parent name, in some cases extremely prominently (i.e. Kraft Spread), and sometimes purposely understating or hiding the parent group. An interesting dimension is that Nestlé also owns the world's third most valuable beverage brand: Nescafé, which has a brand value of $16,542m, representing 11% of the Nestlé SA total enterprise value and exceeding that of the overall Nestlé brand. Nevertheless with a brand score of 78 and a rating of AA+, Nestlé is still the stronger brand. This result reflects the more prominent role of the product brand in influencing consumer perceptions and purchase behaviour.

Both companies have experienced high profile challenges; Nescafé is still somewhat damaged by the African milk scandal, whilst Kraft has suffered from being part of Altria, which also owns the world's largest tobacco company, Phillip Morris. The expected separation of Kraft from Philip Morris will no doubt free the company from any stigma attached to the tobacco industry and also allow Kraft's management to focus on improving their brands' performance. This will give it the opportunity to extend its lead over Swiss-based Nestlé in value terms and closing the gap in Brand Rating terms.

Following major corporate activity (e.g. acquisition or divestment), it is advisable for holding companies like Nestlé and Kraft, to understand the value of their brand portfolios and their expected growth and shareholder contribution. This allows the companies to understand how to focus their efforts, allocate marketing budget across the portfolio and if necessary divest brands that are not delivering.

Both companies have had a fairly uneventful year although as with all food companies the ongoing debate about junk food, high salt and sugar levels and the obesity crisis have been a concern for management. The Kraft brand represents 5% of the company's total enterprise value whilst Nestlé has an almost comparable 4%.

Kellogg's and **Danone** follow as the third and fourth placed global food brands, both use the parent company name prominently in their marketing and most products bear the parent name clearly on the packaging. In 2006 the French government stated publicly that Danone was a 'national asset', and that it should not be acquired by a foreign investor.

Competitor brands go head to head (cont.)

Nike vs. adidas

• **Enterprise value**	$21,151m vs. $9,408m
• **Brand value**	$17,818m vs. $5,260m
• **Position**	28th vs. 146th
• **Brand score/rating**	91/AAA+ vs. 72/AA

The battle between **Nike** and **adidas** is arguably the most high profile rivalry in sportswear. They have dominated the international sportswear market since the late 1970s, although it should be noted that smaller, more niche rivals are gaining ground with the rise of esoteric and extreme sports, from surfing and snowboarding, to biking, skateboarding and free-running. Brands like **North Face**, **O'Neill's**, **Quicksilver**, **Animal** and **Rip-Curl** are clearly gaining momentum, although Quicksilver aside, cumulatively they represent less than 10% of the leader's revenues.

Nike's brand is worth almost three times its German rival; its enterprise value is just over double the size. Both company's brands represent huge assets to the parent companies, representing 56% of the company's total value for adidas and 84% for Nike. When the Reebok brand is also considered, then brand assets will probably equal over 80% of the total value of adidas.

In the short term, it is unlikely that adidas will achieve its ambition of overtaking Nike. Nevertheless both brands may soon have to forget worrying about each other and be more concerned with the growing influence of the smaller players.

PwC vs Deloitte

• **Enterprise value**	$71,366m vs. $45,861m
• **Brand value**	$7,850m vs. $5,045m
• **Position**	98th vs. 155th
• **Brand score/rating**	90/AAA+ vs. 67/AA-

The 'Big Four' accountancy firms dominate the international market for traditional professional services (audit, tax, advisory), and are again spending significant resources growing their consultancy practices, having been forced to sell them in the wake of the Enron scandal. Much stricter regulations are in place to ensure proper separation of audit and consultancy within these firms. There are signs in some markets that the mid-tier firms are challenging their giant rivals, no doubt helped by conflict of issue concerns.

PricewaterhouseCoopers emerges top with an enterprise value approximately $25,500m more than its nearest rival (Deloitte) and a brand value that is $2,800m higher. The latter is as a result of a higher brand score and rating.

Competitor brands go head to head (cont.)

Prudential (Plc) vs. Prudential (Financial)

• **Enterprise value**	$32,954m vs. $43,316m
• **Brand value**	$7,970m vs. $7,948m
• **Position**	94th vs. 95th
• **Brand score/rating**	56/A vs. 66/AA-

The British and American insurers unusually share a brand name thanks to an agreement made in 1978 when they were domestic companies focused purely on their home territories. Both are now expanding internationally and are increasingly coming in contact, with disagreements and litigations resulting. The convergence of the two companies even extends to the BF250 where the two are separated by just one place.

Prudential plc, the British firm has operations in the US under the **Jackson National Life** brand whilst both also operate in markets such as the Far East.

The UK brand is more valuable to its parent company, representing 24% of the total enterprise value versus 18% of its US rival despite a lower brand score. The result is that although the US company is larger, both company's brands emerge with almost equal values. A point of interest is that the global value of the two combined would top $15,000m, making the united brand the most valuable in the insurance industry. The company has already been on the end of a takeover approach from a UK rival and whilst that was quickly rebuffed, talk of it being a target has diminished.

Nokia vs. Motorola

• **Enterprise value**	$68,544m vs. $47,314m
• **Brand value**	$24,280m vs. $10,234m
• **Position**	17th vs. 65th
• **Brand score/rating**	89/AAA vs. 63/A+

The battle of the handset manufacturers continues apace, as the 2001 joint venture between **Sony** and **Ericsson** marked the arrival of a third contender. **Nokia**, representing approximately 50% of the Finish stock market, has concentrated its efforts towards telephone handsets. It originally established a substantial lead over its competitors through well designed, technically sound products, strong distribution and highly competent marketing.

However Nokia has weathered the increasingly competitive handset market, as is shown by the Brand Rating of AAA and its ongoing market leadership. As one of the world's top twenty brands, Nokia maintains its lead over its rivals but it must continue the pace and quality of its new product development if it is to remain market leader in the future.

The Nokia brand represent over a third of the value of its parent company (35%), whilst **Motorola** is nearer a quarter (22%). The US giant has been making substantial improvements narrowing the gap with Nokia, not least with the introduction of the highly successful Pebble handset.

Other players such as **LG** and **Samsung** are also growing rapidly. These brands have a pre-existing presence across multiple sectors of the electronics industry aside, meaning they have created sufficient brand equity to extend into similar product sectors.

Country league tables

Switzerland's most valuable brand is Nescafé, with parent brand Nestlé also in the top five Swiss brands. Financial service giant UBS and the two pharmaceutical giants, Roche and Novartis make up the rest of the top 5.

Rank	Brand	Parent Company	Sector	Brand Value $US
31	Nescafé	Nestlé SA	Food	16,542
38	UBS	UBS AG	Financial Services	15,137
118	Roche	Roche Holdings Ltd	Pharma-ceuticals	6,297
125	Novartis	Novartis AG	Pharma-ceuticals	6,163
131	Nestlé	Nestlé SA	Food	5,707

Mercedes-Benz takes the crown as **Germany's** top brand, whilst parent company DaimlerChrysler is also the only German company to have two brands in the BF250. Audi, Lufthansa and Nivea failed to make the German top ten. Germany has a fair mix of sectors although auto-manufacturing clearly leads the way.

Rank	Brand	Parent Company	Sector	Brand Value $US
23	Mercedes-Benz	Daimler-Chrysler AG	Auto Manufacturers	22,551
27	BMW	Bayerische Motoren Werke AG	Auto Manufacturers	17,860
43	Allianz	Allianz AG	Insurance	13,862
64	Siemens	Siemens AG	Miscellaneous Manufactur	10,363
83	Chrysler	Daimler-Chrysler AG	Auto Manufacturers	8,689
84	T-Mobile	Deutsche Telekom AG	Telecommu-nications	8,475
88	Deutsche Bank	Deutsche Bank AG	Financial Services	8,240
99	VW	Volkswagen AG	Auto Manufacturers	7,827
106	SAP	SAP AG	Software	6,834
146	adidas	adidas - Solomon AG	Apparel	5,260

Country league tables (cont.)

L'Oreal take the number one slot in a strong **French** field. Seven of the top ten French brands share their key product name with the corporate name.

The luxury trio of **Louis Vitton**, **Gucci** and Chanel stand out as French icons, where less glamorous but nonetheless sizeable brands of **Axa** in insurance, **Carrefour** and **Auchan** in retail and **Orange** in telecoms make the grade. Two financial service brands feature, both of which have a strong international reputation.

HSBC takes the British throne as the most valuable **UK** brand. Incredibly all ten brands are also corporate brands. Outside of the top six the British entrees come further down the index than their French and German counterparts. Financial Services is the most represented sector with four entries.

Rank	Brand	Parent Company	Sector	Brand Value $US
14	L'Oreal	L'Oreal SA	Cosmetics/ Personal Care	25,050
22	Louis Vuitton	LVMH Moët Hennes Louis Vuitton SA	Fashion	22,962
40	AXA	AXA SA	Insurance	14,389
49	BNP Paribas	BNP Paribas	Financial Services	12,278
52	Gucci	PPR SA	Fashion	11,657
59	Chanel	Chanel SA	Fashion	10,737
60	Orange	France Telecom	Telecommuni-cations	10,721
63	Carrefour	Carrefour SA	Retail	10,512
73	Auchan	Auchan SA	Retail	9,487
97	Société Générale	Société Générale	Financial Services	7,856

Rank	Brand	Parent Company	Sector	Brand Value $US
6	HSBC	HSBC Hldgs Plc	Financial Services	33,495
11	Vodafone	Vodafone Group Plc	Telecom-munications	26,752
34	Tesco	Tesco Plc	Retail	16,136
36	Shell	Royal Dutch Shell Plc	Oil&Gas	15,621
48	BP	BP Plc	Oil&Gas	12,376
50	Barclays	Barclays Plc	Financial Services	12,182
94	Prudential	Prudential Plc	Insurance	7,970
108	Glaxo-SmithKline	Glaxo-SmithKline Plc	Pharmaceu-ticals	6,734
124	Lloyds TSB	Lloyds TSB Group Plc	Financial Services	6,169
132	NatWest	Royal Bank of Scotland Group	Financial Services	5,705

Country league tables (cont.)

Whilst fashion brands unsurprisingly dominate the **Italian** top five it is telecommunications brand **TIM** that comes first in the Italian liga with a gigantic value versus its Italian peers. Whilst there is no doubting people's desire for the likes of **Prada** and **Bulgari,** and the resulting benefit on their margins and sales, their value is fairly small in comparison to more mass market players like TIM and Generali.

Rank	Brand	Parent Company	Sector	Brand Value $US
35	TIM	Telecom Italia SpA	Telecommunications	16,136
45	Generali	Assicurazioni Generali SpA	Insurance	12,895
185	Prada	Prada SpA Group	Fashion	3,984
220	Diesel	Diesel SpA	Fashion	2,415
225	Enel	Enel SpA	Utilities	2,339
227	Bulgari	Bulgari SpA	Fashion	2,284

Toyota is the most valuable brand in **Japan**, with fellow automotive brands **Honda** in third and **Nissan** 7th, Electronic companies dominate with **Sony**, **Hitachi** and **Panasonic** joined by specialist electronic companies, **Nintendo** and **Canon**.

Rank	Brand	Parent Company	Sector	Brand Value $US
16	Toyota	Toyota Motor Corp	Auto Manufacturers	24,534
57	Honda	Honda Motor Co	Auto Manufacturers	10,793
61	Sony	Sony Corp	Electronics	10,622
77	Hitachi	Hitachi Ltd	Electronics	9,171
89	Canon	Canon Inc	Office/ Business Equip	8,186
92	NTT DoCoMo	NTT DoCoMo Inc	Telecommunications	8,061
104	Nissan	Nissan Motor Co	Auto Manufacturers	7,085
107	Nintendo	Nintendo Co Ltd	Toys/ Games/ Hobbies	6,776
123	Panasonic	Matsushita Electric Industrial Co., Ltd	Electronics	6,196
128	Mizuho Bank	Mizuho Financial	Financial Services	6,090

The **US** top ten is the same as the overall top ten **HSBC** in sixth was the only non-US player in the top ten.

Accounting for intangibles

There are different definitions of 'intangible assets'. In the most basic terms, it is an asset that is not physical in nature. The examples below, grouped into three categories, typically fall within the definition of intangible assets.

(1) Rights: leases; distribution agreements; employment contracts; covenants; financing arrangements; supply contracts; licenses; certifications; franchises.

(2) Relationships: trained and assembled workforce; customer and distribution relationships.

(3) Intellectual Property: trademarks; patents; copyrights; proprietary technology (e.g. formulas; recipes; specifications; formulations; training programs; marketing strategies; artistic techniques; customer lists; demographic studies; product test results; business knowledge - processes; lead times; cost and pricing data; trade secrets and know-how).

International accounting standards (IAS) adopt an alternative method of classification, namely, marketing-related, customer-related, contract-based, technology-based and artistic-related intangible assets.

In accounting terms, an asset is defined as a resource that is controlled by the entity in question and which is expected to provide future economic benefits to it. The International Accounting Standards Board definition of an intangible asset requires it to be:

- A) Non-monetary B) Without physical substance and C) 'Identifiable'

In order to be 'identifiable' it must either be separable (capable of being separated from the entity and sold, transferred or licensed) or it must arise from contractual or legal rights (irrespective of whether those rights are themselves 'separable').

It is important to recognise the distinction between internally-generated and acquired intangible assets. IAS only allow acquired intangible assets to be recognised on the balance sheet provided that they meet the above mentioned criteria. I.e; the internally-generated intangibles of a company cannot be explicitly stated on its balance sheet.

This results in what is sometimes described as 'internally generated goodwill'. This is the difference between the fair market value of a business and the value of its identifiable balance sheet net assets. The treatment of this goodwill only changes if the company is acquired, converting the goodwill from internally-generated to acquired.

Intangible assets that may be recognised on a balance sheet under IAS are typically only a fraction of the total intangible asset value of a business, with the remaining value continuing to be classified as 'goodwill'. Brands, if acquired, can be identified under these rules and added to the balance sheet. This results in the unusual situation where internally-generated brands of the acquiree may be recognised on the acquirer's balance sheet but the acquirer's own internally-generated brands may not. For this reason, Brand Finance thinks there is a strong case for the inclusion of internally-generated brands on the balance sheet.

Brands fulfil the definition of intangible assets above, in that they are controlled by management, provide future economic benefits and are identifiable and therefore can be sold, transferred or licensed as appropriate. We are increasingly seeing companies taking advantage of this transferability by moving brands (including trademarks and other associated intellectual property, such as design rights and other marketing collateral) to special purpose vehicles, such as brand holding companies, for the purpose of raising finance and tax planning.

Methodology

How did we select brands for potential inclusion?

The brands featured in the BrandFinance250 were originally identified during analysis for Brand Finance's 'Global Intangibles Tracker' study: an analysis of the intangible value captured in the 5,000 largest, publicly listed companies across the top 25 global stock exchanges. In order to ensure the BF250 covered a diverse range of sectors, the index features only the 30 most valuable brands in each sector. Most private company-owned brands have been omitted due to lack of publicly available financial data. For a company to be included, Brand Finance required access to detailed historical accounts, meaning the majority of brands are publicly quoted or part of a publicly traded holding company.

In some situations, we were able to obtain financial data for private or public service companies – e.g. the BBC – meaning the company was eligible for inclusion.

What do we mean by 'brand'?

Although there are numerous definitions of 'brand', the BrandFinance250 report defines brand as 'trademark and associated intellectual property'.

How did we calculate the brand values?

Brand Finance used the 'Royalty Relief' approach to brand valuation which uses discounted cash flow (DCF) techniques to discount estimated future royalties at an appropriate discount rate to arrive at a net present value (NPV) – which is held to constitute the brand value.

The basic steps are outlined below:

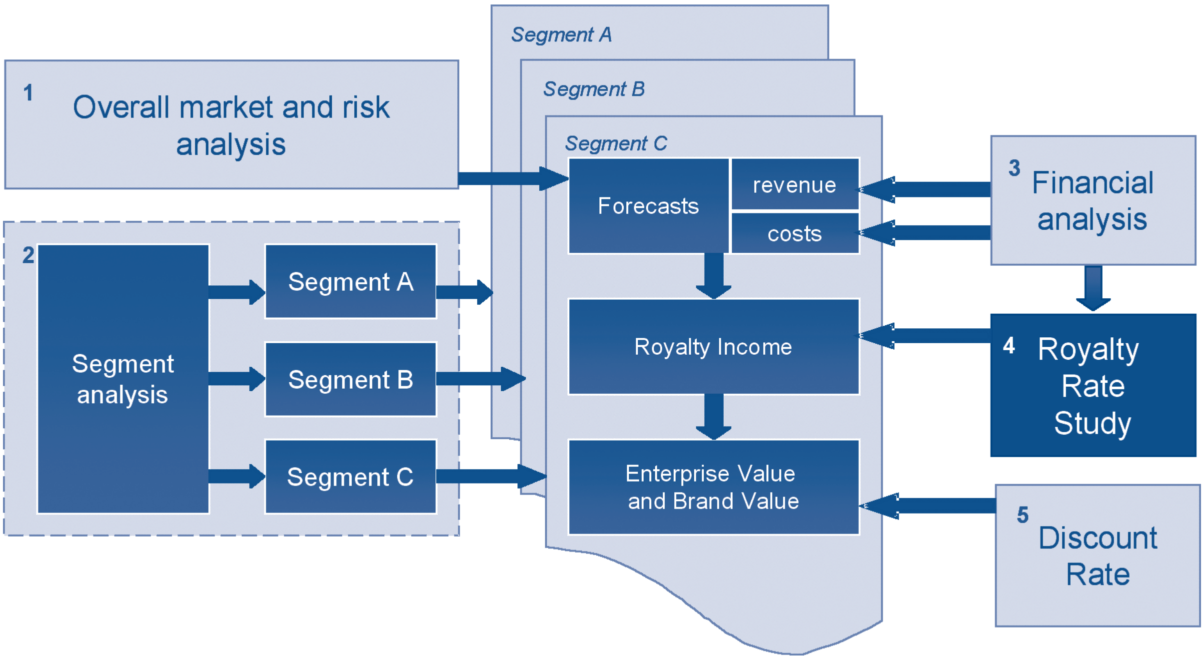
1. Estimate future sales over a five-year explicit period. With reference to market growth, competitive forces, historic sales and analysts' projections, growth assumptions are developed.

2. Set a royalty rate range for each application of the brand by reviewing comparable licensing agreements and industry royalty rates. Having established a royalty rate range, pinpoint where along that range each brand within the sector should lie using the 'Brand Strength Index' and resulting Brand Rating (see 'What is the Royalty Relief approach and why has it been used?' below for further details).

3. Calculate discount rate specific to each brand using **ßrandßeta®** analysis (again see below).

4. Calculate future royalty revenues by applying the royalty rate determined in step 2 to the estimated future sales from step 1. Discount future royalty earnings to a NPV using the discount rate determined in step 3. The NPV of this stream of (notional) royalty payments represents the value of the brand.

In cases where the corporate brand owned a portfolio of product brands our analysis incorporated a review of how prominently the corporate brand was used to endorse each product brand and how important it was in influencing customer perceptions. This allowed us to attribute a certain proportion of brand value in each part of the portfolio to the corporate brand.



What is the 'Royalty Relief' approach and why has it been used?

'Royalty Relief' is an 'economic use' approach to valuation which determines the value of the brand in relation to the royalty rate that would be payable for its use were it owned by a third party. The royalty rate is applied to future revenues to determine an earnings stream that is attributable to the brand. The brand earnings stream is then discounted back to a NPV.

The royalty rate is calculated by reference to a 'Brand Strength Index' - a competitive bench-marking tool that identifies the strength of each brand in question. This rate is then supported by a profit margin analysis of comparable companies. Profit margins have been shown to be directly correlated to the royalty rates that brands are able to command.

The Brand Finance model uses the Royalty Relief methodology for three reasons. Firstly, it is the approach that is most recognised by technical authorities worldwide and favoured by accounting, tax and legal users because it calculates brand values by reference to comparable, third-party transactions. Secondly, it ties back to the commercial reality of brands - their ability to command a premium in an arm's length transaction. Finally, because it can be performed on the basis of publicly available financial information.

What is 'ßrandßeta®' analysis

'ßrandßeta®' is Brand Finance's proprietary method for arriving at a brand specific discount rate.

A weighted average cost of capital (WACC) is calculated using the generally accepted capital asset pricing model (CAPM) and then adjusted by the ßrandßeta® to arrive at a specific discount rate for each brand. The extent of the ßrandßeta® adjustment depends on the Brand Rating. A stronger brand should be positively reflected in the discounted cash flow calculation with a lower discount rate, as its

Methodology (cont.)

earnings are likely to be less volatile than weaker brands operating in the same sector and thus less risky (and vice-versa for a weaker brand). The cost of equity and cost of debt components of the WACC are both adjusted to reflect the perceived reliability of the brand to deliver forecast revenues.

The analysis uses the Brand Rating for each brand derived from the 'Brand Strength Index' to make these adjustments. Brand Finance's Brand Ratings are conceptually similar to company credit ratings. The top ten brands by Brand Rating are Coca-Cola, Kellogg's, McDonald's, Microsoft, Gillette, Nike, Sony, BMW, Google and PricewaterhouseCoopers. All ten have a Brand Strength Index score of over 90 which converts into a 'AAA+' Brand Rating.

The analysis serves the following purposes:

- Quantifies the strength and performance of the brand being valued at a point in time
- Provides an indication of the risk attached to future earnings of the brand, and can be used in the determination of an appropriate discount rate for valuation purposes
- Provides the basis for performance tracking
- Provides lead indicators of future performance. Some very large and valuable brands may have deteriorating ratings. This ultimately leads to destruction in brand value, and vice-versa.

The Brand Rating incorporates both quantitative and qualitative data. The quantitative data has been taken from Bloomberg, annual reports and Investor Relations materials. The qualitative data was compiled by Brand Finance via secondary research.

BrandFinance250 League Table

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
1	Coca-Cola	Coca-Cola Co	Beverages	US	110,442	43,146	39%	94	AAA+
2	Microsoft	Microsoft Corp	Software	US	248,010	37,074	15%	91	AAA+
3	Citi	Citigroup Inc	Financial Services	US	274,605	35,148	13%	79	AA+
4	Wal-Mart	Wal-Mart Stores	Retail	US	239,697	34,899	15%	55	A
5	IBM	IBM	Computers	US	149,384	34,074	23%	70	AA-
6	HSBC	HSBC Holdings Plc	Financial Services	GB	240,568	33,495	14%	88	AAA
7	GE	General Electric	Misc. Manufacturer	US	717,630	31,850	4%	77	AA+
8	Bank of America	Bank of America	Financial Services	US	266,506	31,426	12%	79	AA+
9	Hewlett-Packard	Hewlett-Packard	Computers	US	125,245	29,445	24%	77	AA+
10	Marlboro	Altria Group Inc	Tobacco	US	188,803	26,990	14%	67	AA-
11	Vodafone	Vodafone Group	Telecommunica-tions	GB	157,606	26,752	17%	74	AA
12	Gillette	Procter & Gamble	Cosmetics/ Personal Care	US	216,692	26,649	12%	91	AAA+
13	Intel	Intel Corp	Computers	US	114,136	25,095	22%	79	AA+
14	L'Oreal	L'Oreal SA	Cosmetics/ Personal Care	FR	63,900	25,050	39%	77	AA+
15	Google	Google Inc Cl A	Internet	US	133,237	24,687	19%	90	AAA+
16	Toyota	Toyota Motor Corp	Auto Manufacturers	JP	283,637	24,534	9%	69	AA-
17	Nokia	Nokia Oyj	Wireless Equipment	FI	68,544	24,280	35%	89	AAA
18	McDonald's	McDonald's Corp	Retail-Restaurants	US	66,031	24,083	36%	92	AAA+
19	Pepsi	PepsiCo Inc	Beverages	US	106,898	23,948	22%	74	AA

BRAND FINANCE®

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
20	Dell	Dell Inc	Computers	US	44,920	23,621	53%	89	AAA
21	Disney	The Walt Disney Co	Media	US	94,903	23,145	24%	84	AAA-
22	Louis Vuitton	LVMH Moët Hennessy Louis Vuitton SA	Fashion	FR	57,508	22,962	40%	88	AAA
23	Mercedes-Benz	DaimlerChrysler AG	Auto Manufacturers	DE	113,269	22,551	20%	80	AA+
24	Time Warner	Time Warner Inc	Media	US	102,338	22,404	22%	68	AA-
25	Verizon	Verizon Communications Inc	Telecommunications	US	172,062	19,910	12%	63	A+
26	American Express	American Express Co	Credit Cards	US	73,148	18,109	25%	81	AAA-
27	BMW	Bayer Motoren Werk	Auto Manufacturers	DE	64,516	17,860	28%	90	AAA+
28	Nike	Nike Inc	Apparel	US	21,151	17,818	84%	91	AAA+
29	Banco Santander	Banco Santander Central Hispano SA	Financial Services	ES	117,038	17,063	15%	66	AA-
30	Cisco	Cisco Systems	Software	US	142,063	16,782	12%	73	AA
31	Nescafé	Nestlé SA	Food	SW	143,932	16,542	11%	70	AA-
32	Samsung	Samsung Electronics Co	Electronics	KR	105,471	16,537	16%	64	A+
33	Budweiser	Anheuser-Busch Companies, Inc	Beverages	US	44,122	16,196	37%	84	AAA-
34	Tesco	Tesco Plc	Retail	GB	66,246	16,136	24%	77	AA+
35	TIM	Telecom Italia SpA	Telecommunications	IT	103,603	16,136	16%	70	AA-
36	Shell	Royal Dutch Shell Plc	Oil&Gas	GB	221,074	15,621	7%	82	AAA-
37	Home Depot	Home Depot Inc	Retail	US	74,279	15,360	21%	64	A+

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
38	UBS	UBS AG	Financial Services	SW	139,425	15,137	11%	69	AA-
39	AIG	American International Group, Inc	Insurance	US	194,345	14,851	8%	50	BBB
40	AXA	AXA	Insurance	FR	63,232	14,389	23%	53	A-
41	Wells fargo & Co	Wells Fargo & Co	Financial Services	US	133,512	14,277	11%	72	AA
42	UPS	United Parcel Service Inc	Transport-Services	US	83,204	14,168	17%	68	AA-
43	Allianz	Allianz AG	Insurance	DE	90,047	13,862	15%	60	A
44	ExxonMobil	Exxon Mobil Corp	Oil&Gas	US	396,319	13,148	9%	62	A+
45	Generali	Assicurazioni Generali	Insurance	IT	57,946	12,895	22%	55	A-
46	Apple	Apple Inc.	Computers	US	59,737	12,809	21%	90	AAA
47	News Corp	News Corp	Media	US	71,657	12,523	17%	54	A-
48	BP	BP Plc	Oil&Gas	GB	240,345	12,376	5%	79	AA+
49	BNP Paribas	BNP Paribas	Financial Services	FR	113,304	12,278	11%	58	A
50	Barclays	Barclays Plc	Financial Services	GB	94,851	12,182	13%	59	A
51	Chase	JPMorgan Chase & Co	Financial Services	US	190,157	12,083	6%	69	AA-
52	Gucci	PPR SA	Fashion	FR	24,094	11,657	48%	90	AAA
53	Credit Suisse	Credit Suisse Reg	Financial Services	US	81,957	11,519	14%	51	A-
54	China Mobile	China Mobile Ltd	Telecommunications	HK	142,748	11,018	8%	64	A+
55	Cingular	AT&T Inc	Telecommunications	US	163,117	10,851	7%	57	AA-

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
56	Target	Target Corp	Retail	US	57,097	10,841	19%	65	AA-
57	Honda	Honda Motor Co	Auto Manufacturers	JP	82,182	10,793	13%	69	AA-
58	Comcast	Comcast	Media	US	102,620	10,777	11%	65	A+
59	Chanel	Chanel	Fashion	FR	16,183	10,737	66%	90	AAA+
60	Orange	France Télécom	Telecommunica-tions	FR	124,167	10,721	9%	68	AA-
61	Sony	Sony Corp	Electronics	JP	37,246	10,622	29%	90	AAA+
62	Ford	Ford Motor Co	Auto Manufacturers	US	129,920	10,559	8%	66	AA-
63	Carrefour	Carrefour SA	Retail	FR	42,389	10,512	25%	59	A
64	Siemens	Siemens AG	Misc. Manufacturer	DE	83,879	10,363	12%	83	AAA-
65	Motorola	Motorola Inc	Wireless Equipment	US	47,314	10,234	22%	63	A+
66	ING	ING Groep NV	Insurance	NL	110,219	10,178	9%	47	BBB
67	AT&T	AT&T Inc	Telecommunica-tions	US	163,117	10,023	6%	62	A+
68	Chevrolet	General Motors	Auto Manufacturers	US	253,675	9,936	4%	68	AA-
69	Kraft	Altria Group Inc	Food	US	188,803	9,904	5%	53	A-
70	Kellogg's	Kellogg Co	Food	US	24,272	9,847	41%	93	AAA+
71	Lowe's	Lowe's	Retail	US	49,097	9,656	20%	66	AA-
72	Avon	Avon Products	Cosmetics/ Personal Care	US	14,074	9,627	68%	61	A+
73	Auchan	Auchan	Retail	FR	81,120	9,487	12%	63	A+

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
74	ABN Amro	ABN Amro Holdings	Financial Services	NL	62,549	9,434	15%	66	AA-
75	Wachovia	Wachovia Corp	Financial Services	US	122,732	9,430	8%	66	AA-
76	FedEx	FedEx Corp	Transport-Services	US	37,920	9,227	24%	65	AA-
77	Hitachi	Hitachi Ltd	Electronics	JP	43,576	9,171	21%	55	A
78	IKEA	Inter IKEA Systems B.V	Retail	SE	34,667	8,917	26%	66	AA-
79	Merrill Lynch	Merrill Lynch	Financial Services	US	82,855	8,835	11%	63	A+
80	Morgan Stanley	Morgan Stanley	Financial Services	US	88,169	8,732	10%	59	A
81	Goldman Sachs	Goldman Sachs Gp	Financial Services	US	86,791	8,712	10%	60	A
82	Walgreen	Walgreen Co	Retail	US	42,857	8,701	20%	65	AA-
83	Chrysler	DaimlerChrysler	Auto Manufacturers	DE	56,343	8,689	15%	73	AA
84	T-Mobile	Deutsche Telekom	Telecommunica-tions	DE	124,832	8,475	7%	63	A+
85	Oracle	Oracle Corp	Software	US	96,660	8,387	9%	81	AAA-
86	Stella Artois	InBev NV	Beverages	BE	39,847	8,378	21%	72	AA
87	Heineken	Heineken NV	Beverages	NL	26,386	8,312	32%	81	AAA-
88	Deutsche Bank	Deutsche Bank-Rg	Financial Services	DE	72,865	8,240	11%	53	A-
89	Canon	Canon Inc	Office/Business Equip	JP	66,380	8,186	12%	70	AA
90	Philips	Philips Electron	Electronics	NL	42,388	8,169	19%	79	AA+
91	Chevron	Chevron Corp	Oil&Gas	US	145,411	8,085	6%	63	A+

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
92	NTT DoCoMo	NTT DoCoMo Inc	Telecommunica-tions	JP	75,439	8,061	11%	57	A
93	eBay	eBay Inc	Internet	US	41,067	8,035	20%	80	AAA-
94	Prudential Plc	Prudential Plc	Insurance	GB	32,954	7,970	24%	56	A
95	Prudential Financial	Prudential Financial Inc	Insurance	US	43,316	7,948	18%	66	AA-
96	Gap	The Gap Inc	Retail	US	14,814	7,889	53%	75	AA
97	Société Générale	Société Générale Group	Financial Services	FR	82,882	7,856	9%	51	A-
98	PwC	Pricewaterhouse-Coopers LLP	Commercial Services	US	71,366	7,850	11%	90	AAA+
99	VW	Volkswagen AG	Auto Manufacturers	DE	92,107	7,827	8%	69	AA-
100	B&H	Altria Group Inc	Tobacco	US	188,803	7,822	4%	67	AA-
101	BBVA	BBVA Group	Financial Services	ES	85,905	7,553	9%	65	AA-
102	Yahoo!	Yahoo! Inc	Internet	US	30,246	7,445	25%	68	AA-
103	Tata	Tata	Misc. Manufacturer	IN	40,593	7,386	18%	65	AA-
104	Nissan	Nissan Motor Co	Auto Manufacturers	JP	86,585	7,085	8%	55	A
105	CVS	CVS Corp	Retail	US	29,051	7,043	24%	50	BBB
106	SAP	SAP AG	Software	DE	58,701	6,834	12%	72	AA
107	Nintendo	Nintendo Co Ltd	Toys/Games/ Hobbies	JP	21,519	6,776	31%	83	AAA-
108	GlaxoSmith-Kline	GlaxoSmithKline Inc	Pharmaceuticals	GB	164,518	6,734	4%	68	AA-
109	Ericsson	Telefonaktiebolaget LM Ericsson	Wireless Equipment	SE	54,035	6,697	12%	69	AA-

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
110	CBS	CBS Corp	Media	US	28,048	6,673	24%	64	A+
111	Boeing	Boeing Co	Aerospace/ Defense	US	69,737	6,607	9%	48	BBB
112	3M	3M Co	Misc. Manufacturer	US	60,415	6,592	11%	62	A+
113	Fox	Fox Entertainment Group Inc	Media	US	43,005	6,436	15%	64	A+
114	movistar	Telefónica SA	Telecommunica-tions	ES	58,762	6,430	11%	61	A+
115	Sprint	Sprint Nextel Corp	Telecommunica-tions	US	66,675	6,401	10%	39	B
116	JPMorgan	JPMorgan Chase	Financial Services	US	190,157	6,383	3%	59	A
117	Johnson & Johnson	Johnson&Johnson	Cosmetics/ Personal Care	US	187,262	6,309	3%	57	A
118	Roche	Roche Holding AG	Pharmaceuticals	SW	149,198	6,297	4%	65	AA-
119	Renault	Renault SA	Auto Manufacturers	FR	59,839	6,278	10%	67	AA-
120	Starbucks	Starbucks Corp	Retail-Restaurants	US	28,281	6,241	22%	83	AAA-
121	Washington Mutual	Washington Mutual Insurance Services, Inc	Financial Services	US	47,884	6,224	13%	57	A
122	LG	LG Electronics	Electronics	KR	22,202	6,222	28%	69	AA-
123	Panasonic	Matsushita Electric Industrial Co. Ltd	Electronics	JP	53,637	6,196	12%	76	AA+
124	Lloyds TSB	Lloyds TSB Group	Financial Services	GB	64,890	6,169	10%	68	AA-
125	Novartis	Novartis AG	Pharmaceuticals	SW	162,667	6,163	4%	61	A+
126	Manulife	Manulife	Insurance	CA	55,198	6,162	11%	55	A
127	Danone	Groupe Danone	Food	FR	43,159	6,137	14%	70	AA

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
128	Mizuho Bank	Mizuho Financial	Financial Services	JP	95,554	6,090	6%	70	AA
129	Credit Agricole	Credit Agricole	Financial Services	FR	72,234	5,820	8%	54	A-
130	KFC	Yum! Brands Inc	Retail-Restaurants	US	17,047	5,727	34%	65	A+
131	Nestlé	Nestlé SA	Food	SW	143,932	5,707	4%	78	AA+
132	NatWest	Royal Bank of Scotland Group	Financial Services	GB	127,505	5,705	4%	60	A
133	Capital One	Capital One	Credit Cards	US	27,123	5,701	21%	77	AA+
134	Caterpillar	Caterpillar Inc	Machinery-Constr&Mining	US	63,326	5,650	9%	76	AA+
135	Pfizer	Pfizer Inc	Pharmaceuticals	US	197,706	5,645	3%	68	AA-
136	Asda	Wal-Mart Stores	Retail	US	232,729	5,617	2%	65	AA-
137	SUEZ	SUEZ	Utilities	FR	74,838	5,610	7%	52	A-
138	MTV	Viacom International Inc	Media	US	32,488	5,501	17%	78	AA+
139	Amazon.com	Amazon.com Inc	Internet	US	13,166	5,494	42%	69	AA-
140	Allstate	Allstate Corp	Insurance	US	43,591	5,429	12%	60	A
141	Telefónica	Telefónica SA	Telecommunications	ES	112,305	5,424	5%	64	A+
142	NEC	NEC Corp	Electronics	JP	19,846	5,311	27%	63	A+
143	Estée Lauder	Estée Lauder Companies Inc	Cosmetics/Personal Care	US	8,668	5,309	61%	58	A
144	Peugeot	Peugeot SA	Auto Manufacturers	FR	30,818	5,282	17%	52	A-
145	National Austalia Bank	National Austalia Bank	Financial Services	AU	53,480	5,274	10%	50	BBB

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
146	adidas	adidas-Salomon AG	Apparel	DE	9,408	5,260	56%	72	AA
147	BT	BT Group Plc	Telecommunica-tions	GB	56,291	5,259	9%	81	AAA-
148	Playstation	Sony Corp	Toys/Games/Hobbies	JP	37,246	5,228	14%	72	AA
149	Sanofi-Aventis	Sanofi-Aventis	Pharmaceuticals	FR	132,202	5,200	4%	59	A
150	Heinz	HJ Heinz Co	Food	US	17,513	5,166	29%	78	AA+
151	Xerox	Xerox Corp	Office/Business Equip	US	21,056	5,152	24%	63	A+
152	Harley-Davidson	Harley-Davidson	Auto Manufacturers	US	16,873	5,096	30%	86	AAA
153	Colgate	Colgate Palmolive Co	Cosmetics/Personal Care	US	34,727	5,077	15%	58	A
154	Hyundai	Hyundai Motor	Auto Manufacturers	KR	36,622	5,053	14%	54	A-
155	Deloitte	Deloitte	Commercial Services	US	45,861	5,045	11%	67	AA-
156	H&M	Hennes & Mauritz AB	Retail	SE	39,936	5,043	13%	68	AA-
157	American Airlines	AMR Corp	Airlines	US	16,820	5,032	30%	75	AA+
158	Royal Bank of Scotland	Royal Bank of Scotland Group	Financial Services	GB	128,938	4,997	4%	59	A
159	Halifax	Halifax Plc	Financial Services	GB	85,454	4,918	6%	61	A+
160	Rolex	Rolex Group	Fashion	SW	9,577	4,908	51%	72	AA
161	Total	Total SA	Oil&Gas	FR	180,787	4,896	3%	53	A-
162	Porsche	Porsche AG	Auto Manufacturers	DE	19,159	4,875	25%	88	AAA
163	Marks & Spencer	Marks & Spencer Plc	Retail	GB	23,369	4,832	21%	65	A+
164	KPMG	KPMG Intl	Commercial Services	GB	43,570	4,793	11%	75	AA+

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
165	BBC	BBC	Media	GB	22,360	4,732	21%	67	AA-
166	Sinopec	China Petroleum & Chemical Corp	Oil&Gas	CN	126,735	4,561	4%	67	AA-
167	Volvo	Volvo AB	Auto Manufacturers	SE	31,488	4,553	14%	64	A+
168	Sharp	Sharp Corp	Electronics	JP	20,363	4,543	22%	64	A+
169	BellSouth Corp	BellSouth Corp	Telecommunica-tions	US	98,980	4,527	5%	62	A+
170	Lexus	Toyota Motor Corp	Auto Manufacturers	JP	283,637	4,487	2%	61	A+
171	TEPCO	Tokyo Electric Power Co	Utilities	JP	121,279	4,440	4%	30	CC
172	Lehman Bros	Lehman Bros	Financial Services	US	42,815	4,424	10%	62	A+
173	Royal Bank of Canada	Royal Bank of Canada	Financial Services	CA	60,019	4,397	7%	61	A+
174	Accenture	Accenture	Commercial Services	GB	39,642	4,361	11%	61	A+
175	Wrigley's	Wm. Wrigley Jr. Co	Food	US	13,835	4,360	32%	81	AAA-
176	Audi	Audi AG	Auto Manufacturers	DE	21,339	4,240	20%	60	A
177	América Móvil	América Móvil AMX	Telecommunica-tions	MX	83,309	4,165	5%	67	AA-
178	Ernst & Young	Ernst & Young LLP	Commercial Services	US	37,662	4,143	11%	61	A+
179	Wellpoint	Wellpoint Inc	Healthcare-Services	US	36,213	4,142	11%	51	A-
180	E.ON	E.ON AG	Utilities	DE	87,080	4,110	5%	78	AA+
181	AstraZeneca	Astrazeneca Plc	Pharmaceuticals	GB	96,694	4,101	4%	67	AA-
182	AOL	Time Warner Inc	Media	US	108,688	4,089	4%	63	A+

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
183	Standard Chartered Bank	Standard Chartered Bank	Financial Services	GB	40,109	4,018	10%	66	AA-
184	RWE	RWE AG	Utilities	DE	75,454	3,997	5%	61	A+
185	Prada	Prada SpA	Fashion	IT	5,159	3,984	77%	91	AAA+
186	Old Mutual	Old Mutual Plc	Insurance	GB	20,317	3,963	20%	74	AA
187	Smirnoff	Diageo Plc	Beverages	GB	56,894	3,958	7%	74	AA
188	Lufthansa	Deutsche Lufthansa AG	Airlines	DE	9,948	3,940	40%	63	A+
189	Pizza Hut	Yum! Brands Inc	Retail-Restaurants	US	17,047	3,917	23%	64	A+
190	EDF	EDF	Utilities	FR	141,188	3,883	3%	52	A-
191	Becks	InBev NV	Beverages	BE	39,847	3,831	10%	68	AA-
192	Hertz	Hertz Corp Cl A	Commercial Services	US	34,542	3,800	11%	61	A+
193	Red Bull	Red Bull	Beverages	AT	34,046	3,771	11%	64	A+
194	ConocoPhil-lips	ConocoPhillips Co	Oil&Gas	US	118,108	3,770	3%	52	A-
195	State Farm	State Farm Insurance	Insurance	US	26,349	3,657	14%	49	BBB
196	Cartier	Essilor Intl	Fashion	FR	8,469	3,655	43%	80	AA+
197	British Airways	British Airways Plc	Airlines	GB	15,537	3,648	23%	74	AA
198	EMC	EMC Corp	Computers	US	24,667	3,572	14%	61	A+
199	Cadbury	Cadbury Schweppes Plc	Food	GB	27,818	3,458	12%	64	A+
200	Sun	Sun Microsystems Inc	Computers	US	16,151	3,419	21%	56	A

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
201	Olympus	Olympus Corp	Miscellaneous Manufacturer	JP	11,123	3,350	30%	74	AA
202	Whirlpool	Whirlpool Corp	Electronics	US	7,667	3,161	41%	66	AA-
203	Zara	Inditex Group	Retail	ES	29,318	3,100	11%	66	AA-
204	China Unicom	China Unicom Ltd	Telecommunica-tions	HK	16,913	3,088	18%	46	BBB
205	Levi's	Levi Strauss & Co	Apparel	US	8,512	3,070	36%	65	A+
206	Loblaws	Loblaws Co	Retail	CA	16,409	2,995	18%	67	AA-
207	Kodak	Eastman Kodak	Retail	US	8,525	2,995	35%	71	AA
208	Metro	Metro AG	Retail	DE	29,690	2,912	10%	38	B
209	Symantec	Symantec Corp	Internet	US	17,502	2,862	16%	69	AA-
210	Corona	Grupo Modelo SA	Beverages	MX	14,806	2,849	19%	64	A+
211	Moët & Chandon	LVMH Moët Hennessy Louis Vuitton SA	Beverages	FR	57,508	2,815	5%	82	AAA-
212	Nikon	Nikon Corp	Miscellaneous Manufacturer	JP	9,302	2,636	28%	73	AA
213	Kleenex	Kimberly-Clark	Household Products/Wares	US	35,497	2,556	7%	65	A+
214	Hennessy	LVMH Moët Hennessy Louis Vuitton SA	Beverages	FR	57,508	2,551	4%	81	AAA-
215	LUKOIL	LUKOIL CLS	Oil&Gas	RU	73,709	2,520	3%	70	AA-
216	Hershey	The Hershey Co	Food	US	13,649	2,505	18%	55	A-
217	Valero Energy	Valero Energy	Oil&Gas	US	36,746	2,491	7%	35	B
218	Japan Airlines	Japan Airlines	Airlines	JP	15,783	2,471	16%	32	CCC
219	Mitsubishi	Mitsubishi Motors Co	Auto Manufacturers	JP	15,885	2,437	15%	53	A-

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
220	Diesel	Diesel	Fashion	IT	5,088	2,415	47%	72	AA
221	Reuters	Reuters Group Plc	Media	GB	10,442	2,384	23%	68	AA-
222	EA	Electronic Arts	Software	US	14,120	2,370	17%	74	AA
223	Campbell's	The Campbell Soup Co	Food	US	17,767	2,359	13%	66	AA-
224	Black & Decker	Black & Decker	Hand/Machine Tools	US	6,922	2,340	34%	69	AA-
225	Enel	Enel SpA	Utilities	IT	71,771	2,339	3%	52	A-
226	Abbott Labs	Abbott Laboratories	Pharmaceuticals	US	84,335	2,338	3%	39	B
227	Bulgari	Bulgari SpA	Fashion	IT	3,378	2,284	68%	76	AA+
228	O2	Telefónica S.A	Telecommunica-tions	GB	19,748	2,271	11%	46	BBB
229	Acer	Acer Inc	Computers	TW	3,181	2,255	71%	56	A
230	Goodyear	Goodyear Tires Inc	Auto arts&Equipment	US	6,642	2,197	33%	64	A+
231	SingTel	Temasek Holdings PTE Ltd	Telecommunica-tions	SG	29,728	2,181	7%	75	AA+
232	Bloomberg	Bloomberg LP	Media	US	12,434	2,143	17%	70	AA
233	Michelin	Michelin Group	Auto arts&Equipment	FR	13,565	2,133	16%	64	A+
234	DuPont	E.I. du Pont de Nemours & Company	Chemicals	US	48,509	2,117	4%	52	A-
235	Burberry	Burberry Group	Fashion	GB	4,204	2,107	50%	73	AA
236	Swatch	Swatch Group	Retail	SW	10,728	2,099	20%	62	A+
237	Tiffany & Co	Tiffany & Co	Retail	US	5,014	2,093	42%	64	A+

BrandFinance250 League Table (cont.)

Rank	Brand	Parent Company	Sector	Country of Domicile	Enterprise Value (US$M) 2006*	Brand Value (US$M) 2006*	Brand Value / Enterprise Value (%)*	Brand-Score	Brand Rating
238	Evian	Groupe Danone	Food	FR	43,159	2,040	5%	80	AAA-
239	Singapore Airlines	Singapore Airlines	Airlines	SG	12,347	2,006	16%	85	AAA-
240	Unilever	Unilever NV Cva	Food	NL	54,917	1,973	4%	77	AA+
241	Nivea	Beiersdorf AG	Cosmetics/ Personal Care	DE	13,130	1,970	15%	58	A
242	Wyeth	Wyeth	Pharmaceuticals	US	69,625	1,869	3%	40	BB
243	Electrolux	Electrolux AB	Electronics	SE	5,715	1,853	32%	65	AA-
244	Jaguar	Ford Motor Co	Auto Manufacturers	US	127,978	1,840	1%	81	AAA-
245	Hilton	Hilton Hotels Co	Lodging	US	13,888	1,839	13%	80	AA+
246	Hermès	Hermes Intl	Fashion	FR	4,170	1,836	44%	78	AA+
247	MTS	Mobile TeleSystems OJSC	Telecommunica-tions	RU	16,636	1,824	11%	51	A-
248	Calvin Klein	Phillips-Van Heusen	Fashion	US	3,094	1,806	58%	70	AA
249	Eli Lilly & Co	Eli Lilly & Co	Pharmaceuticals	US	61,197	1,676	3%	50	A-
250	Quicksilver	Quiksilver Inc	Apparel	US	2,534	1,518	60%	72	AA

* Source: Data as at last reported financial year-end

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Brand Finance is the leading independent intangible asset valuation and brand strategy firm, helping companies to manage their brands more intelligently for improved business results

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