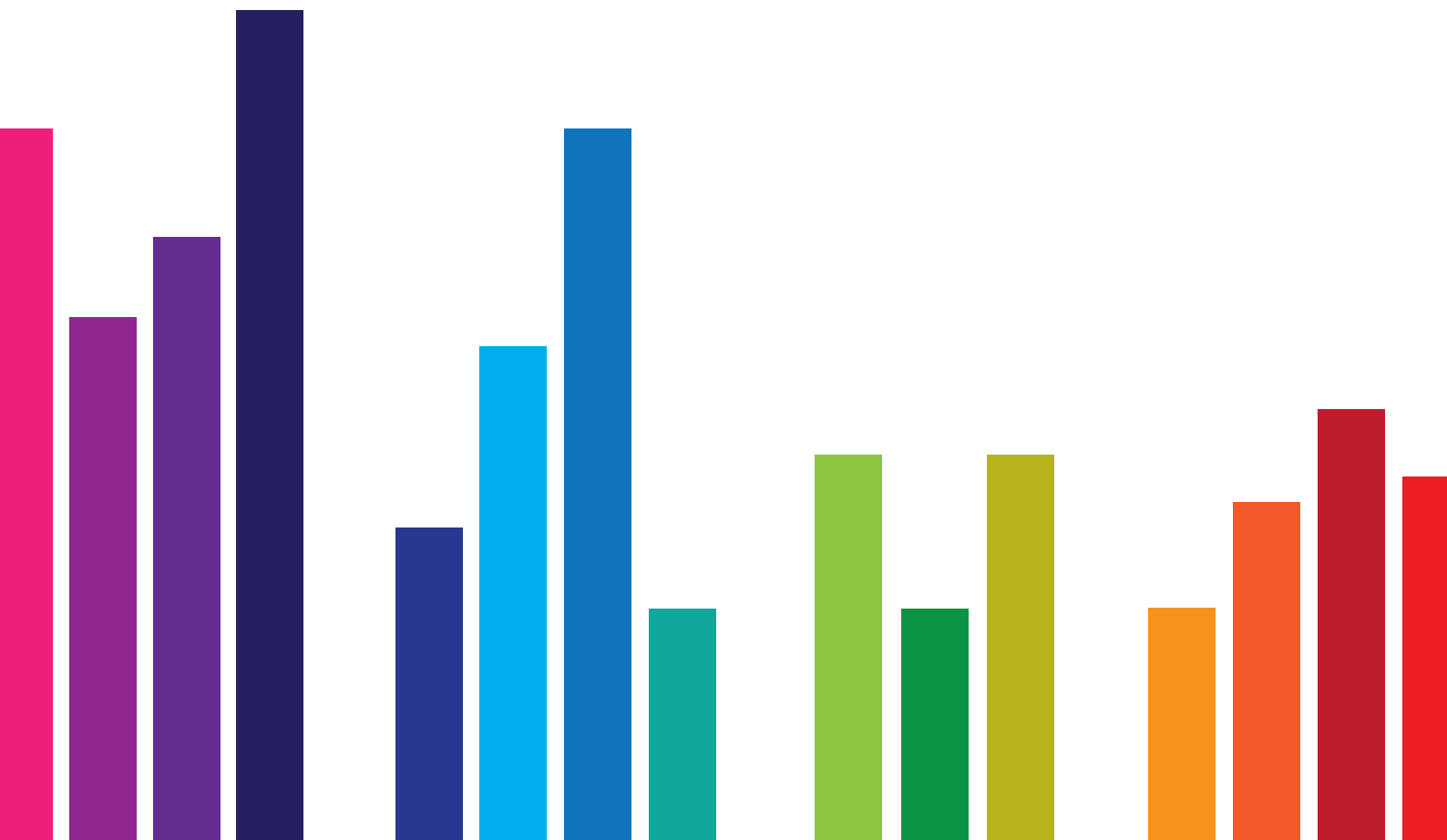


GLOBAL CORPORATE REPUTATION INDEX



Landor



2012 GLOBAL CORPORATE REPUTATION INDEX

CITIZENSHIP DEFICITS LIMIT REPUTATIONS

An extensive review of over 40,000 consumer interviews across six countries (Brazil, China, Germany, Japan, Russia, United States) reveals that most companies underinvest in corporate citizenship efforts and their citizenship ratings significantly lag their ratings on basic performance attributes such as quality and innovation, according to the 2012 Global Corporate Reputation Index.

The recent grounding of the *Costa Concordia* cruise ship once again underscores the notion that corporate reputations can be made or destroyed in a matter of minutes, especially at a time when negative attitudes toward corporations are running high.

The Global Corporate Reputation Index is a corporate reputation model based on BrandAsset® Valuator (BAV) data scored to reflect how well consumers think a company does in two key areas: performance and citizenship. The Index includes consumer companies and their corporate reputations, not their individual product brands. Overall corporate reputation is measured by the sum of companies' scores across performance and citizenship, so a top company needs to do well on both measures. Large gaps between performance and citizenship mean that citizenship is acting as a drag on the brand and that its honesty and trustworthiness are in doubt.

Based on our analysis, even among the consumer companies with the strongest corporate reputations, citizenship continues to significantly lag performance, indicating that most companies are still paying inadequate attention to this category, despite the increasing role it plays in today's marketplace.

In addition to the undervalued role of citizenship, our study of almost 6,000 companies has identified the following trends:

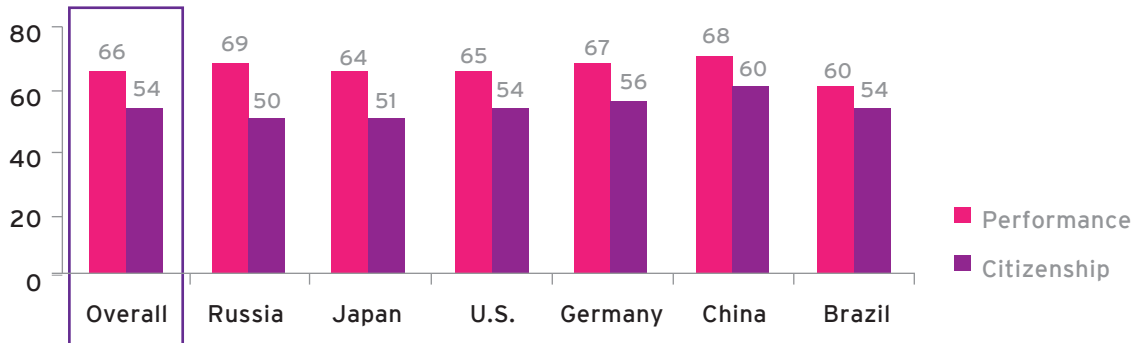
- The technology industry has the strongest reputation overall among consumers, primarily due to the halo it gets from performance strengths around the "innovative" and "visionary" attributes regardless of its citizenship efforts, while the oil industry struggles the most, particularly on citizenship.
- Consumers in China award on average the highest reputation scores in the study, while consumers in Japan and Brazil are the most critical.
- Many top companies outperform their industry averages on citizenship by a more significant margin than performance, indicating the importance of citizenship in standing out from the competition.
- Nevertheless, even the top companies continue to show significant gaps between their performance and citizenship scores, suggesting more could be done on the citizenship front.
- The largest companies have the strongest reputations and do especially well on citizenship, suggesting a possible model for other companies to follow.
- The top companies have been in business an average of 87 years, indicating that the ability to withstand the test of time translates well into overall reputation, though the occasional newcomer does break through, most often from the rising technology sector.

Performance vs. citizenship pillars reveal significant citizenship gap

Many companies underinvest in citizenship efforts; citizenship lags performance across the board.

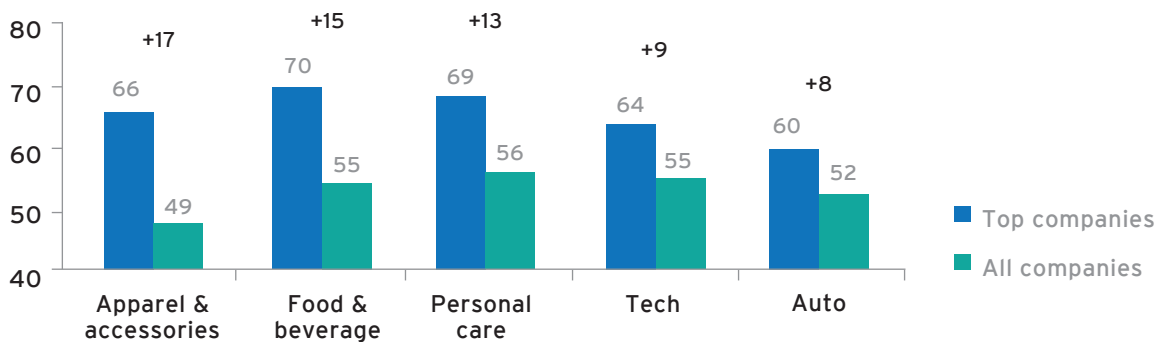
In every country in our survey, citizenship credit for companies lags in comparison to performance, reflecting the lack of emphasis on citizenship today, despite its increasingly important role. While the average gap is 12 points, it widens to as much as 19 points in Russia, whereas Brazil gives companies the most credit for closing the gap with only 6 points between performance and citizenship.

Performance vs. citizenship: Pillars by country



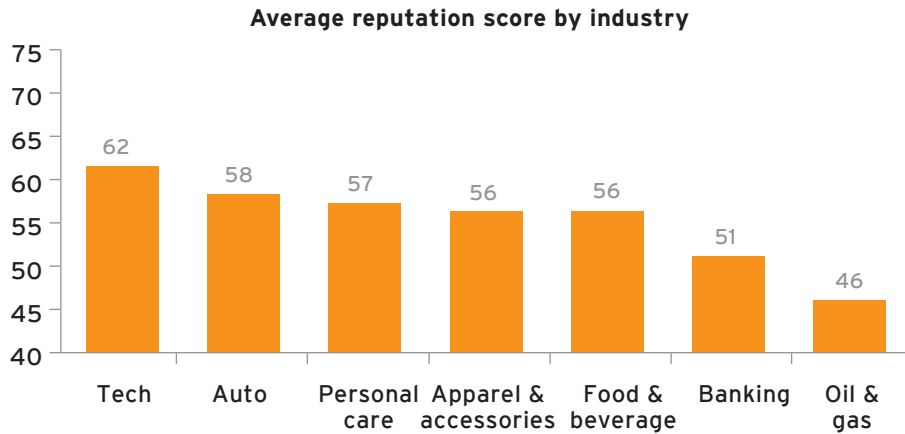
Top companies are better at closing the citizenship gap. Even the top companies in the Index show gaps between their performance and citizenship scores, but they are better than most at narrowing the gap. The top companies typically outperform their industries on citizenship by a more significant margin than they outperform their industries on performance, reinforcing the idea that citizenship strength can be an important differentiator for companies.

Industry leaders vs. average: Citizenship

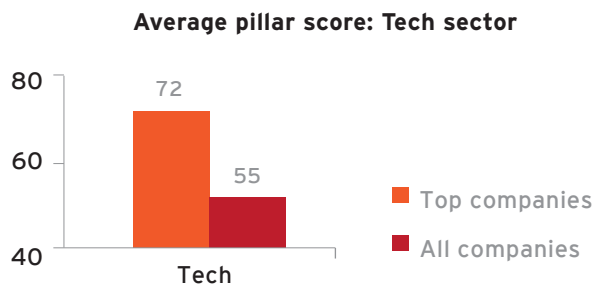


Industry trends

Technology leads industries with the strongest reputation, while banking and oil and gas fall to the bottom. Technology companies have the strongest reputations overall, while the weakest reputations are seen in the banking and oil and gas industries, which have experienced significant negative press coverage of late. Interestingly, technology is a relatively young industry, with an average company age of 69 years. This fact suggests that newer companies may be resetting the bar for what a strong reputation means.



Technology industry gets a pass on citizenship due to halo of strong innovation. Of all the industries, technology companies have the strongest average reputation. However, the bulk of their reputation stems from attributes like “innovative” and “visionary,” suggesting a performance glow is driving the image of the industry. As a result, many technology companies are given the benefit of the doubt in terms of their citizenship efforts even in the absence of more proactive attempts, indicating that citizenship could be an especially big differentiator in this highly competitive industry.



Tech attribute strengths
(relative to average across industries)

Innovative	+22
Visionary	+22

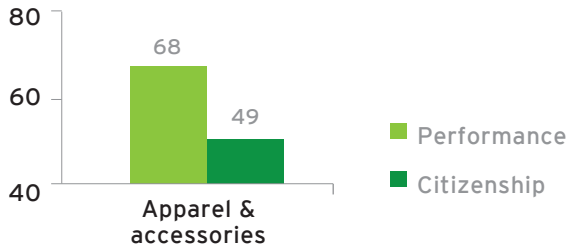
Auto industry builds its strengths on quality and reliability. Compared to other industries, auto companies over-index on performance attributes like “high quality” and “reliable,” suggesting that the auto industry’s strengths are largely shaped by perceptions of its current products versus more forward-looking expectations for industries such as technology.

Auto attribute strengths
(relative to average across industries)

High quality	+16
Reliable	+13

Apparel and accessories see the widest citizenship gap. Of all the industries, the apparel and accessories industry shows the largest gap between performance and citizenship. This indicates that problems could be brewing, as the significant citizenship gap could become an active drag on this industry's performance. This industry trails most other industries on the citizenship attributes "socially responsible" and "helpful," indicating areas that could benefit from strengthening.

Average pillar score: Apparel & accessories



Performance-citizenship gap

Average across industries	+8
Apparel & accessories	+19

Personal care owns customer centricity but falls behind on vision. The personal care industry has the highest overall citizenship scores, primarily shaped by the perception that companies in this category are customer-centric. Not only are their products a "good value," but they are also viewed as "caring for their customers" and "friendly." However, while this industry does better than most on citizenship, it is among the weakest in terms of performance, particularly related to "visionary," indicating product innovation is a potential differentiator in this space.

Personal care attribute strengths and weaknesses
(relative to average across industries)

Cares for customers	+10
Friendly	+9
Good value	+17
Visionary	-16

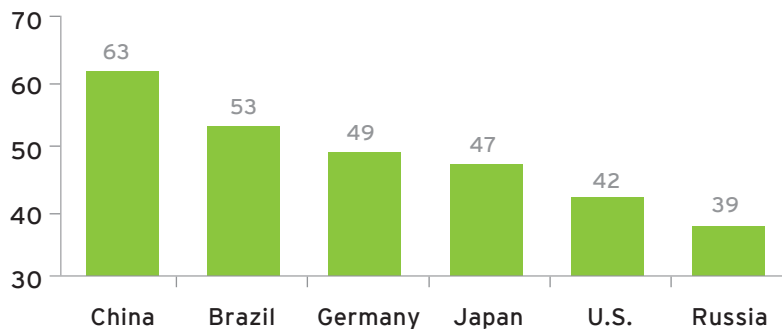
Food and beverage industry is well-liked but hurt by trust gap. Similar to personal care, the food and beverage industry is a top performer on citizenship, scoring especially well for perceptions of being "friendly" and "kind." However, despite being well-liked, food and beverage companies show signs of trust issues, with significantly lower scores on the attributes "trustworthy," "reliable," and "high quality."

Food & beverage attribute strengths and weaknesses
(relative to average across industries)

Friendly	+17
Kind	+17
Trustworthy	-6
Reliable	-9
High quality	-9

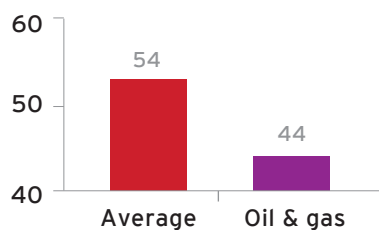
Negativity toward banking industry is strongest in U.S. and Russia. With a large volume of negative headlines in recent years regarding predatory lending practices in the United States and the debt crisis in the European Union, it is not surprising that the banking industry scores lower than most on overall reputation. However, there are notable country differences, with banks suffering the most on both performance and citizenship in the United States and Russia, while scoring comparatively strong in China and Brazil.

Banking industry reputation by country



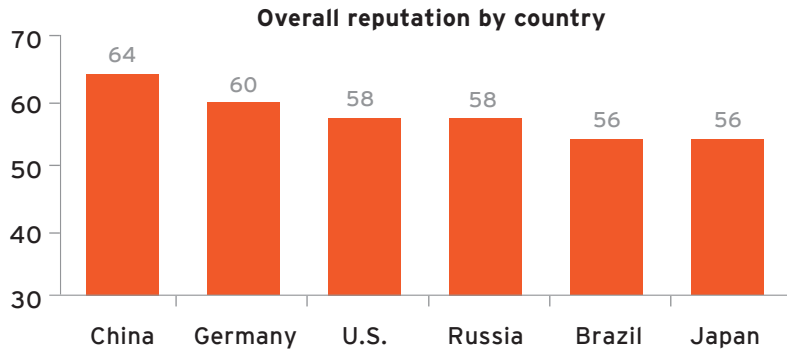
Oil and gas industry faces biggest challenges on citizenship, though performance also lags. Oil and gas lags on citizenship in the wake of rig and other oil refinery problems that have made headlines. In fact, the oil and gas industry is the weakest of all industries on citizenship, scoring 10 points behind the average industry citizenship score. Interestingly, oil and gas also lags most other industries in terms of performance despite strong earnings, indicating this may be a category where citizenship deficits are dragging down performance ratings as well.

Citizenship: Oil & gas vs. average

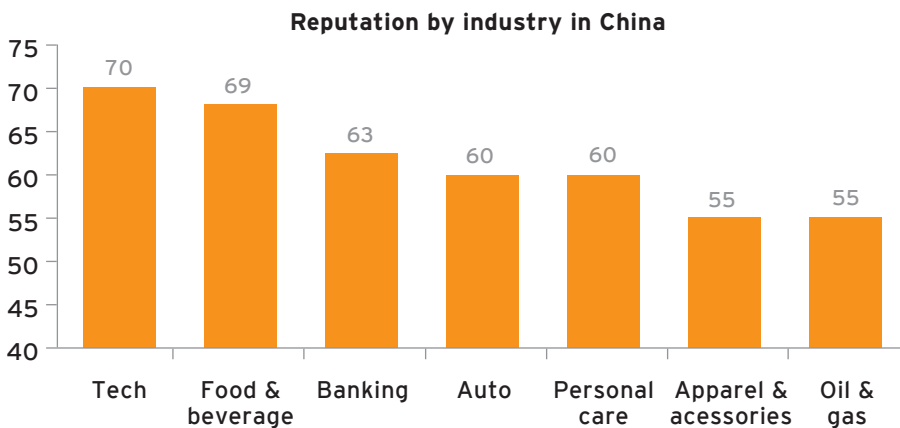


Country and region trends

China posts the strongest reputations; Japan and Brazil are the most critical. While the strongest reputations are in China, the gap between China and the countries with the weakest reputations, Japan and Brazil, is about 8 points, indicating the overall outlook on companies' reputations is relatively similar across countries. Certain characteristics are strong drivers of reputation regardless of industry or geography, suggesting these are table stakes that any company must deliver in order to have a strong reputation. These critical attributes include "innovative," "high quality," and "leader."



Technology and food and beverage are top sectors in China; banking is stronger than in other countries. Similar to other markets, the technology industry leads in China. Notably, however, food and beverage moves up the ranks relative to other markets to take second place in this country, rivaling technology for first. Banking is also stronger in China than in other regions where perceptions of banks are more actively negative.



Many countries award strongest reputations to locally prominent industries: Auto leads in Germany, technology leads in Japan, and personal care tops industries in the United States. With a large presence of local auto manufacturers scoring especially well in their home market, the auto industry is the most highly rated industry in Germany, and Germany also gives the highest score to the auto industry compared to all other countries. Likewise, the technology industry leads in Japan, and in the United States, where many of the personal care companies are based, the personal care industry has the highest average reputation score, suggesting that many countries tend to index toward their strengths.

Top sector by country

Germany	Auto
Japan	Technology
U.S.	Personal care

Age and size trends

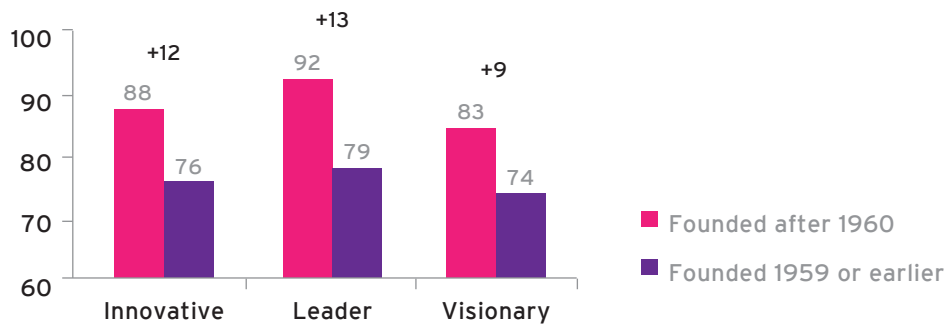
Average age of top companies indicates strong reputations stand the test of time. Many of the companies with the strongest reputations are also those that have been around for the longest time. In fact, 20 of the top 25 companies were founded before 1950, with the oldest tracing its roots all the way back to 1865. The top companies have been in business an average age of 87 years, suggesting that the ability to withstand the test of time translates well into overall reputation.

Average age of top companies



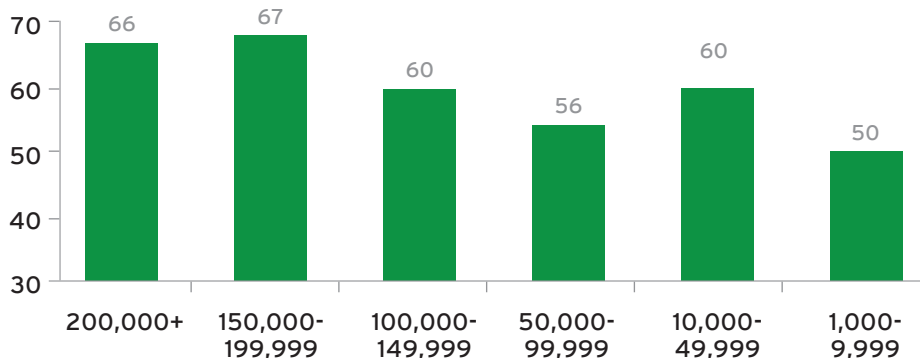
Newcomers do still break through. Despite the seniority of the set overall, five of the top companies are less than 50 years old and have managed to create some of the world's top reputations, indicating there is still room for newcomers. The meteoric rise of these companies has been strongly aided by their ability to innovate quickly, with young companies at the top scoring especially well on attributes like "innovative" and "visionary" and often coming from the technology industry.

Top company attribute differences by age



Largest companies have the strongest reputations as a result of strong citizenship. Strong reputation scores among the largest companies in the Index suggest larger companies have an easier time gaining recognition. These companies do very well on the citizenship pillar in particular, with the highest average citizenship scores of any company size. Among the small companies (less than 10,000 employees) that break out of their size category and make it into the top tier of companies, these are often companies that demonstrate very strong citizenship scores as well, indicating that citizenship strength can help overcome category deficits.

Reputation by company size



GLOBAL CORPORATE REPUTATION INDEX

TOP 25

Of the companies in the Index, the following best exemplify the mix of performance and citizenship strengths that accrues to overall reputation, leading to the strongest corporate reputations in the Index.

Top 25 consumer companies with strongest corporate reputations, listed in alphabetical order:

Adidas

Apple

Avon

Bosch

Canon

Coca-Cola

Danone

Electrolux

Ford

Google

Heinz

Honda

Lego

McDonald's

Microsoft

Nestlé

Nike

Nokia

Philips

Puma

Sharp

Sony

Toshiba

Visa

Volkswagen

SELECTED CASE STUDIES

ADIDAS

In an industry where performance is everything, Adidas dominates the competition by strategically combining environmentally friendly practices with cutting-edge technology. For example, Adidas' "formotion" technology devised a heel component that adjusts to an individual's running style by detaching from the sole to provide a unique and customized running experience. The design and innovation behind its technology uses up to 50 percent less material waste, emits fewer toxins, and reduces material use and CO2 emissions from transport. Adidas' dedication to the environment and performance has made it more ambitious—the company has set a goal of increasing company-wide sales to \$24 billion by 2015.

COCA-COLA

Coca-Cola has a long legacy of giving. This industry-leading company is investing \$2 billion in sustainable growth in India, developing PlantBottle packaging technology created entirely from plant-based materials, partnering with the World Wildlife Fund to launch a campaign to protect the polar bears, and donating \$9.6 million to Africa for medical supplies, equipment, and medicine. Coca-Cola has also cemented itself as one of the most lucrative stocks in which to invest, with a highly diversified portfolio of over 3,500 products in over 200 countries.

DANONE

Danone's commitment to be a socially responsible brand started in 1972 with its founder Antoine Riboud, and his vision continues today. In recent years, Danone created a system to track its carbon footprint and pledged to reduce it by 30 percent globally by 2012; it is implementing socially and environmentally conscious practices in its operating plants. It also created the Danone Ecosystem Fund and Danone Communities, which provides financing and support for the development of local food retailers and suppliers, and combats malnutrition, respectively. Danone's commitment to social responsibility fortified its ability to outperform competitors by passing on consumer price increases in favor of reducing additional costs through sustainable means.

FORD

Ford skillfully combines environmentally friendly technology with top performance in the automotive sector while delivering on its brand promise of "Drive One." Ford boasts award-winning vehicles: the 2012 F-150 was named *Motor Trend* magazine's Truck of the Year, and the Ford Focus was the only domestic car to make it to the finals. But Ford doesn't stop there. In its twelfth year, FordSocial continues to honor Ford and Lincoln dealerships that excel in giving back to the community and worthy causes. Ford is introducing two new hybrid cars and an in-car infotainment technology, and is implementing a new global water-reducing strategy for 2015.

GOOGLE

Google is a pioneer in the search engine space and has quickly risen as a media and technology Goliath with a social conscience. There's no denying its prowess as a technology brand, most recently through strategic acquisitions such as Clever Sense, which reinforces its vision of being a "serendipity engine"; the launch of Android; the expanding market share of Google Chrome; and the growing popularity of Google+. Coupled with its cause-related efforts to end slavery and human trafficking, and its commitment to the advancement of solar technology, Google proves that inspired performance equals success as well as being a carbon-neutral company.

LEGO

Lego maintained its brand heritage and integrity as a leader in its space by listening to its consumers and applying innovation in a simple yet meaningful way to its technology. Based on feedback from its target audience, Lego opted not to diversify but to partner with film franchises such as Star Wars, Harry Potter, Toy Story, and Indiana Jones and saw a 70 percent rise in pretax profits to \$915 million, and market share expansion. Lego also proves that philanthropy is no child's play and donates to disadvantaged children through major international organizations.

MCDONALD'S

For the past 37 years McDonald's has placed philanthropy at the forefront of its business with its renowned Ronald McDonald House Charities, and that investment has paid off. The top performer on the Dow Jones Industrial Average in 2011, McDonald's is also investing in sustainability with greener packaging, LED lighting, and annual sustainable land management evaluations; in addition, it is severing ties with Sparboe Egg Farms for inhumane animal treatment. Through innovative offerings such as gourmet coffee at reasonable prices, a diversified menu, and free Wi-Fi, McDonald's is able to differentiate itself from other fast food giants in its sector.

MICROSOFT

Recently named one of the top green IT companies, Microsoft has proven that social and environmental accountability and groundbreaking technology pay off. Microsoft exhibits its social responsibility in a variety of ways, including donating more than \$3.9 billion worth of software to nonprofits; providing global developers free access to training courses, resources, and tools to assist in the creation of products that are used by people with disabilities; using technology during the crisis in Haiti; and finding a vaccine for HIV through data research. Microsoft also holds its vendors accountable by mandating an evaluation of their corporate citizenship practices based on standards set by Microsoft. Within the performance arena, Microsoft is redefining the tech game with its vision to shift technology from a passive tool to an active assistant. This revolutionary movement propels Microsoft beyond its competitors.

SONY

When it comes to authenticity, there is no doubt Sony is a top performer. True to its brand promise of "make.believe," Sony's corporate citizenship initiatives emphasize arts education, culture, health and human services, civic and community outreach, and volunteerism. Notably, Sony founded the Culver City High School Academy of Visual and Performing Arts in 1996 that is dedicated to cultivating artistic young minds and supporting their creative endeavors within theater, film, video, music, and the visual arts. It stays loyal to its home country as well—Sony and its group companies donated 300 million Japanese yen to the relief and recovery efforts during the earthquake that occurred off northeastern Japan and the resulting tsunamis of 2011. In alignment with its ability to give, Sony also has the ability to outperform. Industry insiders are comparing the Sony Tablet P with Apple's top-selling iPad 2, delivering its customers what they truly want: ultimate portability.

VISA

Visa has emerged as the industry leader and top performer within the digital currency space through VisaNet, its international, secure, reliable, scalable, and interoperable transaction network. Beyond VisaNet, Visa also brings financial inclusion to low- and middle-income citizens around the world. Most notably, through its Currency of Progress program, Visa recently partnered with the country of Rwanda to implement a sustainable financial system. Its Cash Learning Partnership with several global humanitarian organizations streamlines the process of distributing cash aid to people affected by natural disasters and other emergencies. Visa combines innovation with results in order to solidify itself as a dominant financial services brand.

Appendix 1: Methodology overview

To measure corporate reputation, Penn Schoen Berland (PSB) has developed a proprietary model through its work with thousands of companies over the last 35 years. For the purposes of this study, companies' reputations were evaluated based on consumer perceptions of them in the BrandAsset Valuator (BAV) study conducted by PSB's sister firm, BrandAsset Consulting. The BAV asks consumers in countries around the world to choose the qualities they associate with thousands of companies, including both performance- and citizenship-related attributes that translate into overall corporate reputation.

Performance measures the success of a company's products and services and is focused mostly on the company itself and what it produces. Citizenship is a measure of the less tangible aspects of a company's reputation and reflects efforts beyond its basic business functions. In order to have a strong reputation, companies must deliver strengths in both the performance and citizenship arenas. The aggregate performance of companies across the attributes that drive reputation is then ranked by percentile, so that all companies can be compared. We have created the Global Corporate Reputation Index using the most recent data available in Brazil, China, Germany, Japan, Russia, and the United States.

Appendix 2: Why reputation matters

A good corporate reputation is enormously important to a company's success. In fact, reputation is a measurable portion of a company's value. A 2009 study analyzing close to 400 of America's largest corporations found that on average, reputation accounts for 16 percent of a company's value.¹ To look at it another way, this means that reputation accounts for approximately \$1.24 billion in value within the S&P 500 alone.² In addition, a good reputation can also contribute to stock price. A 2006 study found that a stock portfolio made up of the companies identified by Fortune magazine as America's most admired companies outperformed the S&P 500 by a margin of over 5 percent in the first year.³

In addition to added value, strong reputations can also help a company weather difficult times. During the 2009 recession, S&P 500 companies with improving reputations enjoyed greater shareholder value in those economically tumultuous years, while those companies with declining reputations lost value.

1. Anderson, J. and Smith, G. "A Great Company Can be a Great Investment" *Financial Analysts Journal*, Vol. 62, No. 4, pp. 86-93 (July/August 2006).

2. TM Reputation Value Management, 2009. thackwaymccord.com/TM_Reputation_ValueMgt.pdf (accessed 19 January 2012).

3. See footnote 1.

About Burson-Marsteller

Burson-Marsteller, established in 1953, is a leading global public relations and communications firm. It provides clients with strategic thinking and program execution across a full range of public relations, public affairs, reputation and crisis management, advertising, and web-related strategies. The firm's seamless worldwide network consists of 69 offices and 80 affiliate offices, together operating in 107 countries across six continents. Burson-Marsteller is a part of WPP (NASDAQ: WPPGY), the world's largest marketing communications services group. More information is available at bm.com.

About Landor Associates

Landor Associates is one of the world's leading strategic brand consulting and design firms. Its holistic approach to branding balances rigorous, business-driven thinking and exceptional creativity. Landor's work spans the breadth of branding services, including research, positioning, strategy, architecture, naming and writing, corporate identity, consumer package design, environments, equity management, engagement, and digital branding. With 21 offices in 16 countries, Landor's clients include BlackBerry, Citi, Diageo, Hilton, HP, Kraft Foods, Microsoft, MillerCoors, Panasonic, PepsiCo, P&G, and Verizon. Landor is a member of WPP, the world's largest marketing communications services group. More information is available at landor.com.

About Penn Schoen Berland

Penn Schoen Berland, a unit of the WPP Group, is a global research-based consultancy that specializes in messaging and communications strategy for blue-chip political, corporate, and entertainment clients. PSB has over 30 years of experience in leveraging unique insights about consumer opinion to provide clients with a competitive advantage—what it calls Winning Knowledge. PSB executes polling and message testing services for Fortune 100 companies and has helped elect more than 30 presidents and prime ministers around the world. More information is available at psbresearch.com.

About BrandAsset Consulting

BrandAsset Consulting, a unit of the WPP Group, helps business executives and marketers assess, drive, and monitor the direction of their brands as strategic corporate assets, using the proprietary BrandAsset Valuator (BAV) models and metrics created from the world's most comprehensive study of brands, to link the more emotional aspects of brand affinity to the harder quantitative measures of finance. BrandAsset Consulting has been measuring brands since 1993 and today over 45,000 brands have been evaluated on 75 metrics, among 900,000 respondents in over 45 countries. More information is available at brandassetconsulting.com.

**For more information about the Global Corporate Reputation Index
and related insights, please contact:**

Paul Cordasco

212.614.4522

paul.cordasco@bm.com

Mindy Romero

212.614.5261

mindy.romero@landor.com

