

Brand Finance[®] German Top 30

A short report on Germany's
most valuable brands

April 2012



Executive Summary

Welcome to the first ever BrandFinance® German Top 30 Report highlighting the winners as well as showing an in depth analysis of the Top 30 brands.

- The first edition of the BrandFinance® German Top 30 league table shows a total brand value of €167.5 billion and a total enterprise value of €878.3 billion
- The Automobile and Insurance sectors contributed most to the Top 30 and have both responded well to the recession
- Recent demand from Asia drives German auto industry growth which unsurprisingly reflects that the automobile industry dominates the Top German Brands with five companies making up 31.8% (€53.4 billion) of total brand value
- The most valuable German brand is BMW with a brand value of €16 billion, an enterprise value of €72.8 billion and a brand rating of AAA-
- Closely following BMW is Mercedes Benz with a brand value of €14.9 billion, an enterprise value of €60.2 billion and a brand rating of AAA- and Volkswagen with a brand value of €13.4 billion, an enterprise value of €81 billion and a brand rating of AA
- Insurance brands on the other hand (Allianz, Munich Re and Ergo) only contributed €14.2 billion to the league table

“ Brands are the most valuable intangible assets in business today. They drive demand, motivate staff, secure business partners and reassure financial markets. Leading edge organisations recognise the need to understand brand equity and brand value when making strategic decisions ”



David Haigh, CEO, Brand Finance

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Top 10 Most Valuable German Brands



EUR 16,035 million



EUR 14,904 million



EUR 13,393 million



EUR 12,309 million



EUR 9,733 million



EUR 9,085 million



EUR 8,259 million



EUR 7,312 million



EUR 6,819 million



EUR 6,161 million

In Brands We Trust

An in depth analysis of the BrandFinance® German Top 30

As the German economy provides a shining example to the rest of Europe, so too must German businesses and industry lead the way whilst the continent remains burdened with heavy debts and financial crises. German brands are particularly trusted for being high-quality and high-tech. Such an image is the basis of strong foundation already fabricated in the mind of consumers. In the midst of the Eurozone crisis, this strength has enabled Germany to sustain the shape of its economy. For example, recent demand on its automobile production from Asia has driven up the value of its auto brands thus increasing its gross domestic product.


The first ever BrandFinance® German Top 30 league table, launched in Munich on April 18th 2012, noted a total brand value of €167.5 billion. Unsurprisingly the automobile industry dominates the Top German Brands with five companies especially making up 31.8% (€167.5 billion) of total brand value. Despite the grim economic situation, the German automobile industry remained stable in 2011 and even increased its domestic market share while denoting record export volumes for passenger vehicles at the same time. As a result, the top three BrandFinance® German Brands have been ranked as BMW, Mercedes-Benz and Volkswagen.

BMW has been ranked as Germany's Most

Valuable Brand in 2012 after increasing its brand value to €16 billion, a 12% increase over 2011. The financial year of 2011 marked the best ever year of the BMW Group's corporate history, making BMW the market leader within the premium car segment. Meanwhile the world premiere of the new BMW 3 series, as well as innovative progress within the BMW i-family (electric vehicles or plug-in hybrids), supported BMW's vigorous brand value development.

However, rivals Volkswagen achieved the largest brand value increase with an increase of 49% compared to last year, making it the fastest growing brand within entire the league table. During the past years, exploding growth rates from China and India strongly influenced the successful development of the German automotive sector through an increasing demand for premium cars, making export one of the main pillars for BMW, Mercedes-Benz and Volkswagen. Yet 2012 is expected to be a challenging year for German car manufacturers, depending also on the world economic situation, as India's and China's growth rates are expected to slow down further, spurred by restrictive lending policies and high inflation rates and thus putting additional pressure on German brands.

The strong performance of the automobile sector this year can also be related to the consumers' appetite for premium products,



a trend that has already be seen within the BrandFinance® Global 500. The Global 500, where Apple was ranked as the World's Most Valuable Brand, revealed how the global downturn has spawned a new breed of recession proof and aspirational "Alphabrands" which consumers turn to for quality regardless of the economic conditions. Instead of looking for the cheapest price, German consumers have acted in a similar manner and they appear to be increasingly focused on quality and security, a behaviour also spurred by recent German food scandals and product recalls.

Consumers must be able to trust the brands they select which has also put increasing even more pressure on banking brands suffering from the on-going European sovereign debt crisis. Difficult operating conditions and tightened equity capital requirements for major banks also affected strong German brands such as Deutsche Bank and DZ Bank which had to face a decrease in brand value of -10% (to €9.7 billion) and -19% (to €2.5 billion) respectively.

The summer 2011 marked a comeback of the debt crisis leading to alienated investors and collapsing profits also felt by Deutsche Bank which had initially been aiming for record profits in 2011. The German giant Commerzbank did not even make it into the Top 30 league table this year.

Meanwhile the German chemical industry is one of the strongest performers within the BrandFinance® German Top 30 and appears to be largely unaffected by the current economic climate. As one of Germany's most vital industries, chemical products made in Germany are especially competitive on an international basis due to their high quality and innovative character. An ageing and rapidly growing population is further boosting the demand for innovative health care products and sustainable solutions. Germany's largest chemical corporations BASF and Bayer also profited from this development, resulting in an increase in brand value of 32% (to €4.1 billion) and 24% (to €2.6 billion) respectively. In 2011, BASF marked an incredible increase of 35.8% in net income compared to 2010, although business was especially affected by the natural disaster in Japan and the national debt crisis in Europe.

Germany's Top 3

01.

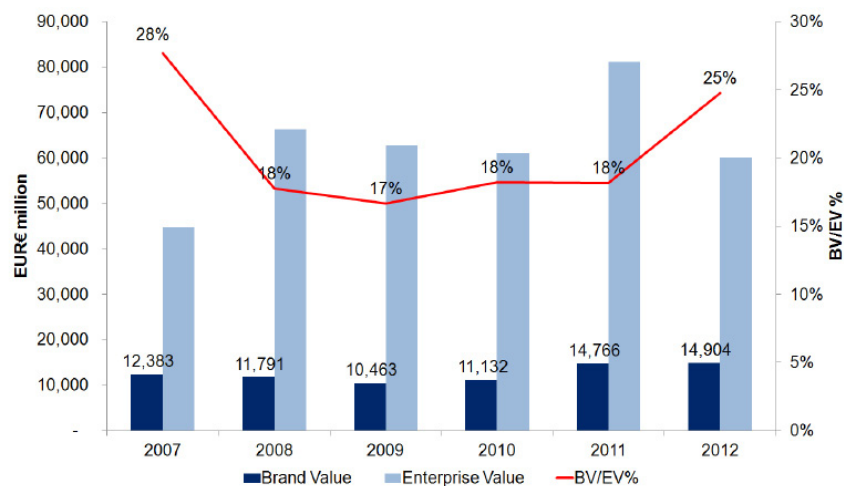


	2012	2011
<i>Brand Ranking</i>	1	2
<i>Brand Value (EUR €)</i>	16,035	14,311
<i>Brand Rating</i>	AAA-	AA+
<i>Domicile</i>	Germany	

Founded in 1916 already, the BMW (Bayerische Motoren Werke) Group now represents one of Germany's largest industrial companies and belongs to the world's most successful car and motorcycle manufacturers. The BMW Group owns three of the strongest premium brands in the automobile industry: BMW, MINI and Rolls Royce, all attempting to set the highest standards in terms of aesthetics, dynamics, technology and quality.

In 2012, BMW represents Germany's most valuable brand, increasing its brand value to €16 billion, a 12% increase over 2011. The financial year of 2011 marked the

best year of the BMW Group's corporate history, making BMW market leader within the premium car segment. The world premiere of the new BMW 3 series, as well as the innovative progress within the BMW i-family (electric vehicles or plug-in hybrids) supported BMW's vigorous brand value development. The company also achieved the highest brand rating with the ranking, AAA-.



02.



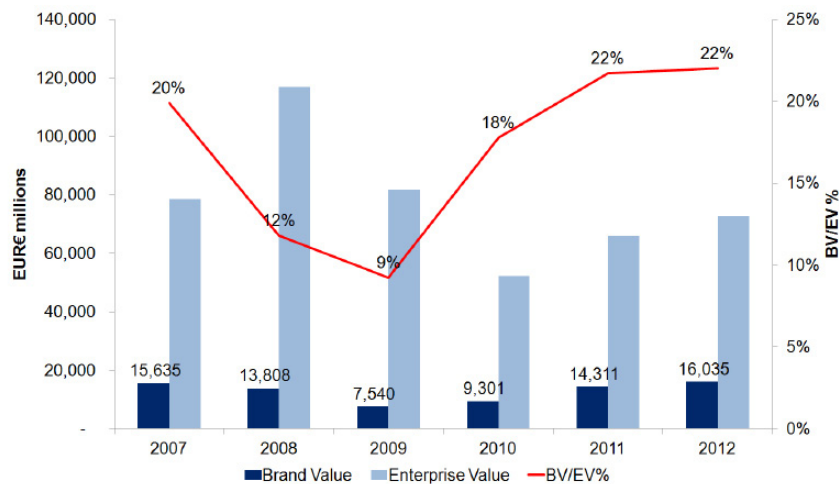
Mercedes-Benz

	2012	2011
Brand Ranking	2	1
Brand Value (EUR €)	14,904	14,766
Brand Rating	AAA-	AA
Domicile	Germany	

Mercedes-Benz is a division of its parent company Daimler AG and has been around for years and is one of the oldest German car-making companies.

2011 represented a record-breaking year for the Mercedes-Benz Cars division, unit sales, revenue, earnings and production volumes reaching all-time highs. The strong growth has especially been supported by the launch of new models such as the new-generation C-Class, the SLK roadster and the new B-Class, as well as by the expansion of the manufacturer's global production network.

The brand was not strong enough however to hold off the increase in BMW's brand value and as a result Mercedes Benz has been knocked off the number one position in the 2012 BrandFinance® German Top 30 study. Mercedes Benz's brand value increased by 18% to €14,904 million in 2012, and, as a result has continued to improve its brand rating to AAA- level.



03.



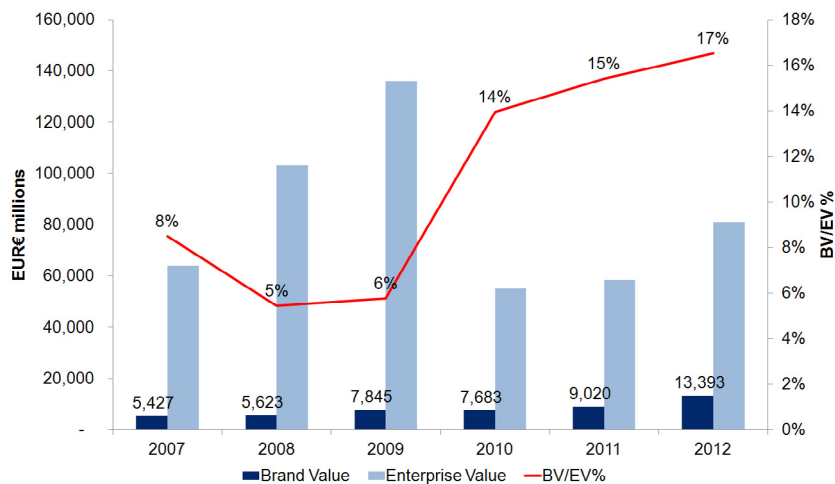
	2012	2011
Brand Ranking	3	5
Brand Value (EUR €)	13,393	9,020
Brand Rating	AA	A+
Domicile	Germany	

The Volkswagen Group has been around for 75 years and belongs to the world's leading automobile manufacturers. The Volkswagen Group represents the largest carmaker in Europe, consisting of ten fascinating and versatile subbrands including VW, Audi, Skoda, Seat, Bentley, Scania, Lamborghini, Bugatti, and Porsche. Since January 2007, Martin Winterkorn has been successfully working on strengthening the brand's position both on a national and international level whilst recovering the company's profitability.

Passenger Cars brand were up 15.2% compared to 2010, primarily due to high growth rates in the USA, Argentina and South Africa. The up! Model, as well as the new Beetle and the new Golf Cabriolet met with a positive reception from the market.

Spurred by its strong financial performance, Volkswagen's brand value grew by incredible 49% compared to 2011, making the carmaker the third most valuable brand within the BrandFinance® German Top 30.

During the fiscal year 2011, unit sales for the Volkswagen



Top 30 Most Valuable German Brands

Rank 2012	Rank 2011	Brand	Industry Group	Brand Value 2012 (€ millions)	Brand Rating 2012	Enterprise Value 2012 (€ millions)	Brand Value / Enterprise Value 2012 (%)	Brand Value 2011 (€ millions)	Brand Rating 2011	Enterprise Value 2011 (€ millions)	Brand Value / Enterprise Value 2011 (%)
1	2	BMW	Automobiles	16,035	AAA-	72,767	22%	14,311	AA+	65,940	22%
2	1	Mercedes-Benz	Automobiles	14,904	AAA-	60,201	25%	14,766	AA	81,173	18%
3	5	Volkswagen	Automobiles	13,393	AA	81,027	17%	9,020	A+	58,537	15%
4	3	Siemens	Miscellaneous Manufacture	12,309	AA+	74,420	17%	11,906	AA+	73,676	16%
5	4	Deutsche Bank	Banks	9,733	AA+	25,020	39%	10,770	AA+	37,234	29%
6	6	T Mobile	Telecommunications	9,085	AA+	62,989	14%	8,203	AA	53,943	15%
7	7	Allianz	Insurance	8,259	AA	38,413	22%	7,738	AA	36,165	21%
8	8	E.ON	Utilities	7,312	A+	64,740	11%	7,464	A+	74,909	10%
9	10	SAP	Technology	6,819	AAA-	56,793	12%	5,706	AAA-	43,174	13%
10	9	DHL	Transportation	6,161	AA-	12,579	49%	6,942	AA-	15,356	45%
11	11	Adidas	Apparel	5,393	AAA-	8,641	62%	4,795	AAA-	7,548	64%
12	14	Deutsche Telekom	Telecommunications	4,425	AA+	25,176	18%	4,320	AA-	26,072	17%
13	12	Nivea	Cosmetics/Personal Care	4,204	AA+	6,427	65%	4,664	AA+	7,226	65%
14	17	BASF	Chemicals	4,084	AA+	63,392	6%	3,119	AA+	57,090	5%
15	13	Metro	Retail	3,995	A+	9,749	41%	4,329	A+	10,946	40%
16	16	Munich Re	Insurance	3,820	AA-	10,814	35%	3,186	AA-	11,306	28%
17	22	Audi	Automobiles	3,440	AA+	13,139	26%	2,655	AA-	16,766	16%
18	15	RWE	Utilities	3,315	A+	24,166	14%	3,499	A+	27,634	13%
19	19	Media Markt & Saturn	Retail	3,169	AA-	6,168	51%	2,935	AA-	6,271	47%
20	-	Daimler	Automobiles	3,019	AA-	14,921	20%	-	-	-	-
21	20	Fresenius Medical Care	Healthcare	2,937	AA-	19,776	15%	2,804	AA	17,155	16%
22	-	Skoda	Automobiles	2,700	AA-	12,427	22%	-	-	-	-
23	24	Bayer	Chemicals	2,565	AA+	46,474	6%	2,067	AA-	53,786	4%
24	18	DZ Bank	Banks	2,512	A	n/a	n/a	3,055	AA-	n/a	n/a
25	-	Thyssenkrupp	Iron/Steel	2,504	AA-	19,495	13%	-	-	-	-
26	21	Lufthansa	Airlines	2,486	AA+	5,073	49%	2,699	AA+	6,101	44%
27	25	Continental	Automobile Parts	2,352	AA-	10,225	23%	2,003	A+	9,558	21%
28	23	EnBW	Utilities	2,269	A	14,743	15%	2,071	A	13,176	16%
29	27	Ergo	Insurance	2,157	AA-	7,515	29%	1,818	AA-	7,857	23%
30	26	MAN	Machinery-Diversified	2,099	AA	11,043	19%	1,868	AA	12,548	15%



About Brand Finance

Brand Finance is an independent global business focused on advising strongly branded organisations on how to maximize value through the effective management of their brands and intangible assets.

Since it was founded in 1996, Brand Finance has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars.

Brand Finance's services support a variety of business needs:

- 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.

Our clients include international brand owners, tax authorities, IP lawyers and investment banks. Our work is frequently peer-reviewed by the big four audit practices and our reports have also been accepted by various regulatory bodies, including the UK Takeover Panel.

Brand Finance is headquartered in London and has a network of international offices in Amsterdam, Bangalore, Barcelona, Cape Town, Colombo, Dubai, Geneva, Helsinki, Hong Kong, Istanbul, Lisbon, Madrid, Moscow, New York, Paris, Sao Paulo, Sydney, Singapore, Toronto and Zagreb.

www.brandfinance.com

Our Services

At Brand Finance, we are entirely focussed on quantifying and leveraging intangible asset value.

Our services compliment and support each other, resulting in robust valuation methodologies, which are underpinned by an in-depth understanding of revenue drivers and licensing practice.

Valuation

We perform valuations for financial reporting, tax planning, M&A activities, joint ventures, IPOs and other transactions. We work closely with auditors, tax authorities and lawyers.

Financial reporting
Tax and transfer pricing
Litigation
Investor relations

Analytics

Our analytical services help clients to better understand the drivers of business and brand value. Understanding how value is created, where it is created and the relationship between brand value and business value is a vital input to strategic decision making.

Brand equity drivers
Brand strength analysis
Brand risk analysis (BrandBeta®)
Brand scorecards
Marketing mix modelling
Marketing ROI

Strategy

We give marketers the framework to make effective economic decisions. Our value-based marketing service enables companies to focus on the best opportunities, allocate budgets to activities that have the most impact, measure the results and articulate the return on brand investment.

Brand strategy
Brand architecture
Brand extension
Budget setting and allocation
Brand value added (BVA®)

Transactions

We help private equity companies, venture capitalists and branded businesses to identify and assess the value opportunities through brand and market due diligence and brand licensing.

Brand due diligence
Brand licensing
Fundraising

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. No independent verification or audit of such materials was undertaken. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate.

The BrandFinance® Germany 30 brand valuations follow IVSC guidance but will only comply with ISO 10668 Monetary Brand Valuation Standard when accompanied by detailed Legal and Behavioral analysis.

The conclusions expressed are the opinions of Brand Finance and are not intended to be warranties or guarantees that a particular value or projection can be achieved in any transaction. The opinions expressed in the report are not to be construed as providing investment advice. Brand Finance does not intend the report to be relied upon for technical reasons and excludes all liability to any organisation.

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

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