

THE 100 TOP BRANDS

Here's how Interbrand calculates the power in a name

INTERBRAND TAKES many ingredients into account when ranking the value of the Best Global Brands. Even to qualify for the list, each brand must derive at least a third of its earnings outside its home country, be recognizable outside of its base of customers, and have publicly available marketing and financial data. Those criteria eliminate heavyweights like Visa, which is privately-held, and Wal-Mart, which sometimes operates under different brand names internationally. Interbrand only ranks the strength of individual brand names, not portfolios of brands, which is why Procter & Gamble doesn't show up. Airlines are not ranked because it's too hard to separate their brands' impact on sales from factors such as routes and schedules. And this year, Interbrand removed pharmaceutical brands from the ranking because consumers typically relate to the product rather than the corporate brand. Insurance companies were

added because they have begun to differentiate themselves and create household names.

BUSINESSWEEK CHOSE Interbrand's methodology because it evaluates brand value in the same way any other corporate asset is valued—on the basis of how much it is likely to earn for the company in the future. Interbrand uses a combination of analysts' projections, company financial documents, and its own qualitative and quantitative analysis to arrive at a net present value of those earnings.

STEP ONE is calculating how much of a company's total sales fall under a particular brand. In some cases the brand encompasses nearly all sales, as with McDonald's. In others it is tied to only one set of products: Marlboro within Altria Group. Using reports from analysts at JPMorgan Chase, Citigroup, and Morgan Stanley, Interbrand projects five years of sales and earnings tied to each brand's products and services.

STEP TWO is calculating how much of those earnings result from the power of the brand itself. To do this, Interbrand strips out operating costs, taxes, and charges for the capital employed to arrive at the earnings attributable to intangible assets. The brand's role is then estimated within those earnings vs. other intangible assets such as patents and management strength.

FINALLY, those future earnings are discounted to arrive at a net present value. Interbrand discounts against current interest rates and also against the brand's overall risk profile to factor in brand strength. Considerations include market leadership, stability, and global reach—or the ability to cross both geographic and cultural borders. The final result values the brand as a financial asset. *BusinessWeek* and Interbrand believe this figure comes closest to representing a brand's true economic worth.

RANK 2007 / 2006	2007 BRAND VALUE \$MILLIONS	2006 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION	
1 1	COCA-COLA	65,324	67,000	-3%	U.S.	Still No. 1, but consumers' shift from soda in the West has hurt Coke. Success with Coke Zero hasn't made up for Coca-Cola Classic's continued loss of share.
2 2	MICROSOFT	58,709	56,926	3%	U.S.	The launch of its Windows Vista operating system, coupled with its Xbox game console, keeps the software giant's latest technology in front of consumers.
3 3	IBM	57,091	56,201	2%	U.S.	Big Blue's ads promise to make customers feel "special." With powerful software, servers, and sophisticated services, it's delivering.
4 4	GE	51,569	48,907	5%	U.S.	With big bets in China and an accelerating push to go green, GE aims to be the earth-friendly global brand.
5 6	NOKIA	33,696	30,131	12%	Finland	Nokia built its brand at both ends of the market, with high-end multimedia handsets for upscale buyers and low-priced phones for emerging countries.
6 7	TOYOTA	32,070	27,941	15%	Japan	Quality concerns have increased overall, but Toyota's reliability and its hybrid strategy are leaving auto rivals trailing.
7 5	INTEL	30,954	32,319	-4%	U.S.	Intel shored up its position as the world's leading chipmaker, but sub-brands such as the Viiv entertainment PC and Core processors failed to resonate.
8 9	MCDONALD'S	29,398	27,501	7%	U.S.	McDonald's continues to move beyond its burgers-and-fries image with a growing selection of healthy foods and stylishly remodeled restaurants.
9 8	DISNEY	29,210	27,848	5%	U.S.	Disney picks franchises it can sell throughout the Magic Kingdom, from movies to theme park rides. The strategy has paid off handsomely.
10 10	MERCEDES-BENZ	23,568	21,795	8%	Germany	New models have helped repair a badly dented reputation for quality, but sales are up only 1.8% for the first half of the year, trailing gains by rivals BMW and Audi.
11 11	CITI	23,443	21,458	9%	U.S.	The folding of the Citi umbrella logo demonstrates that strong brands can transcend their visual identity and continue to add value during transitions.
12 13	HEWLETT-PACKARD	22,197	20,458	9%	U.S.	HP last fall edged out Dell as the world's largest PC maker by market share. Sleek new laptops are helping boost its consumer business.
13 15	BMW	21,612	19,617	10%	Germany	It hit home runs with its revamp of the 3 Series and the Z4 coupe. But with Mercedes on the mend and Audi and Lexus coming on, it can't afford any mistakes.
14 12	MARLBORO	21,283	21,350	0%	U.S.	Its latest brand extension, Marlboro Menthol, is a hit, but smoking bans and the threat of higher taxes have hurt.
15 14	AMERICAN EXPRESS	20,827	19,641	6%	U.S.	Although still the preeminent credit-card brand, American Express' focus on points and co-branded cards could be risky to its long-term brand value.

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16 16	GILLETTE	20,415	19,579	4%	U.S.	Gillette owns the men's shaving category by innovating and spending heavily on advertising. Future growth depends on the women's shaving business.
17 17	LOUIS VUITTON	20,321	17,606	15%	France	The world's most powerful luxury brand rolls on, expanding in China and other emerging markets as it introduces Vuitton-branded jewelry and eyewear.
18 18	CISCO	19,099	17,532	9%	U.S.	Although its presence on the Internet is mostly behind the scenes, the networking giant continues to invest in pricey image ads in advance of a bigger push into consumer gear.
19 19	HONDA	17,998	17,049	6%	Japan	Small, fuel-efficient cars and big investments in hybrids, "clean" diesels, and other green technologies make Honda a darling of the environmentalists.
20 24	GOOGLE	17,837	12,376	44%	U.S.	Despite fears of Google's growing power as it moves into services beyond search, the brand still appeals to consumers and businesspeople.
21 20	SAMSUNG	16,853	16,169	4%	S. Korea	Samsung is the leader in LCD panels and now No. 2 in mobile phones. But last quarter's results were tepid and next year could be tougher.
22 21	MERRILL LYNCH	14,343	13,001	10%	U.S.	Merrill's push into private equity and Asia solidifies the firm's position as a global brand that spans brokerage, investment banking, and wealth management.
23 28	HSBC	13,563	11,622	17%	Britain	Despite becoming embroiled in the subprime mortgage mess, global demand for credit cards, mortgages, and loans continues to drive growth.
24 23	NESCAFÉ	12,950	12,507	4%	Switzerland	Expanding beyond instant java, Nescafé is introducing upmarket coffee-based drinks. In Europe, it rolled out Dolce Gusto, a coffeemaking machine.
25 26	SONY	12,907	11,695	10%	Japan	The success of the Sony-Ericsson mobile phones, flat-panel TVs, and digital cameras have helped mitigate a rough start with the Playstation 3.
26 22	PEPSI	12,888	12,690	2%	U.S.	While soft drinks are losing their fizz in the U.S. and Europe, Pepsi remains strong in growing markets such as India.
27 29	ORACLE	12,448	11,459	9%	U.S.	Skeptics had their doubts about Oracle's expensive acquisitions, but the moves seem to be paying off.
28 32	UPS	12,013	10,712	12%	U.S.	Its successful expansion across new markets throughout Europe and Asia is a testament to the consistency, strength, and recognition of "Brown," the brand.
29 31	NIKE	12,004	10,897	10%	U.S.	The innovative Nike+ Web site kept Nike on the cutting edge in sports. Meanwhile, business is up 40% in India, and China is growing fast, too.
30 27	BUDWEISER	11,652	11,662	0%	U.S.	Bud Light sales continued to grow, but the marquee product is under attack from imports and increasingly popular U.S. craft brews.
31 25	DELL	11,554	12,256	-6%	U.S.	While rivals Apple and HP climb, Dell continues to struggle. The company has pledged to shake up its consumer unit, recently launching laptops in bright colors.
32 33	JPMORGAN	11,433	10,205	12%	U.S.	JPMorgan has been critical to the growth of the hedge fund business, making a risky asset class acceptable to risk-averse investors.
33 39	APPLE	11,037	9,130	21%	U.S.	Can you say iPhone? From innovative products to memorable ads, few companies know how to tug the heartstrings of digital consumers the way Apple does.
34 34	SAP	10,850	10,007	8%	Germany	SAP is penetrating the midsize company market, but its image could be hurt by an admission that a U.S. subsidiary improperly downloaded documents from rival Oracle.
35 37	GOLDMAN SACHS	10,663	9,640	11%	U.S.	Goldman maintains its position as Wall Street's gold standard, and leads the pack by raking in investment banking advisory fees and private investments.
36 35	CANON	10,581	9,968	6%	Japan	Technology developments in its pro-level cameras and its computer peripherals are helping Canon keep its advantage against competitors.
37 36	MORGAN STANLEY	10,340	9,762	6%	U.S.	Morgan Stanley is revving up its asset and wealth management services to bring more high-octane investments to wealthy individuals.
38 41	IKEA	10,087	8,763	15%	Sweden	Swedish for style, Ikea has made design affordable for the masses. A renewed push into Japan and expansion in China is fueling growth.
39 42	UBS	9,838	8,734	13%	Switzerland	The "You & Us" brand campaign attracted high-net-worth individuals to its wealth-management business. But the departure of the CEO and subprime woes could hurt this year.
40 40	KELLOGG'S	9,341	8,776	6%	U.S.	Having pledged not to market sugary foods to kids under 12, Kellogg is using its innovation machine to turn out more nutritious products.
41 30	FORD	8,982	11,056	-19%	U.S.	While new CEO Alan Mulally searches for a global CMO, he is selling ill-fitting luxury divisions to concentrate on the Ford brand worldwide.
42 48	PHILIPS	7,741	6,730	15%	Netherlands	After ditching its volatile semiconductors unit, Philips is focused on becoming a health and lifestyle technology powerhouse.
43 44	SIEMENS	7,737	7,828	-1%	Germany	Improved profitability and a more focused corporate structure is offsetting the negative effects of a management turmoil caused by a bribery scandal—for now.
44 51	NINTENDO	7,730	6,559	18%	Japan	The launch of the Wii transformed Nintendo from a quirky also-ran in game consoles into the market's innovation leader.

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45 45 HARLEY-DAVIDSON	7,718	7,739	0%	U.S.	Long a brand-management model, Harley is looking to Generation X and Y before baby boomers get too old to mount up.
46 46 GUCCI	7,697	7,158	8%	Italy	It has come a long way from men's loafers, with a fast-growing network of global boutiques selling designer Frida Giannini's knitwear and accessories.
47 NEW AIG	7,490	New	New	U.S.	The insurer is pushing harder to make a name. Its sponsorship of Manchester United puts AIG in front of millions of fans throughout Asia and Europe.
48 47 EBAY	7,456	6,755	10%	U.S.	As its core auction business has slowed, eBay has used savvy advertising like the "It" campaign to keep its brand current.
49 NEW AXA	7,327	New	New	France	A push by this French insurer to raise its profile has paid dividends, as it debuts on the list for the first time this year.
50 49 ACCENTURE	7,296	6,728	8%	Bermuda	Of all of the Western IT services giants, Accenture has done a superior job at using low-cost Indian outfits to accentuate its consulting skills.
51 53 LOREAL	7,045	6,392	10%	France	The global No. 1 beauty-products company is ringing up healthy sales of skin-care products targeting older women, while experimenting with new ideas.
52 50 MTV	6,907	6,627	4%	U.S.	Despite a slip in U.S. ratings and threats from MySpace, MTV continued to be a leader in defining youth culture, thanks to its global presence.
53 54 HEINZ	6,544	6,223	5%	U.S.	By focusing on more individual marketing efforts such as art competitions for ketchup packets, Heinz is giving its brand more personality.
54 56 VOLKSWAGEN	6,511	6,032	8%	Germany	New models are selling in Europe and Asia. But it has to show it can conquer the U.S. market with something besides the aging Beetle.
55 55 YAHOO!	6,067	6,056	0%	U.S.	After losing momentum and a CEO during the past 12 months, Yahoo must retool its search ad business and its brand image as well.
56 57 XEROX	6,050	5,918	2%	U.S.	Investing in research that will help the paper industry better manage forest land is Xerox' attempt to demonstrate environmental responsibility.
57 58 COLGATE	6,025	5,633	7%	U.S.	Going beyond traditional ads and in-store promotions, Colgate has stepped up attempts to build relationships with dental professionals.
58 61 CHANEL	5,830	5,156	13%	France	CEO Maureen Chiquet boosted the consumer-research budget and is targeting younger customers by selling through avant-garde boutiques.
59 59 WRIGLEY'S	5,777	5,449	6%	U.S.	Strong growth in China and extensions into products such as mints and chocolates gave Wrigley's brand a bump.
60 60 KFC	5,682	5,350	6%	U.S.	China has an appetite for fried chicken, and KFC is now the country's biggest and fastest-growing restaurant chain, with 2,000 locations.
61 52 GAP	5,481	6,416	-15%	U.S.	The once-iconic brand failed to offer either the basics or trendy items that customers crave. It's now counting on a former high-end designer to reinvigorate its apparel.
62 65 AMAZON.COM	5,411	4,707	15%	U.S.	Finally viewed by consumers as the superstore it always tried to be, Amazon is adding cool, participatory Web services that may enhance its brand image.
63 63 NESTLE	5,314	4,932	8%	Switzerland	Although best known for chocolate, it's counting on other products, including baby foods and bottled water, to fuel future growth.
64 73 ZARA	5,165	4,235	22%	Spain	The best-known of Spanish parent company Inditex' stable of stylish clothing brands, Zara is opening stores—more than one a day—across the globe.
65 62 AVON	5,103	5,040	1%	U.S.	A dismal 2005 forced the elimination of 25% of its products and seven layers of management, but ad spending got an 83% boost in 2006.
66 68 CATERPILLAR	5,059	4,580	10%	U.S.	In addition to building durable equipment, Caterpillar builds customer loyalty by making service calls no matter how tough or remote the terrain.
67 67 DANONE	5,019	4,638	8%	France	Despite a nasty legal dispute with its Chinese partner, sales of dairy products and bottled water are booming. It sold its cookie business to Kraft Foods.
68 74 AUDI	4,866	4,165	17%	Germany	A slew of dream machines such as the A5 coupe, TT roadster, and R8 sportscar is polishing Audi's image as a serious rival to BMW and Mercedes.
69 71 ADIDAS	4,767	4,290	11%	Germany	Building on a boost from the 2006 World Cup in Germany, Adidas showed it could exploit star endorsers like David Beckham on the Internet as well as on TV.
70 64 KLEENEX	4,600	4,842	-5%	U.S.	Because it has failed to articulate a difference between the Kleenex brand and other tissues, consumer demand has been waning.
71 72 ROLEX	4,589	4,237	8%	Switzerland	Still the benchmark for luxury watches, its strong performance in China has further burnished the brand.
72 75 HYUNDAI	4,453	4,078	9%	S. Korea	Having improved the quality and reliability of its cars, Hyundai is pushing to go upscale by introducing premium models.
73 81 HERMÈS	4,255	3,854	10%	France	Playing catch-up with Vuitton, the Paris leather-goods house plans to triple its network of boutiques in China over the next five years.

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74 66 PIZZA HUT	4,254	4,694	-9%	U.S.	Americans still love pizza, but the chain hasn't been able to differentiate itself effectively from rivals or competing grocery-store pies.
75 80 PORSCHE	4,235	3,927	8%	Germany	The revamped 911 sports car and posh \$70,000 Cayenne SUV have stoked a 10-year winning streak.
76 78 REUTERS	4,197	3,961	6%	Britain	CEO Tom Gloer has turned the venerable news-agency-cum-financial-data-provider around and merged it with Thomson making it a big player in data.
77 69 MOTOROLA	4,149	4,569	-9%	U.S.	Motorola's failure to follow its Razr with another hit cell phone was exacerbated by the death of the company's chief marketer, Geoffrey Frost, in late 2005.
78 77 PANASONIC	4,135	3,977	4%	Japan	Panasonic enjoyed robust sales in the plasma TV category. Improved customer support and product development have also aided the company's turnaround.
79 82 TIFFANY & CO.	4,003	3,819	5%	U.S.	Sales have been hot, thanks largely to cheaper silver jewelry. That could hurt the little blue box's premium cachet.
80 NEW ALLIANZ	3,957	New	New	Germany	It fostered goodwill by plastering its name on a World Cup soccer stadium while sponsoring events such as the 2006 India-Pakistan Cricket Test Series.
81 85 ING	3,880	3,474	12%	Netherlands	Innovative home mortgages and insurance and investment in the Renault F1 team combine a state-of-the-art image with high earnings for this financial institution.
82 70 KODAK	3,874	4,406	-12%	U.S.	In spite of new digital cameras and entering the ink-jet printer business with inexpensive ink technology, the Kodak brand continues to lose luster.
83 86 CARTIER	3,852	3,360	15%	France	Its ultra-premium jewelry and watches are selling briskly. Cartier is also expanding its range of lower-priced goods such as perfume and sunglasses.
84 76 BP	3,794	4,010	-5%	Britain	Oil spills in Alaska and a disastrous 2005 refinery explosion in Texas have undermined the promise of "Beyond Petroleum."
85 87 MÖET & CHANDON	3,739	3,257	15%	France	Product innovations, such as smaller package sizes and a new line of Flower Rosé champagnes, helped keep the sparkle in Moët sales.
86 79 KRAFT	3,732	3,943	-5%	U.S.	Kraft has something in the pantry of 199 out of every 200 homes in America. Problem is, many of these brands—think Jell-o or Velveeta—are old and tired.
87 83 HENNESSY	3,638	3,576	2%	France	Its popularity with hip-hop singers fueled spectacular growth in recent years, but now the cognac needs to find new fans.
88 91 STARBUCKS	3,631	3,099	17%	U.S.	With 2,400 new stores opening globally in 2007, Starbucks continues to make itself the world's ubiquitous coffee shop.
89 84 DURACELL	3,605	3,576	1%	U.S.	World Cup and festival sponsorships have built traction with consumers, but Duracell faces a tough road. Batteries are a commodity category rife with imitators.
90 88 JOHNSON & JOHNSON	3,445	3,193	8%	U.S.	Facing a saturated U.S. market for its famed baby goods, J&J is searching for markets in developing countries such as China and India.
91 93 SMIRNOFF	3,379	3,032	11%	Britain	Despite mixed success with new bottled drinks like Raw Tea and Smirnoff Ice, Smirnoff continues to be the No. 1 vodka brand worldwide.
92 92 LEXUS	3,354	3,070	9%	Japan	New high-powered hybrids keep Lexus at the forefront of the U.S. luxury market, but European and Japan German marques are formidable rivals.
93 89 SHELL	3,331	3,173	5%	Britain	Shell was damaged by a scandal over overstated reserves, but it is back on track in a strong oil market.
94 96 PRADA	3,287	2,874	14%	Italy	Playing on its trendsetting image in Italian-chic bags, shoes, and clothing, Prada is pushing the frontier of brand extension with the LG Prada phone.
95 98 BURBERRY	3,221	2,783	16%	Britain	Revenues and margins are on the rise as the label focuses more on higher-end accessories such as handbags and perfumes, where the margins are big.
96 99 NIVEA	3,116	2,692	16%	Germany	Nivea extended its familiar blue-and-white packaging to new products, such as an anti-cellulite cream, while pushing into emerging countries.
97 94 LG	3,100	3,010	3%	S. Korea	The recent launch of super-premium mobile phones is helping LG make an end run around cost wars.
98 90 NISSAN	3,072	3,108	-1%	Japan	A reliance on larger, less fuel-efficient vehicles has hurt Nissan's environmental credentials, but new models may bolster the company's brand.
99 NEW POLO RL	3,046	New	New	U.S.	On its 40th anniversary, Ralph Lauren's iconic American fashion brand is looking to expand its reach in emerging markets.
100 NEW HERTZ	3,026	New	New	U.S.	After separating Hertz from Ford, private equity owners have been slashing costs. Travel agents and customers are worried the cutbacks could hurt service.

The brand valuations draw upon publicly available information, which has not been independently investigated by Interbrand. Valuations do not represent a guarantee of future performance of the brands or companies.

Data: Interbrand, JPMorgan Chase & Co., Citigroup, Morgan Stanley, *BusinessWeek*