

THE GLOBAL BRAND SCOREBOARD

The **100** Top Brands

Here's how we calculate the power in a name

LOTS OF INGREDIENTS go into ranking the world's most valuable brands. To even qualify for the list, each brand must have a value greater than \$1 billion, derive about a third of its earnings outside its home country, and have publicly available marketing and financial data. One or more of those criteria eliminate such heavyweights as Visa, Wal-Mart, Mars, and CNN. We don't rank parent companies, which explains why Procter & Gamble doesn't show up. And airlines are not ranked because it's too hard to separate their brand's impact on sales from factors such as routes and schedules.

BUSINESSWEEK CHOSE Interbrand Corp.'s methodology because it evaluates brands much

the way analysts value other assets: on the basis of how much they're likely to earn in the future. Then the projected profits are discounted to a present value, based on the likelihood that those earnings will actually materialize.

THE FIRST STEP IS figuring out what percentage of a company's revenues can be credited to a brand. (The brand may be almost the entire company, as with McDonald's Corp., or just a portion, as it is for Marlboro.) Based on reports from analysts at J.P. Morgan Chase, Citigroup, and Morgan Stanley, Interbrand projects five years of earnings and sales for the brand. It then deducts operating costs, taxes,

and a charge for the capital employed to arrive at the intangible earnings. The company strips out intangibles such as patents and customer convenience to assess what portion of those earnings is due to the brand.

FINALLY, THE BRAND'S strength is assessed to determine the risk profile of those earnings forecasts. Considerations include market leadership, stability, and global reach—its ability to cross both geographical and cultural borders. That generates a discount rate, which is applied to brand earnings to get a net present value. *BusinessWeek* and Interbrand believe this figure comes closest to representing a brand's true economic worth.

RANK 2004 / 2003	2004 BRAND VALUE \$MILLIONS	2003 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION	
1 1	COCA-COLA	67,394	70,453	-4%	U.S.	Little innovation beyond its flagship brand and poor management has caught up with Coke as consumers' thirst for cola has diminished.
2 2	MICROSOFT	61,372	65,174	-6%	U.S.	Its logo pops up on 400 million computer screens worldwide. But virus plagues and rival Linux took some luster off Gates & Co.
3 3	IBM	53,791	51,767	4%	U.S.	A leader in defining e-business, with services making up more than half of Big Blue's sales.
4 4	GE	44,111	42,340	4%	U.S.	With acquisitions in areas from bioscience to bomb detection, it's easier to buy GE's new theme of "imagination at work."
5 5	INTEL	33,499	31,112	8%	U.S.	No longer just inside PCs, Intel is using its muscle to set the agenda for everything from wireless standards to the digital home.
6 7	DISNEY	27,113	28,036	-3%	U.S.	Long the gold seal in family entertainment, but newcomers like Nickelodeon and Pixar are siphoning off some of its brand equity.
7 8	MCDONALD'S	25,001	24,699	1%	U.S.	Big Mac has pulled out of a two-year slump but still has to battle its reputation for supersizing the world's kids.
8 6	NOKIA	24,041	29,440	-18%	Finland	Tough times for the mobile-phone giant as its market share has slipped and younger buyers turn to rivals such as Samsung.
9 11	TOYOTA	22,673	20,784	9%	Japan	With rock-solid quality and the edge in hybrid cars, the Japanese auto maker is on track to overtake Ford in worldwide sales.
10 9	MARLBORO	22,128	22,183	0%	U.S.	The No. 1 name in cigarettes has cut prices and upped marketing to beat back the challenges of higher taxes and fewer smokers.
11 10	MERCEDES	21,331	21,371	0%	Germany	With wobbly profits and quality problems, the luxury car brand is struggling to retain premium status.
12 12	HEWLETT-PACKARD	20,978	19,860	6%	U.S.	Covering everything from digital cameras to service, the IT giant wants to dominate the middle ground between Dell and IBM.
13 13	CITIBANK	19,971	18,571	8%	U.S.	New CEO Charles Prince has spurred on global expansion and boosted the consumer credit division.
14 15	AMERICAN EXPRESS	17,683	16,833	5%	U.S.	A recent federal court ruling that allows banks to issue Amex cards should give the brand another boost.
15 16	GILLETTE	16,723	15,978	5%	U.S.	Despite the tougher competition from Schick, the King of Blades still reigns with new products like the battery-powered M3Power.

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16 17	CISCO	15,948	15,789	1%	U.S.	The networking behemoth used slick TV ads and key acquisitions like Linksys to extend its reach.
17 19	BMW	15,886	15,106	5%	Germany	The Bavarian auto maker is powering higher sales with a raft of new models from the sleek 6 Series sports coupe to the X3 baby SUV.
18 18	HONDA	14,874	15,625	-5%	Japan	Overtaken by Nissan at home and falling further behind rival Toyota in the U.S. market.
19 14	FORD	14,475	17,066	-15%	U.S.	Ford is trying to make quality "Job One" again after an embarrassing run of glitches, but leery consumers haven't yet regained trust.
20 20	SONY	12,759	13,153	-3%	Japan	It was late to the LCD TV boom, and the PS2 video game console is slipping. Worse, rival Samsung is in Sony's face.
21 25	SAMSUNG	12,553	10,846	16%	S. Korea	No longer known just for undercutting the prices of big Japanese brands, the Korean consumer-electronics dynamo is suddenly cool.
22 23	PEPSI	12,066	11,777	2%	U.S.	Targeted marketing and ads abroad with stars like soccer icon David Beckham have enabled the No. 2 cola maker to steal some of Coke's fizz.
23 21	NESCAFE	11,892	12,336	-4%	Switzerland	It's still the world's favorite instant coffee but even products like Ice Java struggle against hip upscale brands like Starbucks.
24 22	BUDWEISER	11,846	11,894	0%	U.S.	The growing global low-carb trend has left Bud flat. Plus, it's under attack from bulked-up and feisty rival Miller.
25 29	DELL	11,500	10,367	11%	U.S.	With its reputation for low prices and fast delivery, Dell continues to leave competitors in the dust.
26 27	MERRILL LYNCH	11,499	10,521	9%	U.S.	A painful overhaul is behind it. Now the retail brokerage is back in hiring and expansion mode.
27 26	MORGAN STANLEY	11,498	10,691	8%	U.S.	The investment bank's reputation is rising along with mergers and stock issuances, its specialty.
28 24	ORACLE	10,935	11,263	-3%	U.S.	The database-software business is up, but CEO Lawrence Ellison's fight to buy rival PeopleSoft makes Oracle look like a corporate raider.
29 28	PFIZER	10,635	10,455	2%	U.S.	The pharma industry's powerhouse, with 11 products each expected to top \$1 billion in annual sales this year.
30 31	J.P. MORGAN	9,782	9,120	7%	U.S.	The marquee investment bank had a solid year, and now can extend its reach with its \$58 billion acquisition of Bank One Corp.
31 33	NIKE	9,260	8,167	13%	U.S.	With allegations of sweatshop operations behind it and a growing soccer line, Nike rules the athletic market.
32 30	MERCK	8,811	9,407	-6%	U.S.	The drugmaker has tried to bolster its lineup with more partnerships, but patent expirations and research flops still pinch.
33 37	HSBC	8,671	7,565	15%	Britain	After snapping up Household International in 2003, the "world's local bank" is making inroads in the U.S. market.
34 35	SAP	8,323	7,714	8%	Germany	Its establishment image and sharp marketing have helped SAP thrive in a volatile software market.
35 39	CANON	8,055	7,192	12%	Japan	Hot digital cameras and printers boosted sales. Next up: an expanded line of sleek color copiers.
36 38	KELLOGG'S	8,029	7,438	8%	U.S.	Jumping on the low-carb bandwagon has kept Kellogg's cereal business crackling.
37 41	GOLDMAN SACHS	7,954	7,039	13%	U.S.	With record profits, it remains one of the most prestigious institutions on Wall Street.
38 36	GAP	7,873	7,688	2%	U.S.	The retail chain has revived its brand with fresh fashions and celebrity endorsements.
39 NEW	SIEMENS	7,470	New	New	Germany	The Munich conglomerate behind everything from phones to power plants is seeing a payoff from years of global image building.
40 43	IKEA	7,182	6,918	4%	Sweden	The Swedish home furnishing chain is now pushing cheap chic furnishings as far as Russia and Asia.
41 44	HARLEY-DAVIDSON	7,057	6,775	4%	U.S.	The motorcycle icon has lowered seat heights to woo women and trimmed prices, but production limits put a brake on growth.
42 40	HEINZ	7,026	7,097	-1%	U.S.	Despite wacky colors and cute ads, it's proving hard to boost value in foods like ketchup and beans.
43 50	APPLE	6,871	5,554	24%	U.S.	The iPod digital music player gave one of tech's coolest brands the consumer electronics hit of the year.
44 45	LOUIS VUITTON	6,602	6,708	-2%	France	It has a hot Murakami line and Jennifer Lopez in its ads, but is Vuitton getting over-exposed?

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45 NEW UBS	6,526	New	New	Switzerland	With a consolidated brand and its catchy "You and Us" campaign, the world's biggest asset manager is booming.
46 32 NINTENDO	6,479	8,190	-21%	Japan	It has an unrelenting focus on kids, but has Nintendo abandoned the gamers who have grown up?
47 46 MTV	6,456	6,278	3%	U.S.	The music network pumps cash for parent Viacom, and has an international reach that's the envy of U.S. media rivals.
48 42 VOLKSWAGEN	6,410	6,938	-8%	Germany	Aging models and missteps make consumers write off the people's car as pricey and a bit dull.
49 47 L'OREAL	5,902	5,600	5%	France	Expansion in Asia and smart targeting of ethnic markets have the personal-care group looking prettier every day.
50 52 ACCENTURE	5,772	5,301	9%	U.S.	The tech services giant has its mojo back, with a contract to secure U.S. borders, and more consulting work.
51 48 XEROX	5,696	5,578	2%	U.S.	The copier maker is starting to convince customers that it can be a digital document one-stop-shop.
52 55 WRIGLEY'S	5,424	5,057	7%	U.S.	Sales are up as the gum maker looks to push popular brands into more mouths worldwide.
53 34 KODAK	5,231	7,826	-33%	U.S.	Removed from the Dow and only dominant in a film business that shrinks every year.
54 49 KFC	5,118	5,576	-8%	U.S.	Despite efforts to make the brand seem healthier, the world still focuses on the middle name in Kentucky Fried Chicken.
55 51 PIZZA HUT	5,050	5,312	-5%	U.S.	The low-carb craze crimped pizza sales, and the chain's tardiness in diversifying its menu didn't help.
56 56 COLGATE	4,929	4,686	5%	U.S.	With a growing lead over Crest in markets from Russia to China, the toothpaste company is smiling.
57 54 KLEENEX	4,881	5,057	-3%	U.S.	The big name in tissues can't blow off fierce price-cutting by rivals or higher costs in pulp and paper.
58 57 AVON	4,849	4,631	5%	U.S.	The cosmetic company's door-to-door model is performing beautifully in foreign markets like Brazil and China.
59 53 GUCCI	4,715	5,100	-8%	Italy	Sales were slipping even before influential creative director Tom Ford said an April <i>arrivederci</i> .
60 NEW EBAY	4,700	New	New	U.S.	With everything from vintage jewelry to new DVDs, it's where the world shops for bargains.
61 65 YAHOO!	4,545	3,895	17%	Switzerland	The Internet portal has found riches in sponsored search but former partner Google is muscling into its turf.
62 60 NESTLE	4,529	4,460	2%	France	Chocolate is the key ingredient, but the Swiss giant is moving into nutritional supplements and fitness bars.
63 62 DANONE	4,488	4,237	6%	France	Strong sales of dairy products and bottled water keeps the French food company in good health.
64 61 CHANEL	4,416	4,315	2%	U.S.	Successful couture and Nicole Kidman ads have kept this fashion house on people's lips, hips, and wrists.
65 59 PHILIPS	4,378	4,464	-2%	Netherlands	The Dutch electronics giant has scored some hits, but it's still struggling to fend off Asian rivals
66 74 AMAZON.COM	4,156	3,403	22%	U.S.	It dumped TV ads to cut prices, jump-starting sales and building its position as the Wal-Mart of the Web.
67 63 KRAFT	4,112	4,171	-1%	U.S.	There's new low-carbs packaging but critics accuse the food giant of producing products that make kids fat.
68 75 CATERPILLAR	3,801	3,363	13%	U.S.	The equipment manufacturer is plowing ahead as the industrial sector strengthens.
69 67 ADIDAS	3,740	3,679	2%	Germany	The German maker of athletic wear dominates in soccer, but is still trying to find its footing in the U.S.
70 68 ROLEX	3,720	3,673	1%	Switzerland	For high-end consumers, the leading luxury watch maker's appeal is timeless.
71 76 REUTERS	3,691	3,300	12%	Britain	American CEO Tom Glöcker's cost cuts and new products are helping the info giant turn the corner.
72 69 BP	3,662	3,582	2%	Britain	Now second only to ExxonMobil in size, BP is raking in cash thanks to high oil and gas prices.
73 66 TIME	3,651	3,784	-4%	U.S.	Softer advertising pulls down the brand even as its book division pumps out bestsellers.

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74	NEW	PORSCHE	3,646	New	New	Germany	The high-end Cayenne SUV produced record profits and turbocharged the brand.
75	70	TIFFANY	3,638	3,540	3%	U.S.	The lure of its diamonds, pearls, and silver is strong but Japan is looking tarnished and U.S. store sales are down.
76	81	MOTOROLA	3,483	3,103	12%	U.S.	Motorola is relevant again, with its clam-shell phones gaining in Europe and in new markets like China.
77	79	PANASONIC	3,480	3,257	7%	Japan	It boasts some of the best technology in must-have items like recordable DVDs and plasma-screen TVs.
78	78	HERTZ	3,411	3,288	4%	U.S.	Healthy international markets help the king of car rental roar again, even amid rising gas prices.
79	73	HERMES	3,376	3,416	-1%	France	The maker of silk scarves and Kelly handbags hopes designer Jean Paul Gaultier can freshen its image.
80	71	DURACELL	3,362	3,438	-2%	U.S.	Relentless discounting and promotions continue to commoditize the world of batteries.
81	NEW	AUDI	3,288	New	New	Germany	The new A8 and strong global expansion have made Audi a profit engine. It's even thriving in China.
82	64	AOL	3,248	3,961	-18%	U.S.	Federal accounting inquiries and a messy merger have tarnished the AOL name as it fights to keep customers.
83	82	HENNESSY	3,084	2,996	3%	France	Parent LVMH is toasting the popularity of cognac with the world's young urbanites, especially among the hip-hop set.
84	83	SHELL	2,985	2,983	0%	Brit./Neth.	The energy giant is struggling to recuperate from a reserves downgrade and a boardroom bloodbath.
85	77	LEVI'S	2,979	3,298	-10%	U.S.	Even its iconic 501 jeans are discounted these days and brands like Diesel are finding legs with young shoppers.
86	85	SMIRNOFF	2,975	2,806	6%	Britain	The best-selling vodka builds on its popularity with Smirnoff Twist and "malternatives" such as Smirnoff Ice.
87	86	JOHNSON&JOHNSON	2,952	2,706	9%	U.S.	Holding firm in a tough market, it had a hit with a drug-coated stent. But competition looms there, too.
88	NEW	ING	2,864	New	New	Netherlands	ING Direct and a forceful U.S. marketing push put the Dutch financial services firm on the map.
89	88	MOET & CHANDON	2,861	2,524	13%	France	Strong growth in Japan and the U.S. keeps the world's leading champagne brand bubbling along.
90	89	NISSAN	2,833	2,495	14%	Japan	Having pushed aside Honda in Japan, it's gaining North American share with Titan trucks and the Altima sedan.
91	NEW	CARTIER	2,749	New	New	France	The bejeweled panther has shed cheaper items and held tight to its luxury status through tough times.
92	NEW	ESTEE LAUDER	2,634	New	New	U.S.	This fixture of the high-end cosmetics counter is now expanding in middle markets like retailer Kohl's.
93	NEW	ARMANI	2,613	New	New	Italy	Known for classy clothes, it's expanding into everything from home furnishings to hotels and restaurants.
94	84	BOEING	2,576	2,864	-10%	U.S.	It has lost commercial market share to rival Airbus, as execs try to erase the taint of a Pentagon hiring scandal.
95	87	PRADA	2,568	2,535	1%	Italy	Still the preserve of pretty stars but rapid expansion and debt could dilute some of Prada's exclusive cachet.
96	91	MOBIL	2,492	2,407	4%	U.S.	It got a boost from reformulated motor oil and its status as NASCAR's official lubricant.
97	92	NIVEA	2,409	2,221	8%	Germany	The mid-market skin-care line is now a leader in plumping up men's faces, too.
98	93	STARBUCKS	2,400	2,136	12%	U.S.	Global expansion, new products, and yet more variations on the humble cup of java boost the coffee hut's appeal.
99	90	HEINEKEN	2,380	2,431	-2%	Netherlands	Sales may be flat at Europe's largest brewery, but the 141-year-old Amsterdam brand remains the world's favorite premium brew.
100	95	POLO RL	2,147	2,048	5%	U.S.	It has consolidated control of its clothing brand, pushing same-store sales up 11% in the last quarter of 2003.

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 Corp., J.P. Morgan Chase & Co., Citigroup, Morgan Stanley, *BusinessWeek*