

# The 100 Top Brands

Here's how we calculate the power in a name

**INTERBRAND CORP.** takes lots of ingredients into account when 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 brands' impact on sales from factors such as routes and schedules.

**BUSINESSWEEK CHOSE** Interbrand'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. The projected profits are then discounted to a present value, taking into account 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 management strength 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—or the 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 2005 / 2004	2005 BRAND VALUE \$MILLIONS	2004 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION	
1 1	COCA-COLA	67,525	67,394	0%	U.S.	While Coke struggles to add new diet and energy drinks, it is still searching for a zippier global advertising message.
2 2	MICROSOFT	59,941	61,372	-2%	U.S.	It continues to reach into hot consumer markets such as TV set-top box software, video games, and mobile phones.
3 3	IBM	53,376	53,791	-1%	U.S.	The sale of the notebook business to Lenovo continues the transformation from a computer manufacturer to a services and consulting company.
4 4	GE	46,996	44,111	7%	U.S.	Hawking itself as a center of cutting-edge innovation and source of earth-friendly products has enhanced GE's brand image.
5 5	INTEL	35,588	33,499	6%	U.S.	Thanks to its Pentium chips and Centrino wireless notebooks, Intel is a household name worldwide.
6 8	NOKIA	26,452	24,041	10%	Finland	Looking to take on Apple's iPod as cell phones and MP3 players converge into one device.
7 6	DISNEY	26,441	27,113	-2%	U.S.	Incoming CEO Bob Iger must develop new offerings. The trend is toward edgier fare even for kids.
8 7	McDONALD'S	26,014	25,001	4%	U.S.	Who's not lovin' it? Big Mac has reconnected with moms and teens thanks to new offerings like salads and a hipper image.
9 9	TOYOTA	24,837	22,673	10%	Japan	Poised to pass GM globally, Toyota's image gets a big boost from its growing stable of hybrids.
10 10	MARLBORO	21,189	22,128	-4%	U.S.	Still tops in the U.S., the world's biggest cigarette brand has struggled in Europe of late, losing share in France and in Germany.
11 11	MERCEDES-BENZ	20,006	21,331	-6%	Germany	Quality problems and strategic errors have punctured Mercedes' sales for two years. Will the new S-Class sedan help buff its image?
12 13	CITI	19,967	19,971	0%	U.S.	A history in global markets that often helps it trump local players has helped to shield Citi from recent scandals.
13 12	HEWLETT-PACKARD	18,866	20,978	-10%	U.S.	Printer king HP faces increased competition, and new CEO Mark Hurd must figure a way to improve performance against computer rivals Dell and IBM.
14 14	AMERICAN EXPRESS	18,559	17,683	5%	U.S.	AmEx' star is rising since it won the right to let banks issue its cards. AmEx invested heavily in marketing spending worldwide.
15 15	GILLETTE	17,534	16,723	5%	U.S.	The King of Blades is on a roll, with its battery-powered M3Power razor helping produce record results. Now it's getting ready to merge with P&G.

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16 17	<b>BMW</b>	17,126	15,886	8%	Germany	BMW is in the fast-lane, proving that the right mix of engineering and marketing can propel an auto makers' performance even in tough markets.
17 16	<b>CISCO</b>	16,592	15,948	4%	U.S.	Partnered with Microsoft to tackle Internet security and limit damage from viruses. A new focus on small business is paying off.
18 44	<b>LOUIS VUITTON</b>	16,077	NA	NA	France	With Uma Thurman promoting its hot new Monogram Cerises collection, the world's richest luxury brand seems unstoppable.
19 18	<b>HONDA</b>	15,788	14,874	6%	Japan	Consumers can't get enough of Honda. Now it plans to boost annual North American production to 1.4 million vehicles by 2007.
20 21	<b>SAMSUNG</b>	14,956	12,553	19%	S. Korea	One big brand marketed everywhere, plus an explosion of popular cell phones, is boosting sales of all its gadgets.
21 25	<b>DELL</b>	13,231	11,500	15%	U.S.	It has the biggest market share in personal computers and is now aggressively pushing printers, TVs, and laptops as PC demand slows.
22 19	<b>FORD</b>	13,159	14,475	-9%	U.S.	Mustang is red hot. But SUVs and pickups, which had been top money-makers, are cold, and competition hammers truck profit margins.
23 22	<b>PEPSI</b>	12,399	12,066	3%	U.S.	Increasing emphasis on Diet Pepsi and Hispanic marketing, plus big-event advertising on the Super Bowl and Oscars is boosting brand growth.
24 23	<b>NESCAFE</b>	12,241	11,892	3%	Switzerland	Holding its own in the Starbucks era by offering ready-to-drink products such as Ice Java coffee coolers.
25 26	<b>MERRILL LYNCH</b>	12,018	11,499	5%	U.S.	Its revamped retail brokerage business is increasingly being recognized as the best performer in the industry.
26 24	<b>BUDWEISER</b>	11,878	11,846	0%	U.S.	The King of Beers sputtered a bit in 2004, owing to competition from domestic brewers and spirit makers. Bud is battling back with new products.
27 28	<b>ORACLE</b>	10,887	10,935	0%	U.S.	Winning the battle for PeopleSoft, and two other acquisitions, was easy. Oracle now has to integrate all of those products and employees.
28 20	<b>SONY</b>	10,754	12,759	-16%	Japan	Top priority for Sir Howard Stringer, Sony's first ever <i>gaijin</i> CEO: getting the company's consumer electronics biz back on track.
29 33	<b>HSBC</b>	10,429	8,671	20%	Britain	HSBC's three-year-old campaign, "The World's Local Bank," is paying dividends as it rebrands international acquisitions.
30 31	<b>NIKE</b>	10,114	9,260	9%	U.S.	While rivals branch out into hip hop, Nike focuses on athletics. The swoosh overtook Adidas as the biggest supplier of soccer shoes in Europe.
31 29	<b>PFIZER</b>	9,981	10,635	-6%	U.S.	Patent expirations and a weak new-product pipeline hurt the No. 1 drugmaker's prospects. A cost-cutting push won't cure those ailments.
32 NEW	<b>UPS</b>	9,923	New	New	U.S.	Buying regional shippers and rebranding them has enabled Brown to benefit from explosion in mail order and Net selling.
33 27	<b>MORGAN STANLEY</b>	9,777	11,498	-15%	U.S.	Very public management turmoil and the ouster of CEO Philip J. Purcell seriously damaged the firm's sterling reputation.
34 30	<b>JPMORGAN</b>	9,455	9,782	-3%	U.S.	JPMorgan Chase's venerable name has taken its lumps as the bank struggles to absorb its latest acquisition, Chicago's Bank One.
35 35	<b>CANON</b>	9,044	8,055	12%	Japan	Color copiers and top-notch cameras make Canon one of Japan's most profitable companies. Tennis star Maria Sharapova adds star quality.
36 34	<b>SAP</b>	9,006	8,323	8%	Germany	The software giant gained brand value thanks to innovation and smart marketing, but rival Oracle grabbed headlines with its PeopleSoft takeover.
37 37	<b>GOLDMAN SACHS</b>	8,495	7,954	7%	U.S.	Prestige and stability count for a lot, especially when other firms have high-profile management traumas.
38 NEW	<b>GOOGLE</b>	8,461	New	New	U.S.	Google spent \$5 million on marketing in 2004, a fraction of the totals spent by competitors. Yet more people than ever go to Google to search.
39 36	<b>KELLOGG'S</b>	8,306	8,029	3%	U.S.	Cereal is up and acquired brands like Keebler and Morningstar Farms are up even more. International growth is strong.
40 38	<b>GAP</b>	8,195	7,873	4%	U.S.	Sarah Jessica Parker couldn't fend off lackluster sales in 2004. Now the clothier is betting on remodeled stores to move more merchandise.
41 43	<b>APPLE</b>	7,985	6,871	16%	U.S.	With iPod-mania showing no signs of abating, Apple's brand is hotter than ever. That's giving a lift to Mac sales and sets the stage for new offerings.
42 40	<b>IKEA</b>	7,817	7,182	9%	Sweden	The Swedish furniture giant continues to boost sales through smart design and aggressive geographic expansion.
43 NEW	<b>NOVARTIS</b>	7,746	New	New	Switzerland	A heavy advertiser, it ran ads during the Super Bowl and is big in Internet search advertising.
44 45	<b>UBS</b>	7,565	6,526	16%	Switzerland	Its global brand strategy is winning new customers for private wealth management business.

# GLOBAL BRAND SCOREBOARD

RANK 2005 / 2004	2005 BRAND VALUE \$MILLIONS	2004 BRAND VALUE \$MILLIONS	PERCENT CHANGE	COUNTRY OF OWNERSHIP	DESCRIPTION	
45 39	SIEMENS	7,507	7,470	1%	Germany	After selling the money-losing mobile handset business, new CEO Klaus Kleinfeld is concentrating on business-to-business products.
46 41	HARLEY-DAVIDSON	7,346	7,057	4%	U.S.	Harley lost 27% of its stock value this spring. Its problems: slowing growth, high bike prices, and aging Baby Boomer buyers.
47 42	HEINZ	6,932	7,026	-1%	U.S.	It continues to fight private-label brands for space on kitchen tables, buying Lea & Perrins Worcestershire Sauce in June.
48 47	MTV	6,647	6,456	3%	U.S.	The planned cleaving of parent Viacom to unlock shareholder value underscores the growth prospects, particularly overseas, of MTV Networks.
49 59	GUCCI	6,619	NA	NA	Italy	Star designer Tom Ford stepped down last year, but CEO Robert Polet has put Gucci back on its feet with strong sales of footwear and leather accessories.
50 46	NINTENDO	6,470	6,479	0%	Japan	The brand is treading water, but launch of the Nintendo DS portable games machine should raise the company's profile.
51 50	ACCENTURE	6,142	5,772	6%	U.S.	Outsourcing has been a strong growth area, winning high-profile, high-value contracts such as border security in the U.S.
52 49	LOREAL	6,005	5,902	2%	France	The beauty-products giant is sitting pretty, with strong growth in the U.S. and Asia. Sagging European sales are starting to shore up.
53 65	PHILIPS	5,901	NA	NA	Netherlands	The consumer electronics and medical systems colossus launched a global rebranding effort that raised its ranking, but its visibility still lags in the U.S.
54 51	XEROX	5,705	5,696	0%	U.S.	Despite a steady march of new products—40 in 2004 alone—the copier giant has not been able to build momentum with investors.
55 60	EBAY	5,701	4,700	21%	U.S.	The online marketplace's brand value shot up thanks to a runup in its stock price. But revenue growth is slowing as some merchants try rivals.
56 48	VOLKSWAGEN	5,617	6,410	-12%	Germany	Unexciting designs and luxury products forced on a value brand is costing the German auto maker customers worldwide.
57 52	WRIGLEY'S	5,543	5,424	2%	U.S.	The No. 1 name in gum is making a big push into other tasty treats with its recent purchase of Altoids and Life Savers.
58 61	YAHOO!	5,256	4,545	16%	U.S.	The decade-old Internet brand has matured from "colorful" and "wacky" to "useful" and "indispensible" in recent years.
59 58	AVON	5,213	4,849	8%	U.S.	Struggles in the U.S. market were offset by red-hot direct sales in Eastern Europe and other developing economies.
60 56	COLGATE	5,186	4,929	5%	U.S.	Responding to the rising challenge of rival P&G, the global toothpaste giant sharply increased advertising and promotional spending in 2004.
61 54	KFC	5,112	5,118	0%	U.S.	KFC is going away from "healthy" offerings, playing up guilty pleasures and moving back to the Kentucky Fried Chicken brand name.
62 53	KODAK	4,979	5,231	-5%	U.S.	Though Kodak has made impressive strides in digital photography, the stock has been hurt by a credit-rating demotion to junk-bond status.
63 55	PIZZA HUT	4,963	5,050	-2%	U.S.	"Healthy" pizza items and aggressive product-placement strategy in video games aren't enough to overcome the low-carb eating trend.
64 57	KLEENEX	4,922	4,881	1%	U.S.	As Gen Y consumers buy private label or whatever is on sale, Kleenex plays the innovation card with its launch of Moist Cloth tissues.
65 64	CHANEL	4,778	4,416	8%	France	The Paris fashion house is the essence of chic. Nicole Kidman promoting Chanel No. 5 perfume helps, too.
66 62	NESTLE	4,744	4,529	5%	Switzerland	Best known for chocolate, the Swiss food giant posts stronger sales growth from newer products such as Aquarel bottled water.
67 63	DANONE	4,513	4,488	1%	France	U.S. and Asian sales of Danone yogurts and yogurt-based drinks help offset recent weakness in its core European markets.
68 66	AMAZON.COM	4,248	4,156	2%	U.S.	The pioneer e-tailer has kept its brand equity steady by chucking TV ads and spending the money on relentlessly lowering prices.
69 67	KRAFT	4,238	4,112	3%	U.S.	A leaner portfolio of brands should give the maker of Oreos and Maxwell House a boost on store shelves.
70 68	CATERPILLAR	4,085	3,801	7%	U.S.	Cat, with its giant earth-hauling machines, maintains a strong reputation for ruggedness.
71 69	ADIDAS	4,033	3,740	8%	Germany	Collaboration with hip-hop queen Missy Elliott proves that athlete endorsements aren't the only way to sell sports apparel.
72 70	ROLEX	3,906	3,720	5%	Switzerland	Still the ultimate status-symbol timepiece. Rolex is polishing its appeal with marketing initiatives such as an arts sponsorship program.
73 76	MOTOROLA	3,877	3,483	11%	U.S.	Slick designs like the \$500 Razr phone make Motorola a force, especially at the high-end of personal digital electronics.

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74 71	REUTERS	3,866	3,691	5%	Britain	CEO Tom Glocer has led a revival, but catching up to archival Bloomberg is still an uphill battle.
75 72	BP	3,802	3,662	4%	Britain	Despite a Texas refinery accident and a damaged platform in the Gulf of Mexico, BP is challenging ExxonMobil for pole position in the oil industry.
76 74	PORSCHE	3,777	3,646	4%	Germany	An SUV at the legendary sports car company didn't hurt brand caché. A sedan might be next. The company is testing how broad the brand can be.
77 NEW	ZARA	3,730	New	New	Spain	Cutting-edge Spanish apparel retailer epitomizes cheap chic, knocking out mass-produced copies of catwalk fashions almost overnight.
78 77	PANASONIC	3,714	3,480	7%	Japan	With first-rate DVD recorders and the best-selling plasma TVs in the U.S., small wonder that Panasonic's star is rising.
79 81	AUDI	3,686	3,288	12%	Germany	Germany's No. 3 luxury-carmaker scored a big improvement in initial quality in J.D. Power's 2005 ranking, leading to 8.2% higher sales worldwide.
80 80	DURACELL	3,679	3,362	9%	U.S.	Despite rampant price competition in the battery business, Duracell has achieved record profitability thanks to cost-cutting and effective ads.
81 75	TIFFANY & CO.	3,618	3,638	-1%	U.S.	Japan turned cold for Tiffany this year, contributing to disappointing earnings in the last half of the year.
82 79	HERMES	3,540	3,376	5%	France	Designer Jean-Paul Gaultier is wowing fans of the family-run luxury group with new takes on the Birkin and Kelly handbags.
83 78	HERTZ	3,521	3,411	3%	U.S.	Still a leader with business travelers, Hertz shouldn't miss a beat when Ford completes the sale of this market-leading rental-car business.
84 NEW	HYUNDAI	3,480	New	New	S. Korea	It's the fastest-growing auto brand in the world. Now it's aggressively moving upscale into bigger, more profitable segments.
85 90	NISSAN	3,203	2,833	13%	Japan	Snappy designs and aggressive pricing are raising Nissan's market share along with its profits.
86 83	HENNESSY	3,201	3,084	4%	France	Hip-hop artists made this French cognac a U.S. best-seller. Asia could fuel future growth.
87 88	ING	3,177	2,864	11%	Netherlands	ING Direct is a phenomenal success: It's the largest online bank. Now it's aiming for Chinese expansion with its Bank of Beijing investment.
88 86	SMIRNOFF	3,097	2,975	4%	Britain	Sales are up significantly after rebranding campaign. Extension into malt liquor Ice brand has been a big success.
89 91	CARTIER	3,050	2,749	11%	France	After several tough years, the jewel in Swiss luxury group Richemont's crown has rediscovered its sparkle, thanks to new jewelry lines.
90 84	SHELL	3,048	2,985	2%	Brit./Neth.	CEO Jeroen van der Veer is juicing up exploration while cleaning house after a scandal about overstated reserves.
91 87	JOHNSON & JOHNSON	3,040	2,952	3%	U.S.	While the drug business has slowed, J&J's medical devices continue to power earnings. But questions now surround its purchase of Guidant.
92 89	MOET & CHANDON	2,991	2,861	5%	France	Strong U.S. and Asian champagne sales keep the bubbly flowing at parent company LVMH.
93 95	PRADA	2,760	2,568	7%	Italy	Designer Miuccia Prada still stirs up fashionista frenzies with her edgy handbags and shoes. Sales in Asia were up 25% last year.
94 NEW	BULGARI	2,715	New	New	Italy	A move into luxury hotels and resorts is enhancing the jeweler's exclusive brand image.
95 93	ARMANI	2,677	2,613	2%	Italy	The Italian king of style is now moving into home furnishings, hotels, and restaurants. Still missing is a plan for his succession.
96 85	LEVI'S	2,655	2,979	-11%	U.S.	Newer brands like Citizens of Humanity and Miss Sixty keep chipping away at Levi's cool factor. Sales of Levi's jeans in the U.S. were flat from 2003.
97 NEW	LG	2,645	New	New	S. Korea	Once best known for its microwave ovens and basic refrigerators, LG is now rolling out snazzy cell phones, plasma TVs, and digital gizmos.
98 97	NIVEA	2,576	2,409	7%	Germany	The business formula has growing appeal to aging baby boomers on a budget: Skin care that doesn't cost a fortune.
99 98	STARBUCKS	2,576	2,400	7%	U.S.	Profits and share price remain high. Now Starbucks is pushing to become a force in music distribution.
100 99	HEINEKEN	2,357	2,380	-1%	Netherlands	Still the leading international beer brand, but the Amsterdam-based brewer is struggling to keep growth going.

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. NA = Not available; Last year's brand value has been restated due to the availability of new data. Data: Interbrand Corp., J.P. Morgan Chase & Co., Citigroup, Morgan Stanley, BusinessWeek