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Filing date: **11/05/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91204777
Party	Plaintiff Apple Inc.
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Signature	/Allison Scott Roach/
Date	11/05/2013
Attachments	NOR-6.pdf(124148 bytes) Part 1-EXHS. to NOR-6 (1-50).pdf(5051773 bytes) Part 2 EXHS. to NOR-6 (51-95).pdf(983142 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Application Serial No. **85/379,097**
 For the mark: **CRAPPLE**
 Filed: July 22, 2011
 Published: December 20, 2011

-----X		
APPLE INC.,	:	
	:	Opposition No. 91204777
Opposer,	:	
	:	
v.	:	
	:	
NINJA ENTERTAINMENT	:	
HOLDINGS, LLC,	:	
	:	
Applicant.	:	
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OPPOSER’S SIXTH NOTICE OF RELIANCE

Opposer Apple Inc. (“Apple”), pursuant to 37 C.F.R. §§ 2.122(e), submits of record in connection with this opposition proceeding a representative sample of unsolicited print publications available to the general public in libraries and/or on the NEXIS database or of general circulation among members of the public and/or that segment of the public that is relevant to the issues in this proceeding.

This evidence is relevant to show, among other things, the fame of Apple’s marks, the specific recognition of Apple by the public, media, and industry as one of the most valuable brands, and the widespread recognition of Apple’s marks by the relevant general public.

EXHIBIT	PUBLICATION DATE	PUBLICATION NAME - ARTICLE TITLE (SUMMARY OR RELEVANT QUOTE)
A	January 26, 1995	The San Francisco Chronicle - Apple’s Logo Will Adorn Other Products

B	February 9, 1995	Charleston Daily Mail (West Virginia) - Apple Plans to Sell Rights to its Logo
C	November 13, 1996	The San Diego Union-Tribune - San Diego and California ("The company licensed its name and famous apple logo...")
D	November 13, 1996	The Wall Street Journal - Apple Will License Name and Logo to Cyber Cafes
E	January 18, 2000	The Wall Street Journal - Apple Computer Quietly Changes Appearance of Its Famous Logo
F	August 6, 2001	Business Week - The 100 Top Brands (valuing the APPLE brand as the 49th most valuable brand in the entire world, with an estimated brand worth of U.S. \$5.46 billion)
G	August 5, 2002	Business Week - The Best Global Brands (valuing the APPLE brand as the 50th most valuable brand in the entire world, with an estimated brand worth of U.S. \$5.32 billion)
H	August 4, 2003	Business Week - The 100 Top Brands (valuing the APPLE brand as the 50th most valuable brand in the entire world, with an estimated brand worth of U.S. \$5.55 billion)
I	August 9, 2004	Business Week - Cult Brands; The <i>Business Week</i>/Interbrand Annual Ranking of The World's Most Valuable Brands Shows The Power of Passionate Consumers (valuing the APPLE brand as the 43rd most valuable brand in the entire world, with an estimated brand worth of U.S. \$6.871 billion)

J	August 1, 2005	Business Week - Global Brands; <i>Business Week</i>/Interbrand Rank the Companies That Best Built Their Images – And Made Them Stick (valuing the APPLE brand as the 41st most valuable brand in the entire world, with an estimated brand worth of U.S. \$7.985 billion)
K	March 26, 2006	The San Francisco Chronicle - APPLE TO ITS CORE: Faithful, Sometimes Fanatical; Apple Customers Continue to Push The Boundaries of Loyalty ("They tattoo Apple's logo on their arm.")
L	June 28, 2006	Omaha World-Herald - Apple Logos May Herald Omaha Store
M	September 4, 2006	MMR (Mass Market Retailer) - Apple Prowess Extends to the Retailing Arena; Apple Computer Inc. ("A 32-foot-square transparent cube with the Apple logo at its center serves as the entrance to the 10,000 square feet of selling space . . .")
N	January 24, 2007	Newstex Web Blogs - M&Ms: Apple Logo Melts in Your Mouth
O	February 12, 2007	Newstex Web Blog - Color Customize the Apple Logo on Your Laptop
P	March 19, 2007	Fortune - Why Apple is the Best Retailer in America ("Onlookers were bathed in the milky-white glow of the Apple logo . . .")
Q	October 4, 2007	Small Biz mentor - Verizon Wireless Voyager - Anything You Can Do I Can Do Better (". . . Apple is such a strong brand name, making anything Apple produces a 'must have' for many consumers.")
R	March 23, 2008	The Boston Globe - How the Apple Logo Makes People 'Think Different'

S	March 24, 2008	Advertising Age - This Brand Makes You More Creative ("The group that had been subliminally primed by the Apple Logo [was] rated . . . as more unique and creative.")
T	March 31, 2008	Gawker - Apple Logo Makes You Creative. Really
U	June 15, 2009	SNL Kagan Media & Communications Report - The truth behind Apple's price slice ("Lindstrom went so far as to compare Apple brand loyalty to a religion. He said that when a study he helped conduct scanned the brains of both Apple fanatics and people who professed a strong faith in Christianity, the same regions in both groups' brains were activated. Furthermore, Lindstrom polled 2,000 consumers and asked if they would tattoo an Apple logo on their arm. 'And 6.7% of Apple fans said yes,' he said.")
V	January 22, 2011	Los Angeles Times - Apple grows on Samsung's soil; In South Korea, patriotism figures into the war between the iPhone and Galaxy S (" 'Apple is an iconic logo and people worldwide want to be a part of its coolness,' said Brian Marshall, an analyst with the research and investing firm Gleacher & Co.")
W	October 2, 2012	New York Times - List of Global Brands Keeps Coke on Top, And Apple Jumps Up ("...eight of the remaining top nine brands changed ranks from last year, Interbrand reported, including Apple, which rose to No. 2 from No. 8,")
X	September 30, 2013	New York Times - Apple Passes Coca-Cola as Most Valuable Brand ("APPLE is the new most valuable brand in the world, according to a closely followed annual report.")

Respectfully submitted,

Dated: November 5, 2013

KILPATRICK TOWNSEND & STOCKTON LLP

By: /s/Allison Scott Roach

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Attorneys for Opposer Apple Inc.

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	:	
NINJA ENTERTAINMENT	:	
HOLDINGS, LLC,	:	
	:	
Applicant.	:	
-----X	:	

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served on Ninja Entertainment Holdings, LLC by depositing a copy with the United States Postal Service as First Class Mail, postage prepaid, in an envelope addressed to:

Daniel Kelman
1934 Josephine Street
Pittsburgh, Pennsylvania 15203

This the 5th day of November, 2013.

/s/ Alberto Garcia
Alberto Garcia

EXHIBIT A



Copyright 1995 The Chronicle Publishing Co.
The San Francisco Chronicle

JANUARY 26, 1995, THURSDAY, FINAL EDITION

SECTION: BUSINESS; Pg. B1

LENGTH: 449 words

HEADLINE: Apple's Logo Will Adorn Other Products

BYLINE: Jeff Pelling, Chronicle Staff Writer

BODY:

Like the name says, Apple Computer's core business is computers. But yesterday the company embarked on a new venture: licensing its brand name for use on office products, books and art supplies.

That's just the beginning. One day, an executive said, the rainbow-colored Apple logo may show up on a pair of boxer shorts. There's only one limitation: The name won't be emblazoned on anybody else's personal computer.

"Apple's objective is to extend brand awareness and protect our trademarks," said Mike Dionne, Apple's vice president of corporate communications. "Our focus will be on opportunities that are outside the scope of Apple's PC business."

Apple won't actually make the products it licenses, but it will have a say in quality control and receive a royalty on sales of goods that bear its name.

Until recently, this kind of venture would have been considered heresy at Apple. For years, the company has closely guarded its technology and its brand name. In the 1980s, the company fought the Beatles rock group in court over rights to the Apple name.

Nowadays, Apple has loosened up. Under chief executive Michael Spindler, the company last year agreed to license its technology to other computer makers. Apple expects these Macintosh "clones" to begin selling in the second half of 1995.

The next step: licensing its brand name, one of the most widely recognized monikers in the technology industry.

"Apple's products are known worldwide as cutting-edge, innovative and user-friendly," said Michael Stone, co-chairman of the Beanstalk Group, which will be Apple's licensing agent. "We will integrate these traits into (the) licensing program."

Within three years, Apple may be able to generate millions of dollars annually from the program, added Seth Siegel, the other co-chairman of Beanstalk in New York. The products also may include stationery, toys, office furniture and cellular telephones, he said.

Although licensing is rare in the technology industry, it is expected to become more commonplace as computer makers become more like consumer companies. Consumer giants such as Walt Disney, Coca-Cola and Harley-Davidson already license their brand names widely.

LET'S GO LICENSING

Some companies that license their brand:

Apple's Logo Will Adorn Other Products The San Francisco Chronicle JANUARY 26, 1995, THURSDAY, FINAL
EDITION

Company Primary business Licensing agreement

Apple Computer Computers Name expected to appear on
office products and
educational materials

Celestial Herbal teas Name appears on cough drops

Seasonings

Coca-Cola Soft drinks Name appears on glasses
and serving trays

Harley-Davidson Motorcycles Logo appears on bicycles
and toys

Walt Disney Entertainment Toys and games with
Disney characters

LOAD-DATE: January 26, 1995

EXHIBIT B



Copyright 1995 Charleston Newspapers
Charleston Daily Mail (West Virginia)

February 09, 1995, Thursday

SECTION: News; Pg. P 3F

LENGTH: 227 words

HEADLINE: APPLE PLANS TO SELL RIGHTS TO ITS LOGO

BODY:

CUPERTINO, Calif. (AP) _ Apple Computer Inc., which recently agreed to license its technology, will also sell rights to its distinctive logo.

No decision has been made yet about what products will sport the company's rainbow-striped Apple logo. But they could include such things as office and art supplies, educational books and toys, the company said.

But don't expect to see Apple's mark on anyone else's personal computers.

"Apple's objective is to extend brand awareness and protect our trademarks," said Mike Dionne, vice president of corporate communications. "Our focus will be on opportunities that are outside the scope of Apple's PC business."

Apple said it has chosen the Beanstalk Group in New York as its licensing agent.

Seth Siegel, co-chairman of the Beanstalk Group, said licensed products could include such electronic appliances as clock radios, telephones and answering machines.

After nearly two decades of keeping its technology to itself, Apple decided last fall to let other companies make "clones" of its personal computers. It agreed to license the operating system, or key software, of its popular Macintosh computers.

Two companies recently announced licensing agreements with Apple and are expected to produce versions of Apple's Macintosh computers later this year.

EXHIBIT C



Copyright 1996 The San Diego Union-Tribune
The San Diego Union-Tribune

November 13, 1996 Wednesday

SECTION: BUSINESS; Pg. C-2

LENGTH: 440 words

HEADLINE: SAN DIEGO AND CALIFORNIA

BYLINE: Compiled from staff and wire reports

BODY:

Acquisition of MICA completed U.S. Diagnostic of West Palm Beach, Fla., has completed its acquisition of Medical Imaging Centers of America in San Diego for \$11.75 a share in cash, adding 23 facilities to its network of outpatient diagnostic imaging centers.

Robert S. Muehlberg, MICA's chairman and chief executive, remains as a consultant.

U.S. Diagnostic expects to resolve soon its dispute with Raytel Medical over MICA's facility at Orlando, Fla. Royale makes a top-10 list Royale Energy of San Diego has been ranked as the 10th-fastest-growing among the top 200 publicly traded oil and gas companies in an annual listing by Oil and Gas Journal.

Royale has discovered and produced gas in California's Sacramento and San Joaquin basins. System Design in deal with Sun System Design Group of San Diego has won a contract valued at almost \$100,000 from Sun Microsystems of San Jose. The engineering consulting firm will work with Sun to develop software for use by Sun workstations. Microsoft maps Sidewalk Microsoft says its on-line city entertainment guides, known previously as Cityscape, will be called Sidewalk.

The company also has elaborated on its plans for San Diego, saying it will launch San Diego Sidewalk by the end of 1997. The company has named Moya Gollaher as general manager of that venture.

She previously ran a variety of programming and marketing activities at Cox Communications in San Diego. TriTeal broadens its market TriTeal of Carlsbad has licensed its SoftNC technology to Wyse Technology for use in Wyse's Wintern line of enhanced network computers.

The deal broadens TriTeal's market for its desktop software.

Terms of the deal were not disclosed.

In trading yesterday, the company's stock price rose \$2.75 to close at \$17.75. CompUSA to open store CompUSA will open its third superstore in San Diego County on Nov. 22. The 25,600-square-foot outlet will be in the Encinitas Ranch Town Center on El Camino Real and will have 70 employees. Apple plans cybercafe chain Apple Computer plans to work with a restaurant operator to open cybercafes in the United States and Europe starting late next year.

The company licensed its name and famous apple logo to Mega Bytes International of London, a developer of theme parks.

Mega Bytes will develop a high-tech chain of eateries where patrons can surf the Internet, play computer games -- and eat. Foundation Health earnings up 51% Managed-care provider Foundation Health has reported a 51 percent increase in first-quarter earnings to \$35.9 million, or 61 cents a share.

Foundation Health, based in Rancho Cordova, reported \$1.03 billion in revenues vs. \$724 million a year ago.

LOAD-DATE: July 20, 2007

EXHIBIT D



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Dow Jones Factiva

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THE WALL STREET JOURNAL

The Wall Street Journal

November 13, 1996 Wednesday

SECTION: TECHNOLOGY; Pg. B2

LENGTH: 179 words

HEADLINE: Apple Will License Name And Logo to Cyber Cafes

BODY:

CUPERTINO, Calif. -- Think of it as Planet Macintosh.

Apple Computer Inc., always on the lookout for a marketing edge, said it is licensing its name and logo to a restaurant company that plans a chain of Apple Cafes around the world.

The computer company said it has a deal with Mega Bytes International BVI, a London real-estate investment company. The first restaurant is scheduled to open in late 1997 in one of the trendier neighborhoods of Los Angeles, such as Santa Monica. Others may follow in global capitals like Tokyo, London and Paris, Apple said.

The 15,000-square-foot facilities will be developed by Landmark International, a Los Angeles design house whose earlier projects included the "Terminator 3D" attraction at Universal Studios, in Florida. The restaurants will feature Internet connections and CD-ROM machines, tableside video-conferencing units by which diners can talk to others in the restaurant, and a shop selling T-shirts and software. The menu, Apple said, will be eclectic and "health conscious."

Apple declined to disclose financial terms of the deal.

NOTES:

PUBLISHER: Dow Jones & Company

LOAD-DATE: December 5, 2004

EXHIBIT E



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THE WALL STREET JOURNAL

The Wall Street Journal

January 18, 2000 Tuesday

SECTION: MARKETING & MEDIA; Advertising; Pg. B16

LENGTH: 1178 words

HEADLINE: Apple Computer Quietly Changes Appearance of Its Famous Logo

BYLINE: By Suein L. Hwang

BODY:

Apple Computer is quietly changing its stripes.

The company has been slowly removing the rainbow-colored stripes from the bitten apple that has been its signature since the 1970s -- a logo that has been one of the best-known icons of the personal-computer revolution.

Marketing experts say the logo's new look is part of a greater effort to transform Apple's image from that of scrappy populist to one of world-class technologist.

While the new logo began appearing on the Cupertino, Calif., company's products as early as 1998, only recently has Apple begun stripping the rainbow from all parts of its empire.

In Apple's new advertising and products, the profile of the fruit remains, as does the bite. But the apples are polished and solid-colored, with a three-dimensional bulge. Apple has never announced the switch, and it declined requests to discuss why it is making the change.

Over the past few months, the solid-colored fruit began to appear in the company's "Think Different" advertising campaign, created by TBWA/Chiat/Day, a unit of Omnicom Group. One of the final steps came a few weeks ago, when the company began stamping the new icon on employee business cards and company letterhead.

At the Macworld exhibition earlier this month, Apple gently urged retailers to switch to the new logo.

"They're really encouraging us to go with it," says Joanne Raiden, head of the Mac Store, a St. Louis-based seller of Apple products that is planning to replace the painted rainbow insignia on its storefront. "They've got great new products, they're back to being the best technologically, and they want a new updated look."

First launched in 1976, Apple's rainbow-colored icon originally stood out as a symbol of counterculture and rebellion, contrasting sharply with the industrial blues and grays of giant rival brands such as International Business Machines.

Jean-Louis Gasse, a top Apple executive in the 1980s, is famous among Apple aficionados for his logo ruminations. The rainbow colors, he observed, were in the opposite order from how they appear in nature, symbolizing the company's rebellious nature.

"I couldn't dream of a more appropriate logo -- lust, knowledge, hope, anarchy," Mr. Gasse gushed at the time.

But marketing veterans say that message is less relevant in today's world, where computers are commonplace and dot-com upstarts are everywhere. After overcoming years of shrinking sales and management turmoil, they say Apple needs to convince consumers that it is poised for the future.

"Friendly, fun, and approachable isn't enough to win in the computer business today," adds Allen Adamson, managing director at Landor Associates, a branding company. "You need a sophisticated technology message." Adds David Placek, whose firm, Lexicon Branding, coined the Powerbook name for Apple's line of notebook computers: "This signals to consumers that the company is changing along with them."

Even Mr. Gasse, now chief executive of software concern Be Inc., agrees that it was time for the old logo to go. "The early logo is too much in the tie-dyed T-shirt culture," he says.

The rollout of the new apple has been very gradual and, in contrast to Apple's usual attention-getting style, has been conducted with no fanfare. Pure-white apples first appeared on the company's first line of blue-and-white iMac computers in 1998, and users noticed that the new icon glowed brightly when they turned on one of the company's Powerbook notebook computers. Apple's new line of brightly colored iMacs, launched last year, featured little apple logos in matching hues.

Marketing experts say Apple was right to take its time and be quiet about it. Changing any famous icon can be risky, they say, particularly for a company that has such a passionate following of ardent fans. Indeed, even the slightest change doesn't go unnoticed by Apple's fiercely loyal fans. Shawn King, the host of a weekly Internet show done in Vancouver, British Columbia, and called "The Mac Show," says he fielded numerous complaints when the white apples first turned up on the iMac.

"A lot of folks called us up and asked whether this was the end of Apple as we know it," he says.

But Mr. King said the early objections subsided as Apple fans got used to the logo, and were further mollified by the realization that Apple had no plans to change the logo's famous shape.

"It's like your little brother has finally got a new set of clothes: Instead of sneakers, he's wearing a nice business suit," Mr. King says. "He's grown up."

Ad Notes. . . .

OMNICOM GROUP continues its online buying spree, with a stake in Nuforia.

Omnicom is expected to announce today that it is making a minority investment in closely held online advertising agency Nuforia, where executives said Omnicom will pay \$18.8 million for an 18.5% stake and an option to acquire a larger percentage of the company.

The six-month-old Nuforia, based in New York, is the result of the merger of technology company Net Explorer and communications firm Belk Mignogna Associates. The agency provides services such as strategic consulting, branding, e-commerce and design and has 230 employees in six offices nationwide. Executives said revenue for 1999 was \$23 million. Its clients include PaineWebber Group, Philip Morris's Altoids and Best Selections.com. "It isn't the dollar amount of Omnicom's investment that's significant, it's their sphere of influence," said Bill Bingham, chief executive of Nuforia.

Omnicom has bought minority stakes in nine other online firms over the past three years, including 46.6% of Agency.com and 26.8% of Organic. Omnicom plans to announce its first investment in a British interactive firm and an investment in another U.S.-based online agency in coming weeks.

"They don't compete for business the way traditional advertising agencies do because there are so many [potential] clients," John Wren, president and CEO of Omnicom, said of Nuforia. "Their biggest challenge is deciding who to work with."

WPP GROUP makes three new-media investments. The total value of the investments is about \$35 million. WPP Group said it will buy a minority stake in TWIinteractive, the new-media and technology arm of McCormack's International Management Group. The London ad concern also bought a 20% stake in e-Rewards, a new venture started by Hal Brierley, chairman and chief executive of Brierley & Partners, and Mort Myerson, former CEO of Perot Systems, for \$5

Apple Computer Quietly Changes Appearance of Its Famous Logo The Wall Street Journal January 18, 2000 Tuesday

million. The third investment is in Concept!, a German new-media company. Ogilvy Interactive, a unit of WPP, will be merging its German interactive business and investing 15 million marks (\$7.8 million) in cash in the interactive business. Ogilvy will own around 20% of Concept.

To date, Martin Sorrell, WPP's chief executive, said that WPP has spent about \$60 million in new-media investments, although narrowly defined Internet revenue still makes up only \$100 million of WPP's \$3.5 billion revenue base.

Journal Link: Join an online discussion about the future of Apple Computer in The Wall Street Journal Interactive Edition at <http://wsj.com>

NOTES:

PUBLISHER: Dow Jones & Company

LOAD-DATE: December 5, 2004

EXHIBIT F



Copyright 2001 The McGraw-Hill Companies, Inc.

BusinessWeek

Business Week

August 6, 2001

SECTION: SPECIAL REPORT; Best Global Brands; Number 3744; Pg. 60

LENGTH: 736 words

HEADLINE: The 100 Top Brands

HIGHLIGHT:

Our first ranking of the world's most valuable brands

BODY:

The table that follows ranks 100 global brands that have a value greater than \$ 1 billion. The brands were selected according to two criteria. They had to be global in nature, deriving 20% or more of sales from outside their home country. There also had to be publicly available marketing and financial data on which to base the valuation. That excluded some big brands, such as Visa, BBC, Mars, and CNN. The table of individual brands is followed by a table of leading brand portfolios, since some companies create significant brand value by managing a group of brands. Procter & Gamble, for example, owns Pampers, Crest, and Tide.

There are many ways to rank brands. Some rankings rely on little more than opinion polls or ad expenditures. BusinessWeek selected Interbrand's method because it values brands the same way analysts value other assets: on the basis of how much they're likely to earn going forward. Those future earnings are then discounted to a present value based on how risky the earnings are, that is, the likelihood that they will actually materialize.

To start the process, Interbrand first figures out what percentage of overall revenues are accounted for by the brand. Next, with the help of analysts from Citigroup, Interbrand projects the net earnings for that segment of the business. Interbrand then deducts a charge for the cost of owning the tangible assets, on the theory that whatever income is generated beyond that cost is due to intangible factors. This is the economic value added by such intangibles as patents, customer lists, and, of course, the brand.

The next step is to winnow the earnings generated by the brand from the earnings generated by other intangibles. For example, are people buying Shell gas because of the brand name or because the gas station is conveniently located? Interbrand uses market research and interviews with industry executives to sift through those variables.

The third and final phase is to analyze the strength of the brand in order to figure out how risky those future brand earnings are. To calculate the brand's strength, Interbrand looks at seven factors, including the brand's market leadership, its stability, and its ability to cross geographical and cultural borders. The risk analysis produces a discount rate which is applied to the brand earnings to come up with a net present value of the brand. BusinessWeek and Interbrand believe that this figure comes closest to representing the true economic value of that complex array of forces that make up a brand.

The Top Brand Portfolios

The valuations of the brands draw upon publicly available information. Interbrand has not made its own independent investigation or research into the accuracy or completeness of the information. The valuations do not

The 100 Top Brands Business Week August 6, 2001

represent advice from Interbrand with respect to the suitability of the sale, licensing, or franchising or any commercial exploitation of the brands in any respect, or for the purpose of investment, in the companies in question. Nothing contained in the valuations should be relied upon as a promise or representation as to the future prospects of the brands or companies. Interbrand accepts no representations and warranties with respect to the valuations.

	COMPANY	2001 BRAND \$ BILLIONS	2000 BRAND \$ BILLIONS	PERCENT CHANGE	COUNTRY
1	JOHNSON & JOHNSON	68.21	NA	NA	U.S.
2	P&G	45.44	48.35	-6	U.S.
3	NESTLE	41.69	40.25	4	Switzerland
4	UNILEVER	37.85	37.10	2	Brit./Neth.
5	L'OREAL	17.80	NA	NA	France
6	DIAGEO	15.00	14.56	3	Brit./Neth.
7	COLGATE-PALMOLIVE	14.36	13.64	5	U.S.
8	DANONE	13.58	NA	NA	France

Data: Interbrand, Citigroup, BusinessWeek

URL: <http://www.businessweek.com/index.html>

GRAPHIC: Table: The Global Brand Scoreboard (This table is not available electronically. Please see the August 6, 2001 issue.)

LOAD-DATE: August 02, 2001

BONUS: OUR SUPPLEMENT ON E-BUSINESS

www.businessweek.com

BusinessWeek

August 6, 2001

A PUBLICATION OF THE McGRAW-HILL COMPANIES

Investing
How our Wall Street column performed

Global Summit
The fallout for corporations after Genoa

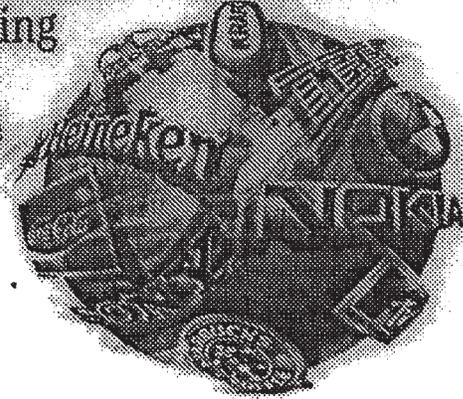
Xerox
Anne Muleahy takes charge

Indonesia
Can a new leader save the economy?

THE BEST GLOBAL BRANDS

Our first ranking of the world's most valuable brands

PAGE 60



ADL Keyword: BW

THE 100 TOP BRANDS

Our first ranking of the world's most valuable brands

The table that follows ranks 100 global brands that have a value greater than \$1 billion. The brands were selected according to two criteria. They had to be global in nature, deriving 25% or more of sales from outside their home country. There also had to be publicly available marketing and financial data on which to base the valuation. That excluded some big

consumer goods and pharmaceutical brands, as well as some financial institutions. Interbrand's method because it values brands the same way and does not value other assets on the basis of how much they are likely to earn going forward. These future earnings are then discounted to a present value based on

how risky the earnings are, that is, the likelihood that they will actually materialize.

To start the process, Interbrand first figures out what percentage of overall revenues are accounted for by the brand itself, with the help of consultants from Chicago-based program the net earnings for that segment of the business. Interbrand then deducts a charge for the cost of owning the complex assets on the theory that whatever income is generated beyond that cost is due to intangible factors. This is the economic value added by such intangibles as patents, customer lists, and, of course, the brand.

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Special Report



brands, such as Visa, Inc., Nike, and Coca-Cola. The table of individual brands is followed by a table of leading brand positions, since some companies create significant brand value by managing a group of brands. Procter & Gamble, for example, owns Pampers, Crest, and Tide.

There are many ways to rank brands. These rankings rely on little more than

The Global Brand Scoreboard

BRAND	2001 MARKET VALUE (\$B.)	2000 MARKET VALUE (\$B.)	PERCENTAGE CHANGE	CHANGE IN RANKING	MARKETING COMMENT
1 COCA-COLA	66.90	77.50	-14	1.5	Down 1 spot this year, but still a long way to go for the beverage giant.
2 MICROSOFT	62.07	70.20	-12	0.1	Microsoft is second year as biggest public U.S. stock, helped by Windows XP.
3 IBM	51.76	55.10	-6	1.5	Despite the fact that IBM's brand is being leveraged in helping the company build and market.
4 GE	47.40	48.11	-1	0.5	The Yellow brand has come back under the ownership of GE, which had the name.
5 MERCK	39.34	38.93	+9	10th	The company's new line of drugs, particularly Merck's, is the latest in a series of new products.
6 WALT DISNEY	34.97	28.00	+24	0.1	"Home Alone" and other films have helped the company, but Disney's 50 years are still a long way to go.
7 BILLY BUIRY	32.24	31.85	+1	1.5	Despite new pricing, the brand's reputation for quality and service has helped it.
8 FORD	30.09	30.21	-1	0.1	The Ford brand has a long history of quality and reliability.
9 NESTLE	28.74	27.24	+5	1.1	Despite new pricing, the brand's reputation for quality and service has helped it.
10 J&J	22.82	24.24	-6	0.1	J&J has the most powerful brand in consumer goods, with its long-standing reputation.

Interbrand, Chicago, researched

RANK	2001 MARKET VALUE (\$BIL)	2000 MARKET VALUE (\$BIL)	PERCENT CHANGE	COUNTRY OF ORIGIN	INDUSTRY
1	4.72	5.10	-7	USA	Computer software; computer services; computer hardware; services; other IT services
2	4.21	4.72	-11	France	Oil & gas; refining; petrochemicals; energy services
3	3.93	3.93	0	USA	Food; beverage; tobacco; pharmaceuticals; consumer products; services
4	3.53	3.64	-3	USA	Telecommunications; services; other IT services
5	3.44	3.52	-2	USA	Automotive; services; other IT services
6	3.36	3.13	7	USA	Telecommunications; services; other IT services
7	3.29	3.60	-9	USA	Food; beverage; tobacco; pharmaceuticals; consumer products; services
8	3.24	4.04	-19	USA	Telecommunications; services; other IT services
9	3.15	3.4	-7	USA	Telecommunications; services; other IT services
10	3.09	3.14	-1	USA	Telecommunications; services; other IT services
11	3.00	3.43	-13	USA	Telecommunications; services; other IT services
12	2.99	3.20	-6	USA	Telecommunications; services; other IT services
13	2.97	3.4	-12	USA	Telecommunications; services; other IT services
14	2.97	3.4	-12	USA	Telecommunications; services; other IT services
15	2.97	3.4	-12	USA	Telecommunications; services; other IT services
16	2.97	3.4	-12	USA	Telecommunications; services; other IT services
17	2.97	3.4	-12	USA	Telecommunications; services; other IT services
18	2.97	3.4	-12	USA	Telecommunications; services; other IT services
19	2.97	3.4	-12	USA	Telecommunications; services; other IT services
20	2.97	3.4	-12	USA	Telecommunications; services; other IT services
21	2.97	3.4	-12	USA	Telecommunications; services; other IT services
22	2.97	3.4	-12	USA	Telecommunications; services; other IT services
23	2.97	3.4	-12	USA	Telecommunications; services; other IT services
24	2.97	3.4	-12	USA	Telecommunications; services; other IT services
25	2.97	3.4	-12	USA	Telecommunications; services; other IT services
26	2.97	3.4	-12	USA	Telecommunications; services; other IT services
27	2.97	3.4	-12	USA	Telecommunications; services; other IT services
28	2.97	3.4	-12	USA	Telecommunications; services; other IT services
29	2.97	3.4	-12	USA	Telecommunications; services; other IT services
30	2.97	3.4	-12	USA	Telecommunications; services; other IT services

DATA SOURCE: COMPTON, BOSTON

EXHIBIT G



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BusinessWeek

Business Week

August 5, 2002
Correction Appended

SECTION: SPECIAL REPORT; Number 3794; Pg. 92

LENGTH: 2119 words

HEADLINE: THE BEST GLOBAL BRANDS

BYLINE: By Gerry Khermouch in New York

HIGHLIGHT:
BusinessWeek and INTERBRAND tell you what they're worth

BODY:

Wireless phones. Consumer electronics. Memory chips. Could you pick three tougher lines of business to be in right now? Somehow, with just such a portfolio, Samsung Electronics Co. managed to more than double its profits in the most recent quarter, to \$ 1.6 billion.

How? Once a humdrum manufacturer of commodity electronics largely sold under other companies' names, South Korea-based Samsung is reaping the rewards of moving aggressively into higher-end products that carry fatter profit margins. It has invested heavily to produce cutting-edge designs, from flat-panel TV monitors that can be hung on walls like paintings to an elegantly thin DVD player. The company moved up the memory-chip price chain to sell more devices to video game makers. And it became the No. 3 producer of cell phones, with a premium-priced line that includes handsets with color screens.

But just as critical as the turnover in product was the face-lift Samsung gave its brand. Last year, it took a first stab at creating a new image with visually arresting ads such as one that posed an impossibly stylish woman in blue makeup, yellow nail polish, and ostrich feathers next to one of its TV monitors. This year, it plans to spend \$ 200 million on ads focused on the company's promise to provide a "DigitAll Experience." That's an attempt to drive home the link between Samsung's new upscale image and the lifestyle its customers crave, says Eric B. Kim, executive vice-president for global marketing operations. Says Kim: "This is our first attempt to be at the leading edge rather than being a follower."

Now more than ever, companies see the power of a strong brand. At a time when battered investors, customers, and employees are questioning whom they can trust, the ability of a familiar brand to deliver proven value flows straight to the bottom line. If, shaken by the plummeting stock market and concerned about the security of their jobs, consumers start cutting back on spending, they're more likely to stick with names they know they can rely on. "When a brand earns our trust, we not only repeat our purchases, but we also tell all of our friends about it," says David Martin, U.S. president of New York-based Interbrand Corp., a pioneering brand consultant that teamed up with BusinessWeek to create our second annual ranking of the most valuable global brands.

Brands usually aren't listed on corporate balance sheets, but they can go further in determining a company's success than a new factory or technological breakthrough. That's because nurturing a strong brand, even in bad times, can allow companies to command premium prices. Purveyors of products ranging from Budweiser beer to BMW cars have been able to keep growing without succumbing to the pricing pressures of an intensely promotional environment. A

strong brand also can open the door when growth depends on breaking into new markets. Starbucks Corp., among the fastest-growing brands, recently set up shop in Vienna, one of Europe's cafe capitals, and says 400 of its planned 1,200 new store openings this year will be overseas.

To sort out which global brands are holding their ground and which are crumbling, Interbrand and BusinessWeek created a ranking of the top 100 by dollar value. The list by Interbrand, a unit of Omnicom Group Inc., is based on the idea that strong brands have the power to lift sales and earnings. Interbrand attempts to figure out how much of a boost each brand delivers, how stable that boost is likely to be, and how much those future earnings are worth today. The value that is assigned is strictly for the products with the brand on them, not for others sold by that company. Therefore, Coca-Cola Co. -- easily the top brand again this year, with a value approaching \$ 70 billion -- is ranked just on those products carrying the Coke name, not Sprite or Powerade.

Because Interbrand relies on a rigorous analysis of cash flows rather than mere consumer perceptions to calculate brand values, changes in the business climate or a category's economics can have a strong impact on those values. An economic downturn can erode values even among companies that have resisted the temptation to cut marketing budgets, slash prices, or compromise on quality. In today's perilous economic climate, it's no surprise, then, that 49 out of the 100 brands on our list -- and 7 of the top 10 -- fell in value this year. That compares with 41 that dropped in value in our 2001 ranking. Some of the hardest-hit brands represent industries -- telecommunications, finance, travel, and luxury goods -- that have been body-slammed by the downturn.

Take Boeing Co., whose ambitious brand-influencing efforts -- from advertising to relocating its headquarters from Seattle to Chicago -- helped put it on the list last year at \$ 4 billion. But September 11's devastating impact on air travel almost instantly put on hold airlines' plans to expand their fleets, causing Boeing's hard-won brand value to plunge 27% this year, to \$ 3 billion -- a billion dollars of value wiped out.

Still, some companies compounded the problems of a down economy with management missteps. AT&T plunged 30% in value, losing its place among the top 10 brands. The company spent hundreds of millions on aggressive, youth-oriented ads and upgraded the range of licensed products that bear the AT&T name in order to shed its stodgy Ma Bell image. But it didn't deliver enough exciting new products and services fast enough to sell customers on a "new" AT&T.

Amid the carnage, though, many companies found ways to add value to their brands. Samsung was easily the fastest-growing, its value rising an estimated 30% to \$ 8.3 billion. While Coke continues to struggle to get back its rhythm in the U.S., its sales are still growing in the developing world, buttressed by a strong global marketing effort behind the World Cup. Thus, Coke eked out a 1% gain, adding \$ 700 million in brand value. Despite losing some highly publicized battles in the courtroom over its tobacco liability, Philip Morris Cos. saw its venerable Marlboro brand push into the Top 10, adding 10% to its value. The company used deep pockets to squeeze rival brands out of prime display positions in stores.

Other winners exploited their strong brands by launching extensions into new products and categories. Too often, new flavors, formulations, and packages wind up as barren exercises in market positioning that clog retail shelf space while offering consumers nothing truly different. But this year's ranking offers proof that the right line extensions can make a difference. H.J. Heinz Co. boosted its brand value by 4% with ingenious ways of driving consumer interest in ketchup, from squeezable bottles to versions spiced up with flavors such as Smokey Mesquite. Diageo PLC's once-tired Smirnoff vodka brand scored a 5% gain thanks to the success of a citrus-flavored, single-serve drink, Smirnoff Ice. Positioned as a sophisticated alternative to beer, Ice not only became a hit with younger consumers but also enticed them into giving a second glance to the core brand, which got a lift.

The Nivea skin-care line shows how to strengthen a brand by branching out. Beiersdorf went further than a line extension or two in garnering a 16% brand-value rise for its unit. Starting with women's skin-care products and a carefully nurtured image of wholesomeness and natural ingredients, Nivea has moved into men's products, including deodorants, shampoos, and even a moisturizer dispensed from an electric razor. Nivea has dozens of products today, vs. a handful five years ago. "They are a classic example of how far you can go with brand extensions," says Jan Lindemann, Interbrand's global director for brand valuation.

Advertising, of course, is one of the most direct ways to build a brand. But the danger in tough times is that you advertise price breaks and wind up cheapening a brand. That's why Dell Computer Corp.'s ability to see a 12% increase in brand value is so impressive. The PC maker gave its promotional ads an additional brand-building role. They feature an enthusiastic young character, "Steven," congratulating customers with "Dude, you're getting a Dell!" -- driving home

THE BEST GLOBAL BRANDS Business Week August 5, 2002 Correction Appended

the point that customers can get exactly what they want at low prices. After years of making that point in a dry way, Steven brought "real personality to Dell," says Scott Helbing, the company's vice-president for global brand strategy.

But ads can take a brand only so far. And if their claims are not backed up by performance, the ads erode value. For that reason, employees are a crucial link to the consumer. If employees are motivated to reflect the core brand values in all their activities, that radiates out to customers, and on to friends and family. Such word-of-mouth endorsements -- which in the Internet era can circle the globe instantly -- can be far more convincing than any marketing campaign. Brand winners usually "have inculcated what's great about their companies up and down the organization," says Scott Bedbury, a former top marketer at Nike Inc. and Starbucks who now runs consultant Brandstream in Seattle.

Even the best corporate names are under attack these days. Still, those companies are reaping the benefits of years they spent building customer trust and honing images of quality and dependability. To weather an extended bout of distrust and instability, strong brands are crucial. Companies also will have to work doubly hard to keep them intact.

The World's 10 Most Valuable Brands

RANK	BRAND	2002 BRAND VALUE (\$ BILLIONS)
1	COCA-COLA	69.6
2	MICROSOFT	64.1
3	IBM	51.2
4	GE	41.3
5	INTEL	30.9
6	NOKIA	30.0
7	DISNEY	29.3
8	MCDONALD'S	26.4
9	MARLBORO	24.2
10	MERCEDES	21.0

Data: Interbrand Corp., J.P. Morgan Chase & Co.

Winners

Samsung used bold designs to transform itself into a premium seller of consumer products. Baby boomers, meanwhile, pay Harley top dollar for a dash of rebel independence.

RANK	BRAND	2002 BRAND VALUE (\$ BILLIONS)	2001 BRAND VALUE (\$ BILLIONS)	% CHANGE
34	SAMSUNG	8.3	6.4	+30
91	NIVEA	2.1	1.8	+16
46	HARLEY-DAVIDSON	6.3	5.5	+13
31	DELL	9.2	8.3	+12
93	STARBUCKS	2.0	1.8	+12

Data: Interbrand Corp., J.P. Morgan Chase & Co.

Losers

The telecom debacle cut the legs out from under Ericsson and AT&T. Boeing still hasn't recovered from September 11, and Merrill Lynch got mauled by the bear market.

THE BEST GLOBAL BRANDS Business Week August 5, 2002 Correction Appended

RANK	BRAND	2002 BRAND VALUE (\$ BILLIONS)	2001 BRAND VALUE (\$ BILLIONS)	% CHANGE
71	ERICSSON	3.6	7.1	-49
11	FORD	20.4	30.1	-32
17	AT&T	16.1	22.8	-30
82	BOEING	3.0	4.1	-27
25	MERRILL LYNCH	11.2	15.0	-25

Data: Interbrand Corp., J.P. Morgan Chase & Co.

URL: <http://www.businessweek.com/index.html>

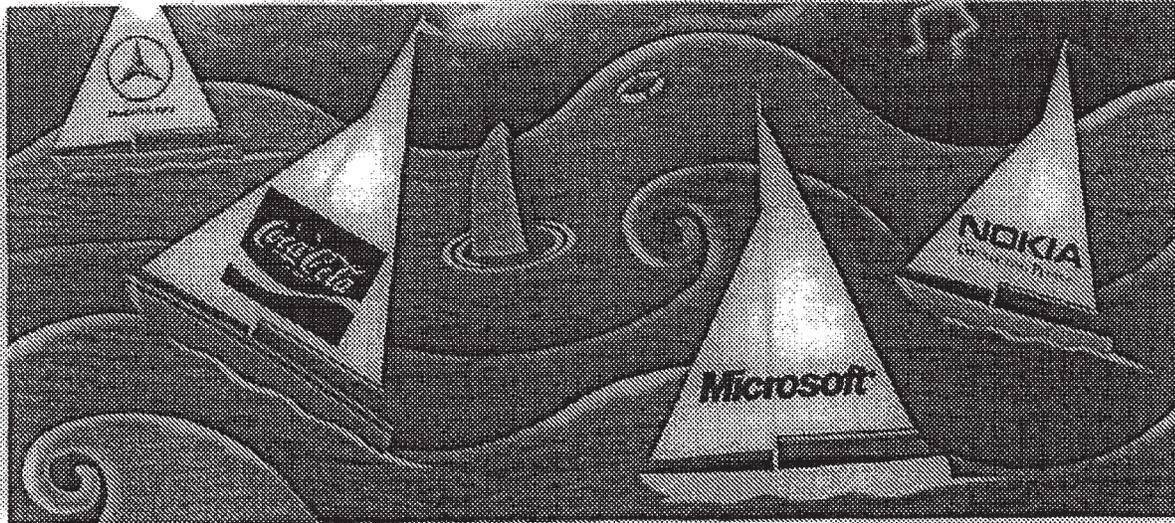
CORRECTION-DATE: September 9, 2002

CORRECTION:

A table with "The Best Global Brands" (Special Report, Aug. 5) wrongly said that Merck & Co.'s painkiller drug Vioxx faces patent expiration. Vioxx' patent runs through 2013.

GRAPHIC: Photograph: DELL The enthusiastic "Steven" of recent ads helped boost the brand's value 12% ; Photograph: SAMSUNG Heavy investment in design R&D has brought fatter profit margins PHOTOGRAPH BY KI HO PARK/KISTONE

LOAD-DATE: August 01, 2002



THE BEST GLOBAL BRANDS

BusinessWeek and **INTERBRAND** tell you what they're worth

Wireless phones. Consumer electronics. Memory chips. Could you pick three tougher lines of business to be in right now? Somehow, with just such a portfolio, Samsung Electronics Co. managed to more than double its profits in the most recent quarter, to \$1.8 billion.

How? Once a humdrum manufacturer of commodity electronics largely sold under other companies' names, South Korea-based Samsung is reaping the rewards of moving aggressively into higher-end products that carry better profit margins. It has invested heavily to produce cutting-edge designs, from flat-panel TV monitors that can be hung on walls like paintings to an elegantly thin DVD player. The company moved up the memory-chip price chain to sell more devices to video game makers. And it became the No. 3 producer of cell phones, with a premium-priced line that includes handsets with color screens.

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one that posed an impossibly stylish woman in blue malsup, yellow nail polish, and ostrich feathers next to one of its TV monitors. This year, it plans to spend \$200 million on ads focused on the company's promise to provide a "Digital Experience." That's an attempt to drive home the link between Samsung's new upscale image and the lifestyle its customers crave, says Eric S. Kim, executive vice-president for global marketing operations. Says Kim: "This is our first attempt to be at the leading edge rather than being a follower."

Special Report

Now more than ever, companies see the power of a strong brand. At a time when battered investors, customers, and employees are questioning whom they can trust, the ability of a familiar brand to deliver proven value flows straight to the bottom line. If, shaken by the plummeting stock market and concerned about the security of their jobs, consumers start cutting back on spending, they're more likely to stick with names they know they can rely on. "When a brand earns our trust, we not only repeat our purchases, but we also tell all of our friends about it," says David Martin, U.S. president of New York-based In-

THE 100 TOP BRANDS

What's in a name? Plenty, if you play your cards right

It was a tough year to build a brand—or defend one—against the corrosive effects of a bear market, financial scandals, and shifting consumer priorities. For proof, look no further than the fact that roughly half of the 100 global brands that Interbrand Corp. and *BusinessWeek* ranked this year fall in value compared with a year ago. In this environment, just holding your own is an accomplishment.

To qualify for our ranking, brands had to have a value greater than \$1 billion. They were selected according to two criteria: They had to be global in nature, deriving 20% or more of sales from outside their home country. They also had to have publicly available marketing and financial data on which to base the valuation. That excluded some big brands, such as Visa International, the Gap, and Mars.

How do you place a value on a brand? Some attempts rely on little more than opinion polls or ad spending. *BusinessWeek* selected Interbrand's method because it values brands the same way analysts value other assets: on the basis of how much they're likely to earn in the future. Those projected profits are then discounted to a present value based on how risky the projected earnings are—that is, the likelihood that they will in fact materialize.

To start the process, Interbrand first figures out what

percentage of overall revenues are accounted for by the power of the brand. Next, with the help of analysts from J.P. Morgan Chase & Co., Interbrand projects net earnings for that segment of the business. Interbrand then deducts a charge for the cost of owning the tangible assets, on the theory that whatever income is generated beyond that cost is due to intangible factors. This is the economic value added by things like patents, customer lists, and, of course, the brand.

The next step is to winnow the earnings generated by the brand from the earnings generated by other intangibles. For example, are people buying Shell gasoline because of the brand name or because the gas station is conveniently located? Interbrand uses market research and interviews with industry executives to sift through those variables.

The final phase is to analyze the strength of the brand to figure out how risky those future brand earnings are. To calculate the brand's strength, Interbrand looks at seven factors, including the brand's market leadership, its stability, and its ability to cross geographical and cultural borders. The risk analysis produces a discount rate that is applied to the brand earnings to come up with a net present value of the brand. *BusinessWeek* and Interbrand believe this figure comes closest to representing the true economic value of that complex array of forces that make up a brand.

Special Report

The Global Brand Scoreboard

RANK	2002 BRAND VALUE (\$BILLION)	2001 BRAND VALUE (\$BILLION)	PERCENT CHANGE	COUNTRY OF HEADQUARTERS	DESCRIPTION
1	63.54	63.00	+1%	U.S.	Still the most-traded brand in the developing world, Coca-Cola now has more than 200 brands in 200 countries.
2	54.05	65.07	-2	U.S.	Its brand is still "strong" through the downturn, but its biggest challenge is sluggish PC purchases.
3	51.19	52.75	-3	U.S.	Good thing Big Blue was able to do more. It's not sure the next earnings report is back in the bag.
4	41.31	42.40	-3	U.S.	The retirement of Jack Welch and a big new Corporate America took a toll on the GE name.
5	30.96	34.47	-11	U.S.	"Real brands" put it on the map, but how the brand faces tough competition in the PC game.
6	29.97	29.04	+4	Finland	Still the most powerful brand of choice among consumers, but overall sales of mobile hardware are weak.
7	29.20	32.53	-11	U.S.	Even though the Microsoft Corp. couldn't compete for a year-end score, it held its own.
8	26.90	26.23	+6	U.S.	Who knew? The fast-food giant's global expansion continues as people eat PC food.
9	24.10	23.05	+10	U.S.	The Gap brand that has weathered and now shares the world is one of the most challenging and successful of its kind.

By Interbrand Corp., J.P. Morgan Chase & Co., BusinessWeek

The Global Brand Scoreboard						
RANK	2002 BRAND VALUE (\$BILLIONS)	2001 BRAND VALUE (\$BILLIONS)	PERCENT CHANGE	COUNTRY OF ORIGIN	DESCRIPTION	
40	RELOGG'S	7.19	7.01	+3	U.S.	Ways to innovation, and a Domo absence that put Dazz Lighter above the brand. Renewed the brand's identity.
41	LOUIS VUITTON	7.06	7.05	0	France	Did a fashion that took, particularly in Asia, but sales have been strong because of post-September 11 travel restrictions.
42	SAP	6.70	6.31	+7	Germany	Can't get enough of them. The product, a computer for SAP. The software made profitable for a firm in a regulated market.
43	CANON	6.72	6.68	+2	Japan	A remarkable performance in a camera market that is advertising aimed at growth. And it's getting on well at other.
44	HEA	6.05	6.01	+5	Sweden	Reopened brand launched from the weak economy. Swedish to mark customers willing to associate their own labels.
45	PEPSI	6.09	6.21	-3	U.S.	Incremental sales, nothing like former General Foods. Pepsi did biggest challenge in a competitive and it failed there and there.
46	HARLEY-DAVIDSON	6.27	5.53	+13	U.S.	Harley Davidson is doing better than ever as a high-end gear maker of motorbikes.
47	MTV	6.00	6.00	0	U.S.	Personal success of the Consumer brand MTV still has its spark. Unlucky that the ad market is flat.
48	PIZZA HUT	6.02	6.00	+1	U.S.	Teach market, but the chain expanded its restaurants and added new products like P. Lovers, Tostitos, and Garden of Eatin'.
49	KFC	5.35	5.28	+1	U.S.	Expanded presence in a competitive market. And (admittedly) re-created with corporate sibling Pizza Hut.
50	APPLE	5.32	5.46	-4	U.S.	A well-known brand that continues to grow. Apple is a trademark and a brand of innovation.
51	XEROX	5.11	6.01	-12	U.S.	Trying to compete in a market that is full of digital and high-speed copiers. But a trademark that is strong.
52	GUCCI	5.30	5.37	-1	Italy	The ongoing story of brand designer Tom Ford could affect a new start to Gucci.
53	ACCENTURE	5.19	NA	NA	U.S.	In light of former parent Arthur Andersen's fate, Accenture's branding activities may be more brilliant.
54	LOREAL	5.08	NA	NA	France	No significant news. The brand has had more than half its sales in Europe. Despite strong growth, acquisition.
55	KLEENEX	5.08	5.09	-1	U.S.	How we find most of its sales because of innovations like Freedom Tissues, for car, for pockets.
56	SUN	4.78	6.15	-7	U.S.	Not just about the sun, but about Sun with the (re)player of the sun. Sun is a brand name.
57	WRIGLEY'S	4.75	4.53	+5	U.S.	Innovation kept the Wrigley's brand. But, Can 'American' is where the brand-clearing goes and to the stars.
58	REUTERS	4.61	5.24	-12	Netherlands	Reassessing its core business. Reopening its customers and its re-structured image and new service.
59	COLGATE	4.50	4.57	-1	U.S.	A multi-brand portfolio of toothpaste and other products helped offset declining sales in other product areas.
60	PHILIPS	4.56	4.50	+2	Netherlands	Major offshoots are seen in their portfolio. The brand was damaged by high corporate debt and a weak U.S. marketing.
61	NESTLE	4.43	NA	NA	Switzerland	The King of Nestle, Nestle, and they had to enter the U.S. for cream with Nestle's.
62	KVON	4.40	4.27	+1	U.S.	A new wave of the old. Kvon and brand name boosted to 3. Kvon did not have a brand of its own, but it was there.
63	AOI	4.33	4.50	-4	U.S.	For signs of potential strength following merger with Time Warner, and AOL's aggressive growth has slowed.
64	CHANEL	4.27	4.27	0	France	The perfume and fashion brand has been in a tough global economy.
65	KRAFT	4.08	4.03	+1	U.S.	But American brand marketing from elsewhere is also dropping, and Kraft needs to create images to get the best store displays.
66	DANONE	4.05	NA	NA	France	It's the most of the old. Danone and its brand name, because it was prepared to launch from health care.
67	YANOO	3.85	4.39	-12	U.S.	Forget the ad blitz. Yanoo needs to prove it is relevant to consumers as they become more experienced at traveling.
68	ADIDAS	3.69	3.66	+1	Germany	Can't get on with the new, but still has the appeal among brand-building and response youth.
69	ROLEX	3.69	3.70	0	Switzerland	There's nothing like a rocky watch in bad times. But improved sales must wait.

Data courtesy of Interbrand, Inc. © 2002 BusinessWeek

EXHIBIT H



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BusinessWeek

Business Week

August 4, 2003

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LENGTH: 436 words

HEADLINE: THE 100 TOP BRANDS

HIGHLIGHT:

Here's how we calculate the power in a name

BODY:

To rank the world's 100 most valuable global brands, we set three hurdles that all contenders have to meet to merit consideration. First, they must have brand values greater than \$ 1 billion. They also have to be global in nature, meaning they must derive at least a third of their sales from outside their home countries and have significant distribution throughout the Americas, Europe, and Asia. Finally, they must have publicly available marketing and financial data. That excluded some big brands, such as Visa International, the BBC, and Mars.

How do you place a value on a brand? Some attempts rely on little more than opinion polls or ad spending. BusinessWeek selected Interbrand's method because it values brands the same way analysts value other assets: on the basis of how much they're likely to earn in the future. Those projected profits are then discounted to a present value based on how risky the projected earnings are -- that is, the likelihood that they will, in fact, materialize.

To start the process, Interbrand first figures out what the brand's overall sales are. (The brand may be almost the entire company, as in the case of McDonald's Corp. For others, such as Marlboro, it may be just a portion.) Next, with the help of analysts from J.P. Morgan Chase & Co., Citigroup, and Morgan Stanley, Interbrand projects net earnings for the brand. It then deducts a charge for the cost of owning the tangible assets, on the theory that whatever income is generated beyond that cost is due to intangible factors. This is the economic value added by things like patents, customer lists, and, of course, the brand.

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URL: <http://www.businessweek.com/index.html>

GRAPHIC: Table: The Global Brand Scoreboard (This table is not available electronically. Please see the August 4, 2003 issue.)

LOAD-DATE: July 31, 2003

Special Report

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How do you place a value on a brand? Some attempts rely on little more than opinion polls or ad spending. *BusinessWeek* selected Interbrand's method because it values brands the same way analysts value other assets: on the basis of how much they're likely to earn in the future. Those projected

profits are then discounted to a present value based on how risky the projected earnings are—that is, the likelihood that they will, in fact, materialize.

To start the process, Interbrand first figures out what the brand's overall sales are. (The brand may be almost the entire company, as in the case of McDonald's Corp. For others, such as Marlboro, it may be just a portion.) Next, with the help of analysts from J.P. Morgan Chase & Co., Citigroup, and Morgan Stanley, Interbrand projects net earnings for the brand. It then deducts a charge for the cost of owning the tangible assets, on the theory that whatever income is generated beyond that cost is due to intangible factors. This is the economic value added by things like patents, customer lists, and, of course, the brand.

The next step is to winnow the earnings generated by the brand from the

earnings generated by other intangibles. For example, are people buying Shell gasoline because of the brand name or because the gas station is conveniently located? Interbrand uses market research and interviews with industry executives to sift through those variables.

The final phase is to analyze the strength of the brand to figure out how risky those future brand earnings are. To calculate the brand's strength, Interbrand looks at seven factors, including the brand's market leadership, its stability, and its ability to cross geographic and cultural borders. The risk analysts produce a discount rate that is applied to the brand earnings to come up with a net present value. *BusinessWeek* and Interbrand believe this figure comes closest to representing the true economic value of that complex array of forces that make up a brand.

The Global Brand Scoreboard

RANK	2002 BRAND VALUE (\$B)	2003 BRAND VALUE (\$B)	PERCENT CHANGE	COUNTRY OF ORIGIN	DESCRIPTION
1	70.40	69.04	-1%	U.S.	One of the most powerful brands in the world, Coca-Cola has a long history and a loyal following.
2	65.17	64.09	-2%	U.S.	The software giant ranked 11th in 2002, but its stock price soared in 2003, pushing it to the top.
3	51.77	51.14	-1%	U.S.	The global leader in consumer electronics, Intel's stock price fell in 2003, but its brand value remained strong.
4	49.24	41.31	-16%	U.S.	With its iconic logo and products, GE has a long history and a loyal following.
5	31.11	30.95	-1%	U.S.	The world's largest semiconductor manufacturer, Intel's stock price fell in 2003, but its brand value remained strong.
6	29.44	29.37	-1%	Finland	The world's largest mobile phone manufacturer, Nokia's stock price fell in 2003, but its brand value remained strong.
7	28.04	27.25	-3%	U.S.	The world's largest entertainment company, Disney's stock price fell in 2003, but its brand value remained strong.
8	24.70	24.35	-1%	U.S.	The world's largest fast-food restaurant chain, McDonald's stock price fell in 2003, but its brand value remained strong.
9	22.18	21.15	-5%	U.S.	The world's largest tobacco company, Philip Morris's stock price fell in 2003, but its brand value remained strong.
10	21.37	21.01	-2%	Germany	The world's largest luxury goods manufacturer, Mercedes-Benz's stock price fell in 2003, but its brand value remained strong.

The Global Brand Scoreboard						
RANK	2002 BRAND VALUE (\$ MIL.)	2003 BRAND VALUE (\$ MIL.)	PERCENT CHANGE	COUNTRY OF ORIGIN	COMMENTARY	
40	HEINZ	7.10	7.35	+3	U.S.	The brand's focus is a range of new flavors of ketchup, mustard, and other condiments. Heinz also introduced a new line of soups.
41	COLUMBIA SACS	7.04	7.19	+2	U.S.	Following the launch of General Mills' new cereal line, the two brands' revenues rose. The brands' products are sold in more than 100 countries.
42	VOLKSWAGEN	6.94	7.21	+4	Germany	The brand's focus is a range of new models, including the new Jetta, as well as the launch of the new Tiguan SUV. The brand's products are sold in more than 100 countries.
43	INEA	6.92	6.55	-5	Denmark	The brand's focus is a range of new flavors of water, including the new Inea Zero. The brand's products are sold in more than 100 countries.
44	HARLEY-DAVIDSON	6.78	6.27	-8	U.S.	The brand's focus is a range of new models of motorcycles, including the new Harley-Davidson LiveWire. The brand's products are sold in more than 100 countries.
45	LOUIS VUITTON	6.71	7.05	+5	France	A quarter in London showed the brand's profit margins were boosted by high-end goods and accessories.
46	MTV	6.29	6.08	-3	U.S.	MTV's focus is a range of new TV shows, including the new MTV Reality. The brand's products are sold in more than 100 countries.
47	L'OREAL	5.60	5.08	-10	France	The brand's focus is a range of new models of hair care products, including the new L'Oréal Paris. The brand's products are sold in more than 100 countries.
48	KINGA	5.58	5.21	-5	U.S.	The brand's focus is a range of new models of beer, including the new Kinga. The brand's products are sold in more than 100 countries.
49	KFC	5.58	5.33	+4	U.S.	The brand's focus is a range of new models of chicken, including the new KFC. The brand's products are sold in more than 100 countries.
50	APPLE	5.55	5.32	-4	U.S.	The brand's focus is a range of new models of computers, including the new Apple. The brand's products are sold in more than 100 countries.
51	PIZZA HUT	5.21	6.08	+18	U.S.	The brand's focus is a range of new models of pizza, including the new Pizza Hut. The brand's products are sold in more than 100 countries.
52	ACCENTURE	5.20	5.19	-1	U.S.	The brand's focus is a range of new models of consulting services, including the new Accenture. The brand's products are sold in more than 100 countries.
53	GUCCI	5.10	5.30	+4	Italy	The brand's focus is a range of new models of fashion, including the new Gucci. The brand's products are sold in more than 100 countries.
54	HEINEKEN	5.06	5.04	0	U.S.	The brand's focus is a range of new models of beer, including the new Heineken. The brand's products are sold in more than 100 countries.
55	WREGLER'S	5.06	4.75	-7	U.S.	The brand's focus is a range of new models of underwear, including the new Wrangler's. The brand's products are sold in more than 100 countries.
56	COLGATE	4.69	4.60	-2	U.S.	The brand's focus is a range of new models of toothpaste, including the new Colgate. The brand's products are sold in more than 100 countries.
57	AVON	4.63	4.45	-4	U.S.	The brand's focus is a range of new models of cosmetics, including the new Avon. The brand's products are sold in more than 100 countries.
58	SUN MICROSYSTEMS	4.47	4.77	+6	U.S.	The brand's focus is a range of new models of computers, including the new Sun Microsystems. The brand's products are sold in more than 100 countries.
59	PHILIPS	4.46	4.56	+2	Netherlands	The brand's focus is a range of new models of electronics, including the new Philips. The brand's products are sold in more than 100 countries.
60	NESTLE	4.46	4.43	-1	Switzerland	The brand's focus is a range of new models of food, including the new Nestle. The brand's products are sold in more than 100 countries.
61	CHANEL	4.32	4.23	-2	France	The brand's focus is a range of new models of fashion, including the new Chanel. The brand's products are sold in more than 100 countries.
62	DANDIE	4.24	4.01	-5	France	The brand's focus is a range of new models of beer, including the new Dandie. The brand's products are sold in more than 100 countries.
63	SKAFF	4.17	4.08	-2	U.S.	The brand's focus is a range of new models of beer, including the new Skaff. The brand's products are sold in more than 100 countries.
64	AGE	3.96	4.23	+7	U.S.	The brand's focus is a range of new models of beer, including the new Age. The brand's products are sold in more than 100 countries.
65	YANGHE	3.80	3.84	+1	U.S.	The brand's focus is a range of new models of beer, including the new Yanghe. The brand's products are sold in more than 100 countries.
66	TIME	3.79	3.68	-3	U.S.	The brand's focus is a range of new models of magazines, including the new Time. The brand's products are sold in more than 100 countries.
67	ROIGAS	3.69	3.59	-3	Germany	The brand's focus is a range of new models of beer, including the new Roigas. The brand's products are sold in more than 100 countries.
68	ROLEX	3.67	3.59	-2	Switzerland	The brand's focus is a range of new models of watches, including the new Rolex. The brand's products are sold in more than 100 countries.
69	BP	3.56	3.33	-6	Britain	The brand's focus is a range of new models of oil, including the new BP. The brand's products are sold in more than 100 countries.

EXHIBIT I



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The BusinessWeek/Interbrand annual ranking of the world's most valuable brands shows the power of passionate consumers

BYLINE: By Diane Brady in New York, with Robert D. Hof in San Mateo, Calif., Andy Reinhardt in Paris, Moon

BODY:

Casey Neistat, 23, is a self-professed Apple junkie. Along with his brother, Van, he is building his filmmaking career with the company's iMac computers and editing software. He usually leaves his Manhattan apartment with a sleek iPod plugged into his ear. So last year, when the Neistat brothers discovered the digital music player's batteries were irreplaceable and lasted just 18 months, they made a film called iPod's Dirty Secret and launched a protest Web site. Apple Computer Inc. addressed the problem. Now Neistat insists that the protest was an act of love: "We made that film because we believe in the brand so much."

Such loyalty flies in the face of conventional marketing wisdom. A customer spurned, the logic goes, is a customer lost. But these days the relationship between brands and their customers has become much more complex. For one thing, consumers simply know more than they used to. The Internet opens up a wealth of information, allowing for instant price and quality comparisons. But consumers demand more from the brands they love than simple reliability; passionate consumers want their brands to become a form of self-expression. Increasingly, consumers are customizing products and services to achieve that -- whether it's tailoring colors on a pair of sneakers from Nike Inc. or adding items to their personal to-watch list on eBay. Instead of arms-length customers, they're beginning to act like and feel like owners or members of a community. They no longer passively consume. Through the Internet, they can talk back and talk to one another. They can ignite a groundswell of positive buzz or spawn a revolt. As Peter Weedfald, senior vice-president for strategic marketing and new media at Samsung Electronics North America, puts it: "Consumers are empowered in a way that's almost frightening."

This seismic shift in clout from companies to their customers is creating opportunities, especially for younger brands that grew up with the Internet and have become adept at building user communities. Meanwhile, some traditional brands, such as Coca-Cola and Microsoft, are struggling to retain their mammoth leads in a market where consumers increasingly resist what they see as bland ubiquity and a surfeit of power.

There have always been cult brands, mostly smaller labels unknown to the masses. But these days, building cults or at least strong communities, is a widespread strategy. No wonder companies that are able to instill a sense of ownership in near-fanatical customers showed the biggest gains in our fourth annual ranking of the 100 most valuable global brands. The loyal, if sometimes nagging, band of true believers behind No. 43 Apple -- combined with tremendous success of the iPod -- helped the dollar value of the brand jump 23.7%, to \$6.9 billion, over the past year. That was the biggest increase in this year's ranking, which is compiled in partnership with leading brand consultancy Interbrand Corp. A dollar value is calculated for each brand using a mix of publicly available data, projected profits, and variables like market leadership.

Cult Brands; The BusinessWeek/Interbrand annual ranking of the world's most valuable brands shows the power of passionate consumers Business Week August 9, 2004

Apple was hardly alone in enlisting recruits. EBay makes its debut at No. 60. Fellow hot property Samsung Electronics, No. 21, jumped 15.7% in value to \$12.6 billion -- a move that Seoul-based global marketing chief Eric B. Kim attributes to "building communities around our brand." Along with honing a high-end image with its feature-packed cell phones and flat-panel TVs, it nurtures loyalty with events for users. Yahoo! and Amazon.com, Nos. 61 and 66, respectively, also made significant gains. But success isn't limited to the young. Cult icon Harley-Davidson, No. 41, climbed despite having been founded more than a century ago. While the value of those brands is a fraction of the top-ranked \$67.4 billion Coca-Cola brand or No. 2 Microsoft, with \$61.4 billion, those behemoths have lost brand value over the past year. And they, too, have started to recognize the need to nurture stronger ties with consumers. Witness moves by Microsoft to hold mini trade shows in airport lounges for consumers and the soda giant's creation of hip "Coke Red Lounges" for teens in suburban malls.

Group Think

The goal: to foster a sense of shared experience and of belonging. Starbucks Chairman Howard D. Schultz balks at the notion that his brand, which ranks 98th in our survey and jumped 12% in value this year, is about selling various iterations of coffee. Says Schultz: "The product is the experience." His shops may sell latte, but what people really crave is the hip, relaxed ambiance, the music, even the baristas who remember the regulars' favorite concoctions. Sounds crazy? Not to student Amy Berkman. Approach her at her favorite New York City outlet and she lets forth a stream of opinions on everything from ideal chair configurations in the store to the type of mustard they should use on their ham-and-cheese sandwiches. "Something more tangy and grainy would work better," she says, sipping on her daily chai latte. She cares because this is where she hangs out with her friends. Berkman doesn't like coffee; she likes the experience of being at Starbucks.

The brands that have managed to build cultlike followings have done so by being, well, cultlike, at least in some aspects. They are self-consciously different from rivals. They're bound by a set of clearly defined and rigorously enforced values. And they fulfill a range of needs for their members -- er, customers. The fastest-growing ones often project an aura, an attractive group identity. Conjure up an image of an Armani customer or a Porsche driver and it will evoke a set of personality characteristics as much as it evokes a product preference. They also beget proselytizers -- customers who will chat up the brands to their buddies, set up Web sites, attend events, and proudly identify themselves as adherents, according to strategist Douglas Atkin of ad agency Merkle & Partners, who recently wrote *The Culting of Brands*. Nobody has to pay them. They are owners as well as customers.

The classic example of a cult brand is Harley-Davidson. The 101-year-old brand gained 4% in value this year to \$7.1 billion. Sure, there are new models like the sleek V-Rod line and fresh features aimed at wooing women, but the real buzz comes from the 886,000 members of the company-sponsored Harley Owners Group. They're the ones who organize rides, training courses, social events, and charity fund-raisers. They pore through motorcycle magazines and wear the Harley-branded gear to feel more like rugged individualists and outlaws when they hit the road on weekends. A quarter of a million of them descended on Milwaukee last Labor Day to celebrate the brand's centennial. No wonder more than half of new Harley sales are to current customers who are trading up. The brand is self-reinforcing.

It doesn't take a cool category like motorcycles to yield a cult brand. Some are found in far more mundane sectors -- like furniture retailing. In Shanghai, Wang Jian Shuo runs a Web blog that, among other things, delves into his likes and dislikes with No. 40 Ikea, the Swedish furniture chain that offers modestly priced, ready-to-assemble furniture with cute names. He writes about everything from the 12 cents ice cream cones in the store cafeterias to how, as a newly graduated student in 1999, he spent his first month's salary on a "Billy Bookcase." Notes Wang: "Ikea seems to know my life better than any other furniture brand." Among those posting responses to his musings are a Malaysian fan who started his own Ikea forum and another who makes jokes about Swedish meatballs.

Such exchanges underline a key aspect of brand communities in the modern age: They evolve in ways that the head office often can't control. Newly empowered consumers can appropriate and manipulate the brand in whatever way they want. The Neistat brothers' anti-iPod Web site has generated 1.4 million hits from around the world. And it's not just brand fans who can make a difference -- or inflict damage. Witness the success of Super Size Me, in which documentary filmmaker Morgan Spurlock chronicled his decline in health while eating meals at McDonald's for 30 days in a row. Although it denies any link, McDonald's Corp. recently did away with the Super Size meal option. They called it a menu simplification.

The key for brand builders is to give empowered consumers a great product and the tools to use it however they want. Jeffrey P. Bezos, chief executive of Amazon.com, whose brand value grew 22%, believes there is a distinct community built around his brand, even though it's now used by more than 30 million people worldwide. For him, commu-

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nity is defined as "neighbors helping neighbors make purchase decisions." That means allowing negative customer reviews, even if it sabotages a possible sale. It meant halting spending on conventional advertising last year to funnel money into cutting prices and improving service in the belief that the community itself would spread the word. What Bezos does control is the range and quality of his site's offerings. "The thing that we did early on is that we made it very easy for people to find very obscure products," notes Bezos. "If you're not doing something that people will remark on, then it's going to be hard to generate word of mouth."

Mass Customization

Some companies are using mass customization to bind their customers ever more tightly to their brands. The efforts extend beyond the individualized Web pages that characterize Web sites like Amazon.com and eBay. It means allowing customers to set up fan sites on the Web or personalize items. Some companies, like No. 18 Honda Motor and Nike, offer tools to help customers put their imprint on a product -- such as choosing unique color combinations and messages for their sneakers. But relinquishing control has proved to be hard for some marketers. No. 6 Walt Disney and No. 82 AOL have famously chased down fans for unauthorized use of copyrighted material. As brand "futurist" Andrew Zollig argues: "When you get to the point where you're suing your customers over their use of your brand, it's time to change your business model."

Even brands that have largely grown through acquisitions and smart pricing understand the importance of building a distinct image and fan base. As Peter Stringham, group general manager of HSBC Holdings PLC bank in London notes: "Nobody needs a new anything anymore." Instead, what has allowed No. 33 HSBC to jump 15%, to \$8.7 billion, this year is clear differentiation as "the world's local bank" with a flavor that varies by location. On Jan. 28, for example, it kicked off the rebranding of newly acquired Mexican bank GF Bital with a free live concert in Mexico City for 10,000 people by pop singer Luis Miguel. In New York, it grabbed attention by offering free taxi rides in a cab emblazoned with the bank's red and white logo to any passenger with an HSBC bank card.

In contrast, some old-line brands seem to be coasting on sheer size rather than an ability to forge a unique relationship with customers. Even brands that have enjoyed decades of success and have instant recognition with consumers can lose some sparkle. Over the past year heavyweights like Microsoft, Coca-Cola, and Walt Disney saw their brand values erode. Others, like Finnish mobile-phone giant Nokia Corp., No. 8, are struggling to regain momentum. "Nokia used to differentiate but I don't think people would know what to associate with it now," argues Jan Lindemann, Interbrand's global director of brand valuation. Nokia's head of global branding, Tapio Hedman, admits that "some young people may find Nokia too everyday, too middle of the road." But he disputes the notion that his brand could plummet 18% over 12 months, as it did this year in our ranking, arguing that brand equity takes years to win and lose. "Once you have it, it's a bit like insurance," says Hedman. "It's not likely to be eroded very fast unless you make one mistake after another."

That may be a dangerous point of view to take. Just ask Royal Philips Electronics' new chief marketing officer, Andrea Ragnetti, who blames the lack of buzz around the Dutch electronics giant, which dropped 2% in the rankings, to No. 65, on years of underinvesting in the brand. "It's seen as a dull, solid, reliable brand but nothing really special, nothing sparkling," says Ragnetti, who is currently trying to narrow the brand's target demographics and recast its message.

That doesn't mean big brands can't connect with customers. Even massive players like No. 4 General Electric Co., which saw its brand value gain 4%, to \$44.1 billion, can adopt a fun, flirty style. The most popular section on the company's Web site is the "GE Pen," which allows users to doodle in a variety of colors and styles before e-mailing their handiwork to a friend. Since launching last year, it has received more than 43 million impressions. When the site went down for a few days to upgrade, the company was deluged with e-mails that asked where it had gone. Does it help the company sell more ovens or advertising on NBC? Probably not. But it certainly gives users a warmer feeling about GE. These days, anything that makes fans out of fickle consumers can be priceless in building a brand.

The World's 10 Most Valuable Brands

A newcomer, Toyota, breaks into the Top 10, while big-name consumer brands come under attack.

RA	BRAND	2004 BRAND VALUE
NK		(BILLIONS)

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1	COCA-COLA	\$67.39
2	MICROSOFT	61.37
3	IBM	53.79
4	GE	44.11
5	INTEL	33.50
6	DISNEY	27.11
7	McDONALD'S	25.00
8	NOKIA	24.04
9	TOYOTA	22.67
10	MARLBORO	22.13

Data: Interbrand Corp., J.P. Chase & Co., Citigroup, Morgan Stanley

The Big Winners

It's the year of the iPod (Apple). Meanwhile, Net brands (Amazon, Yahoo) extend their reach, a Korean electronics juggernaut (Samsung) just gets stronger, and a London outfit (HSBC) stakes its claim as the world's

local banker.

RA NK	BRAND	2004 VALUE (BILLIONS)	2003 VALUE (BILLIONS)	PERCENT CHANG E
43	APPLE	\$6.87	\$5.55	+24%
66	AMAZON.C OM	4.16	3.40	+22%
61	YAHOO!	4.55	3.89	+17%
21	SAMSUNG	12.55	10.85	+16%
33	HSBC	8.67	7.56	+15%

Data: Interbrand Corp., J.P. Chase & Co., Citigroup, Morgan Stanley

The Big Losers

Technology and competition march onward, battering once-sterling brands in consumer photography (Kodak), video games (Nintendo), cell phones (Nokia), online service (AOL), and autos (Ford). Consumers ask: What's so special?

RA NK	BRAND	2004 VALUE (BILLIONS)	2003 VALUE (BILLIONS)	PERCENT CHANG E
53	KODAK	\$5.23	\$7.83	-33%
46	NINTENDO	6.48	8.19	-21%
8	NOKIA	24.04	29.44	-18
82	AOL	3.25	3.96	-18
19	FORD	14.47	17.07	-15

Data: Interbrand Corp., J.P. Chase & Co., Citigroup, Morgan Stanley

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GRAPHIC: illustration, Table: The Global Brand Scoreboard: The 100 Top Brands (This table is not available electronically. Please see the August 2, 2004 issue.)

photograph, Photograph: iCONIC: From Beijing to Boston, iPod users have formed a bond PHOTOGRAPH BY QUENTIN SHIH/ASIA IMAGES

photograph, Photograph: PORSCHE POSSE: Teaching fans how to drive to the max

photograph, Photograph: INTO IKEA: Everyone loves the kids' section PHOTOGRAPH BY NANCY NEWBERRY

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SPECIAL REPORT

CULT BRANDS

The *BusinessWeek*/Interbrand annual ranking of the world's most valuable brands shows the power of passionate consumers

CASSEY HEISTAT, 33, IS A SELF-PROFESSED APPLE JUNKIE. Along with his brother, Van, he is building his filmmaking career with the company's iMac computers and editing software. He usually leaves his Manhattan apartment with a sleek iPod plugged into his ear. So last year when the Heistat brothers discovered the digital music player's batteries were incompatible and lasted just 10 minutes, they made a film called *It's a Dirty Secret* and launched a protest Web site. Apple Computer Inc. addressed the problem. Now Heistat insists that the protest was an act of love: "We made that film because we believe in the brand so much."

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The World's 10 Most Valuable Brands

Apple Computer, Toyota, brands sit the top 10, while big-name consumer brands come under attack

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6	DISNEY	27.11
7	MCDONALD'S	25.00
8	NOKIA	24.04
9	TOYOTA	22.67
10	MARLBORO	22.13

RANK 2004 / 2003	2004 BRAND VALUE (\$ MIL)	2003 BRAND VALUE (\$ MIL)	PERCENT CHANGE	COUNTRY OF ORIGIN	DESCRIPTION	
16 17	GISCO	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 promoting higher sales with a roll 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	12,066	19%	U.S.	Ford is trying to make quality "Joist One" again after an embarrassing run of glitches, but savvy 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 boosted the No. 2 cola maker to step some of Coca-Cola's fizz.
23 21	NESCAFE	11,894	12,336	-4%	Switzerland	It's still the world's favorite instant coffee, but even products like ice tea struggle against hot upscale brands like Starbucks.
24 22	BUDWEISER	11,846	11,894	0%	U.S.	The growing global low-carb trend has left Bud flat. Pils. It's under attack from bulked-up and foxy rival Miller.
25 29	DELL	11,500	10,367	11%	U.S.	With no 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 bring and take-it-or-leave-it mode.
27 26	MORGAN STANLEY	11,499	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	10,456	2%	U.S.	The pharma industry's overhauled, 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 \$50 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 soft-car shoe, Nike rules the athletic market.
32 30	MERCK	8,811	9,407	-6%	U.S.	The drugmaker has tried to bolster its lineup with maven partnerships, but patent expirations and research flops sink profit.
33 37	HSBC	8,671	7,545	15%	Britain	After sweeping up household international in 2002, 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	7,162	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	7,668	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 merger-making.
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	5,775	4%	U.S.	The motorcycle cult has lowered seat heights to woo women and lowered prices, but production limits put a brake on growth.
42 40	HEINZ	7,026	7,097	-1%	U.S.	Despite wacky colors and cult 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 Moncler line and Jennifer Lopez in its ads, but is Vuitton getting over-exposed?

EXHIBIT J



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BusinessWeek

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BusinessWeek/Interbrand rank the companies that best built their images -- and made them stick

BYLINE: By Robert Berner and David Kiley With Mara Der Hovanesian in New York, Ian Rowley in Tokyo, Michael

BODY:

Advertisers who want to reach the Bublitz family of Montgomery, Ohio, have to leap a lot of hurdles. Telemarketing? Forget it -- the family of five has Caller ID. The Internet? No way -- they long ago installed spam and pop-up ad blockers on their three home computers. Radio? Rudy Bublitz, 47, has noncommercial satellite radio in his car and in the home. Television? Not likely -- the family records its favorite shows on TiVo and skips most ads. "The real beauty is that if we choose to shut advertising out, we can," Rudy says. "We call the shots with advertisers today."

The Bublitzes and other ad-zapping consumers like them pose an enormous challenge these days to marketers trying to build new brands and nurture old ones. To get a reading on which brands are succeeding -- and which aren't -- take a look at the fifth annual BusinessWeek/Interbrand ranking of the 100 most valuable global brands. The names that gained the most in value focus ruthlessly on every detail of their brands, honing simple, cohesive identities that are consistent in every product, in every market around the world, and in every contact with consumers. (In the ranking, which is compiled in partnership with brand consultancy Interbrand Corp., a dollar value is calculated for each brand using publicly available data, projected profits, and variables such as market leadership.)

The best brand builders are also intensely creative in getting their message out. Many of the biggest and most established brands, from Coke to Marlboro, achieved their global heft decades ago by helping to pioneer the 30-second TV commercial. But it's a different world now. The monolithic TV networks have splintered into scores of cable channels, and mass-market publications have given way to special-interest magazines aimed at smaller groups. Given that fragmentation, it's not surprising that there's a new generation of brands, including Amazon.com, eBay, and Starbucks, that have amassed huge global value with little traditional advertising. They've discovered new ways to captivate and intrigue consumers. Now the more mature brands are going to school on the achievements of the upstarts and adapting the new techniques for themselves.

So how do you build a brand in a world in which consumers are increasingly in control of the media? The brands that rose to the top of our ranking all had widely varied marketing arsenals and were able to unleash different campaigns for different consumers in varied media almost simultaneously. They wove messages over multiple media channels and blurred the lines between ads and entertainment. As a result, these brands can be found in a host of new venues: the Web, live events, cell phones, and handheld computers. An intrepid few have even infiltrated digital videorecorders, devices that are feared throughout the marketing world as the ultimate tool for enabling consumers to block unwanted TV ads.

Global Brands; BusinessWeek/Interbrand rank the companies that best built their images -- and made them stick
Business Week August 1, 2005

Some marketers have worked to make their brand messages so enjoyable that consumers might see them as entertainment instead of an intrusion. When leading brands are seen on TV they're apt to have their own co-starring roles -- as No. 9 Toyota Motor Corp. did in reality show *The Contender* -- rather than just lending support during the commercial breaks. All are trying to create a stronger bond with the consumer. Take No. 41 Apple Computer Corp., which last fall launched a special iPod MP3 player in partnership with band U2. Not only did the "U2 iPod" say "U2" on the front and have band signatures etched into the back, but the band starred in a TV ad and buyers got \$50 off a download of 400 U2 songs. No. 8 McDonald's Corp.'s sponsorship of a tour by R&B group Destiny's Child means that fans who want access to exclusive video and news content about the band have to click first on the company's Web site. "It's hard here to tell where the brand message ends and where the entertainment and content begins," says Ryan Barker, director of brand strategy at consultancy The Knowledge Group.

It's no accident that most of the companies with the biggest increases in brand value in the 2005 ranking operate as single brands everywhere in the world. Global marketing used to mean crafting a new name and identity for each local market. America's No. 1 laundry detergent, Tide, is called Ariel in Europe, for example. The goal today for many, though, is to create consistency and impact, both of which are a lot easier to manage with a single worldwide identity. It's also a more efficient approach, since the same strategy can be used everywhere. An eBay shopper in Paris, France, sees the same screen as someone logging in from Paris, Texas. Only the language is different. Global banks HSBC, No. 29, which posted a 20% increase in brand value, and No. 44 UBS, up 16%, use the same advertising pitches around the world. "Given how hard the consumer is to reach today, a strong and unified brand message is increasingly becoming the only way to break through," says Jan Lindemann, Interbrand's managing director, who directed the Top 100 Brands ranking.

Possibly no brand has done a better job of mining the potential of these new brand-building principles than Korean consumer electronics manufacturer Samsung Electronics Co. Less than a decade ago, it was a maker of lower-end consumer electronics under a handful of brand names including Wiseview, Tantus, and Yepp, none of which meant much to consumers. Figuring that its only shot at moving up the value chain was to build a stronger identity, the company ditched its other brands to put all its resources behind the Samsung name. Then it focused on building a more upscale image through better quality, design, and innovation.

Beginning in 2001, the newly defined Samsung came out with a line of top-notch mobile phones and digital TVs, products that showed off the company's technical prowess. By vaulting the quality of its offerings above the competition in those areas, Samsung figured it could boost the overall perception of the brand. Besides, consumers form especially strong bonds with cell phones and TVs. Most people carry their mobile phones with them everywhere, while their TV is the center of the family room. "We wanted the brand in users' presence 24/7," says Peter Weedfald, head of Samsung's North American marketing and consumer electronics unit.

Now that strategy is paying off. Over the past five years, No. 20 Samsung has posted the biggest gain in value of any Global 100 brand, with a 186% surge. Even sweeter, last year Samsung surpassed No. 28 Sony, a far more entrenched rival that once owned the electronics category, in overall brand value. Now, in a nod to Samsung, Korean electronics concern LG Electronics Inc. has followed its rival's playbook. Cracking this year's global list for the first time at No. 97, LG has also sought to elevate its product under a single brand led by phones and TVs.

Some of the older brands in our ranking are clearly struggling to remake their marketing and product mix for a more complex world. This year's biggest losers in brand value include Sony (down 16%), Volkswagen (down 12%), and Levi's (down 11%). VW acknowledges its brand value slippage. "Volkswagen is well aware of the current deficiencies," says VW brand chief Wolfgang Bernhard. Sony, which disputes that it is losing brand value, has suffered from an innovation drought. The electronics giant pioneered the Walkman, but left Apple to revolutionize portable MP3 players, as well as digital downloading and organizing of music. Meanwhile, Sony's moves into films and music put it into areas where its brand adds no value. Worse, those acquisitions made Sony a competitor with other content providers. That, notes Samsung's Weedfald, gives his company an advantage in linking to the hottest music and movies. Samsung, for example, is lead sponsor of this summer's much-hyped movie, *The Fantastic Four*, in which a variety of Samsung gadgets play a part. VW faces different problems. It has attempted to move upmarket with the luxury Touareg sport-utility vehicle and Phaeton sedan models; but that has left car buyers, who associate VW with zippy, affordable cars, confused. Similarly, Levi's introduction of its less pricey Levi's Signature line in discount stores means it now competes on price at the low end, while trying to fend off rivals like Diesel at the upper end with its core "red tab" brand.

Of course, defining the essence of a brand is only part of the battle. Communicating it to the consumer is the other. On this front, there has clearly been a divide between newer brands that use traditional advertising as just one tool

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Business Week August 1, 2005

in an overall marketing plan and older ones that grew up with it. Sony, for example, far outspends Samsung on traditional advertising in the U.S. on electronics products. (Samsung advertises on TV only during the last six months of the year, its peak sales period.) Many young brands that scored big gains in value, like Google, Yahoo!, and eBay, depend on their own interactive Web sites to shout about their brands.

Now some older brands, like Coke, ranked No. 1 in overall brand value, and McDonald's are decreasing traditional ad spending. In the past four years, McDonald's has cut TV advertising from 80% of its ad budget to 50%. Most of the shift has gone to online advertising. What's evolving, then, is a model in which most brand builders use a variety of marketing channels. HSBC has branded taxis to carry customers for free. And although eBay spends most of its marketing budget on Internet advertising, it also relies on TV to some extent to boost simple brand awareness. "With fragmentation and ad evasion, you can't count on one medium," says Tom Cotton, president of Conductor, a branding strategy firm.

Marketers who do turn to TV are trying to make brand messages as engrossing as the programming. Last year Toyota, whose brand value rose 10%, paid \$16 million to have its vehicles be part of the storyline on NBC reality show *The Contender*, about small-time boxers competing for a nationally televised bout. The grand prize: a million dollars and a Toyota truck. Rival Nissan, up 13%, has been parking its Titan pickups on Wisteria Lane in hit ABC show *Desperate Housewives*. The trucks will also ride into the new *Dukes of Hazzard* movie this month.

Nor are TV and movies the only target. No. 1 Coke, McDonald's, No. 88 Smirnoff, No. 16 BMW, No. 23 Pepsi, and No. 61 KFC are among brands striking deals to plant their brands in video games and even song lyrics. Deborah Wahl-Meyer, who headed Toyota marketing until recently moving to the company's Lexus division, says both divisions attempt to seed magazine and newspaper articles with vehicle references and pictures. "We have to be more a part of what people are watching and reading instead of being in between what people are watching and reading," Meyer says.

In an echo of Procter & Gamble Co.'s creation of the soap opera on radio and then TV, some brand builders are taking control of the programming themselves and creating content that tries to draw in ad-allergic consumers. BMW, whose brand value rose 8% over the past year, turned out a series of popular short films on the Internet starting in 2001. The seven-to-ten minute films starred BMW cars and were produced by A-list Hollywood directors like John Woo. The German auto maker has moved onto comic books based on the films aimed at Bimmer-aspiring teens and adults alike. "It's imperative to create media destinations that don't look like advertising," says James McDowell, who headed marketing for the BMW brand before recently taking over as chief of the parent company's MINI USA business. BMW has also embraced the enemy, TiVo, the television-top gadget that consumers use to skip ads altogether. Since last year, BMW has produced short films and long-form ads accessible through TiVo's main menu page. BMW fans are alerted to the films in the on-demand video menu when a BMW ad runs.

Such old-line brands as No. 14 American Express Co. are heading down the entertainment path, too. Tipping its hat to BMW, AmEx ran long-form Internet ads/films starring Jerry Seinfeld last year that succeeded in drawing consumers to its Web site and Webcasted concerts. AmEx Chief Marketing Officer John Hayes says flatly: "Brands are not being built on [traditional] advertising."

Still, none of these marketing ploys are sure bets in a world where old-school advertising means less. That's why more marketers are investing in design as a fundamental way to distinguish their brands and to stay on the leading edge of technology. "Design isn't just the promise of a brand, like TV advertising -- it's the reality of it," says Marc Gobe, chief executive of design consultancy Desgrippes Gobe. Samsung has tripled its global design staff to 400 over the past five years. No. 73 Motorola, whose brand value rose 11%, and No. 53 Philips Electronics have boosted design spending. The move sparked the launch of Motorola's hot-selling Razr phone, the thinnest flip phone ever made. No. 85 Nissan gained 13% last year on a wave of bold designs, like its curvy Murano SUV and Altima sedan, as the Japanese company differentiates itself from Toyota and Honda through design rather than quality.

Good design implies more than just good looks. It's also about ease of use. Apple demonstrated this with its iPod. Users can pick songs or download music from the iTunes music bank with the swipe of a finger. That's blunted sales of Sony's Walkman MP3 player, which has been criticized as too cumbersome. Design can also mean sound. Samsung insists that all its products make the same reassuring tone when turned on. The Samsung tone is even being used in some advertising. "We want to have the same sound, look, and feel throughout our products so it all works toward one Samsung brand," says Gregory Lee, Samsung's global marketing chief.

The era of building brands namely through mass media advertising is over. The predominant thinking of the world's most successful brand builders these days is not so much the old game of reach (how many consumers see my

Global Brands; BusinessWeek/Interbrand rank the companies that best built their images -- and made them stick
Business Week August 1, 2005

ad) and frequency (how often do they see it), but rather finding ways to get consumers to invite brands into their lives. The mass media won't disappear as a tool. But smart companies see the game today as making bold statements in design and wooing consumers by integrating messages so closely into entertainment that the two are all but indistinguishable.

The Big Winners

High tech and finance got it right in this year's ranking. America's electronic flea market, eBay, has ended up on top, a few rungs above Apple. Samsung repeats from last year, as does HSBC. Joining the megabank is financial powerhouse UBS.

	2005	2004		
RA	BRAND	BRAND	PERCENT	
NK	VALUE	VALUE		
2005	BRAND	(BILLIONS)	(BILLIONS)	CHANG E
55	EBAY	\$5.70	\$4.70	+21%
29	HSBC	10.43	8.67	+20
20	SAMSU NG	14.96	12.55	+19
41	APPLE	7.99	6.87	+16
44	UBS	7.57	6.53	+16

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

The Big Losers

Steep declines weren't confined to just one industry. Sony took the deepest dive, but it was joined by an investment bank (Morgan Stanley), a carmaker (Volkswagen), a jeans maker (Levi's), and a computer company (Hewlett-Packard).

	2005	2004		
RA	BRAND	BRAND	PERCENT	
NK	VALUE	VALUE		
2005	BRAND	(BILLIONS)	(BILLIONS)	CHANG E
28	SONY	\$10.75	\$12.76	-16%
33	MORGAN STANLEY	9.78	11.50	-15
56	VOLKSWAGEN	5.62	6.41	-12
96	LEVI'S	2.66	2.98	-11
13	HEWLETT- PACKARD	18.87	20.98	-10

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

GRAPHIC: photograph, Photograph: SAMSUNG: The electronics giant has focused its marketing on movie and music tie-ins and the Internet

photograph, Photograph: HSBC: No matter what country or language, the bank comes at you with the same cohesive message PHOTOGRAPH BY JENNIFER S. ALTMAN

photograph, Photograph: MOTOROLA: An eye to branding, plus design, begat the ultrathin Razr cell phone

PHOTOGRAPH BY NIGEL COX

photograph, Photograph: BMW: The company produced films in which its luxury cars played starring roles

LOAD-DATE: July 28, 2005

ANNUAL REPORT

GLOBAL BRANDS

BusinessWeek/Interbrand rank the companies that best built their images—and made them stick
BY ROBERT BERNER AND DAVID KILEY

ADVERTISERS WHO WANT TO REACH THE Dublin family of Montgomery, Ohio, have to keep a lot of families. Telemarketing? Forget it—the family of five has Caller ID. The Internet? No way—they long ago installed spam and pop-up ad blockers on their three home computers. Radio? Rudy Bunker, 47, has non-commercial satellite radio in his car and in the house. Television? Not likely—the family records its favorite shows on TiVo and skips most ads. “The real beauty is that if we choose to start advertising out, we can,” Rudy says. “We call the show with advertisers today.”

The Bunkers and other ad-sipping consumers like them pose an enormous challenge these days to marketers trying to build new brands and nurture old ones. To get a reading on which brands are succeeding—and which aren't—take a look at the fifth annual *BusinessWeek/Interbrand* ranking of the 100 most valuable global brands. The names that gained the most in value focus ruthlessly on every detail of their brands, being simple, cohesive identities that are consistent in every product, in every market around the world, and in every contact with consumers. (In the ranking, which is compiled in partnership with brand consultancy Interbrand Corp., a dollar value is calculated for each brand using publicly available

data, projected profits, and variables such as market leadership.) The best brand builders are also immensely creative in getting their message out. Many of the biggest and most established brands, from Coke to Marlboro, achieved their global half decade ago by helping to pioneer the all-screened TV commercial. But it's a different world now. The traditional TV networks have splintered into scores of cable channels, and mass-market publications have given way to special-interest magazines aimed at smaller groups. Given that fragmentation, it's not surprising that there's a new generation of brands, including Amazon.com, eBay, and Starbucks,

that have amassed huge global value with little traditional advertising. They've discovered new ways to captivate and engage consumers. Now the mass market brands are going to school on the achievements of the upstarts and adopting the new techniques for themselves.

So how do you build a brand in a world in which consumers are increasingly in control of the media? The brands that rose to the top of our ranking all had widely varied marketing arenas and were able to unleash different campaigns for different consumers in varied media almost simultaneously. They sent messages over multiple media channels and blurred the line between ads and entertain-

THE BIG WINNERS

High-tech and health got it right in this year's ranking. America's tech giant, for example, did just as well as in the past, but it's not on the list. Samsung reports from last year as does IBM. Rating the megabank is limited given that it's U.S.

RANK	BRAND	2005 VALUE (\$ billions)	2004 VALUE (\$ billions)	CHANGE (%)
59	EBAY	15.70	14.70	+21%
29	HSBC	10.43	8.67	+20%
20	SAMSUNG	14.96	12.96	+15%
41	APPLE	7.99	6.87	+16%
44	IBM	7.57	6.53	+16%

Source: Interbrand, *BusinessWeek* Co., figures represent 2005

RANK 2004/2004	2004 RANK	2004 BRAND VALUE (\$BILLIONS)	2004 BRAND VALUE (\$BILLIONS)	PERCENT CHANGE	COUNTRY OF ORIGIN	DESCRIPTION	
16	17	BMW	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 maker's performance even in tough markets.
17	16	CISCO	16,592	15,948	4%	U.S.	Partnered with Microsoft to tackle internet security and email damage from viruses. A new focus on small business is paying off.
18	44	LOUIS VUITTON	16,077	NA	NA	France	With Lina Thurman promoting its hot new Monogram Cartes collection, the world's richest luxury brand seems unstoppable.
19	18	HONDA	15,768	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 2017.
20	21	SAMSUNG	14,956	12,553	19%	S. Korea	One big brand marketed every year, but an explosion of popular cell phones, is boosting sales of all its gadgets.
21	28	DELL	13,231	11,900	10%	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	FORD	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	PEPSI	12,399	12,056	3%	U.S.	Increasing emphasis on Diet, Fazer and Hispanic marketing, plus big event advertising on the Super Bowl and Oscars is boosting brand growth.
24	23	NESTLE	12,241	11,882	3%	Switzerland	Holding its own in the Starbucks era by offering ready-to-drink products such as ice Java coffee doctors.
25	26	MERRILL LYNCH	12,018	11,499	6%	U.S.	Its reinvented retail brokerage business is increasingly being recognized as the best performer in the industry.
26	24	BUDWEISER	11,878	11,846	0%	U.S.	The King of Beers splashed a bit in 2004, losing to competition from domestic brewers and sport makers. Bud is falling back with new products.
27	28	ORACLE	10,887	10,835	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	SONY	10,754	12,759	-16%	Japan	Top priority for Sir Howard Stringer, Sony's first ever global CEO: getting the company's consumer electronics list back on track.
29	33	HSBC	10,429	8,671	20%	Britain	HSBC's three-year-old campaign, "The World's Local Bank," is paying dividends as it expands international operations.
30	31	NIKE	10,114	9,260	9%	U.S.	While retail branch out into his top, Nike focuses on athletics. The swoosh overlook Adidas is the biggest supplier of soccer shoes in Europe.
31	25	Pfizer	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	UPS	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	MORGAN STANLEY	9,777	11,406	-15%	U.S.	Very public management turmoil and the ouster of CEO Philip J. Purcell seriously damaged the firm's sterling reputation.
34	30	JPMORGAN	9,455	9,762	-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	CANON	9,044	8,055	12%	Japan	Color copiers and top-notch cameras make Canon one of Japan's most profitable companies. Tougher for Mario Haraguchi's solar star, though.
36	34	SAP	9,006	8,323	8%	Germany	The software giant gained brand value thanks to innovation and smart marketing, but that Oracle grabbed headlines with its PeopleSoft takeover.
37	37	GOLDMAN SACHS	8,495	7,954	7%	U.S.	Profits and stability count for a lot, especially when other firms have high-profile management dramas.
38	NEW	GOOGLE	8,461	New	New	U.S.	Google spent \$5 million on marketing in 2004, a fraction of the total spent by competitors. Yet more people than ever go to Google to search.
39	36	KELLOGG'S	8,306	8,029	3%	U.S.	Cereal is in and acquired brands like Keebler and Morningstar Farms are up and more. International growth is strong.
40	38	GAP	8,195	7,873	4%	U.S.	Sarah Jessica Parker couldn't lead off back-to-school sales in 2004. Now the clothes is betting on remodeled stores to move more merchandise.
41	43	APPLE	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	IKEA	7,817	7,182	9%	Sweden	The Swedish furniture giant continues to boost sales through smart design and aggressive geographic expansion.
43	NEW	NOVARTIS	7,746	New	New	Switzerland	A heavy advertiser, it ran ads during the Super Bowl and is big in internet search advertising.
44	45	UBS	7,565	6,526	16%	Switzerland	Its global brand strategy is winning new customers for private wealth management business.

EXHIBIT K



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HEADLINE: APPLE TO ITS CORE;
Faithful, sometimes fanatical;
Apple customers continue to push the boundaries of loyalty

BYLINE: Ellen Lee, Chronicle Staff Writer

BODY:

They tattoo Apple's logo on their arm. They help sell Apple products, even though they're not paid to. One couple met at the Macworld Expo conference, got engaged and were married there.

Apple customers are a loyal bunch. Though they're only a small percentage of all computer users, they make up for it with their passion and outspokenness. In Apple's 30 years of business, they have formed a tight-knit, unique community.

"They're probably the largest subculture" among computer groupies, said Leander Kahney, managing editor at Wired News, who has tracked these quirks and more in his books "The Cult of Mac" and "The Cult of iPod." "They definitely have distinct traits and rituals and rites of passage."

It's right there in the numbers: 50 percent of Apple customers plan to buy another Apple computer, a far greater percentage than for any other personal computer, according to MetaFacts.

So, here on the 30th anniversary of the company's founding, how do you know if you're hooked on Apple? Well, you might be an Apple fanatic if:

You believe that Apple is superior and have tried to convert people.

During Apple's darkest days, Apple loyalists became de facto salespeople, going into stores and helping sell Macintosh computers that were gathering dust in the back of the showroom, Kahney said.

Thomas Avallone of Shreveport, La., recalls how he happened to be shopping the day before Christmas when he overheard a couple trying to buy a computer for their child. He introduced himself and spent an hour and a half promoting the iMac, ultimately persuading the couple to purchase it.

"I was a Mac salesman before I went to work for Apple," said Avallone, who used to work at Apple's retail store in Dallas and is now a Mac consultant. "We love talking about it. We love sitting someone down in front (of a Mac). ... They find everything they'll ever need comes with it."

You start your day by reading Apple blogs.

APPLE TO ITS CORE; Faithful, sometimes fanatical; Apple customers continue to push the boundaries of loyalty THE
SAN FRANCISCO CHRONICLE (California) March 26, 2006 Sunday

More than 1 million people a month check out AppleInsider, one of dozens of popular online sites where Apple customers virtually congregate. They speculate on Apple's next big thing, dissect Apple's current products and even spoof the whole phenomenon at the Crazy Apple Rumors Site.

Hadley Stern, who started the Apple Matters site 3 1/2 years ago, said: "There's no 'HP Matters,' or 'Windows Matters.' There is something about Apple and the Macintosh experience that strikes a chord with a significant number of people that they will dedicate their free time discussing everything to do with the company."

You consider Apple co-founder and CEO Steve Jobs your god.

This one is pretty self-explanatory.

You sent a "happy 30th birthday" message to Jobs.

Hundreds of fans have filled out birthday wishes at HappyBirthdayApple.com. You can, too.

The site's operators said the messages, which cost \$2 each, will be compiled in a book and sent to Apple on April 1, the day the company was founded. The deadline to submit a message is Tuesday.

Avallone also set up the site ThankyouSteve.com, offering T-shirts, a daily Jobs quote and a countdown to April 1.

You refuse to throw away your old Mac computers and/or collect vintage Macs and other Apple paraphernalia.

Stern said he has stored about 30 old Macs in his basement in Boston. He's not the only one. Some have taken their old Macintosh computers, filled them with water and goldfish and turned them into "MacQuariums."

On eBay, buyers have their choice of vintage Macs from 1984, a "rare Apple logo watch" and original "Think Different" posters.

You go to the Apple Store to find a date.

Chances are you'll find a compatible soul at the Apple Store, making it a popular place to score a connection.

"They design the stores so they can be public meeting places," said Gary Allen of Berkeley, who has chronicled this and other details about Apple retail stores at ifoAppleStore.com. Allen has camped out for store openings in Palo Alto, Walnut Creek and Tokyo, among others. "They want them to mingle and socialize, and that brings together like-minded people."

Located around the corner from four modeling agencies, the Apple Store in Manhattan's SoHo neighborhood is apparently a "singles hotspot," according to the New York Post.

Apple customers have also posted ads online on Craigslist's "missed connections" space, in the hope of getting in touch with the attractive customer or employee they spotted in the store. A recent one in the Bay Area said: "You were at the Apple store (Palo Alto). I walked by twice and you looked up with those amazing almond brown eyes and smiled."

On Craigslist in Chicago, a man reported a happy ending: "He was in the Apple Store to buy a PowerBook and a new iPod. ... He's great. I'm swooning, but realistically. We have a date tomorrow."

You get annoyed with how the media portrays Mac fanatics.

"One thing I don't like is newspapers and TV newscasters reporting how 'fanatic' Mac fans are, without even trying to explore the reasons for their preference," said Keith Ray in an e-mail. "Please don't you continue that lazy tradition. We're not crazy. Some Mac fans are rocket scientists at NASA and JPL (Jet Propulsion Laboratory); others are very non-technical like my mom."

Apple users are more likely than PC users to

- Have a higher household income.
- Have received a graduate degree.
- Be self-employed.
- Live in California, Massachusetts or New York.

APPLE TO ITS CORE; Faithful, sometimes fanatical; Apple customers continue to push the boundaries of loyalty THE
SAN FRANCISCO CHRONICLE (California) March 26, 2006 Sunday

-- Live in big cities such as San Francisco, Los Angeles and New York.

Source: MetaFacts

GRAPHIC: PHOTO

Gary Allen holds packing tubes containing T-shirts from Apple Stores around the world. / Kim Komenich / The
Chronicle

LOAD-DATE: March 26, 2006

EXHIBIT L



Copyright 2006 The Omaha World-Herald Company
Omaha World-Herald
Omaha World-Herald (Nebraska)

June 28, 2006 Wednesday
Midlands Edition

SECTION: BUSINESS; Pg. 01D

LENGTH: 355 words

HEADLINE: Apple logos may herald Omaha store

BYLINE: Deborah Alexander, WORLD-HERALD STAFF WRITER

BODY:

An Apple store appears to be coming to Village Pointe.

The Apple logo and Web address are on a barricade around one of the empty storefronts in a building on the south side of the shopping complex at 168th Street and West Dodge Road.

At Monster.com, Apple has posted two job listings for "Apple Retail Mac Specialist - Village Point" since June 13. The job listings begin with "Get paid to spread the love" and seek full- and part-time employees.

Apple spokesman Steve Dowling said Tuesday from Cupertino, Calif., that the company had no announcement for the location at this time.

Dowling acknowledged that the company logo was displayed at the empty Village Pointe storefront, but he said he didn't know the timing of an opening at the shopping mall.

Apple's policy is not to comment on future store openings. A June 17 article in the News & Observer in Raleigh, N.C., on a store opening at a local mall described how the company does little to publicize the retail outlets.

Sometimes, the story said, the computer maker waits a few days before a grand opening to officially recognize a store. The goal is to create a "viral spread" of hype when the store opens and to try to surprise consumers, the article said.

If an Apple store opens at Village Pointe, it would be the first in Nebraska. Apple has a retail store near the Jordan Creek Town Center in West Des Moines.

At Village Pointe, the 26,000-square-foot building where the Apple logo and Web address are posted is home to several other specialty retailers, including the recently opened Coach store and Te Bella, a locally owned medical spa.

Atherton Place, a home decor store, opens next week. J. Crew, a leading retailer of men's and women's apparel, shoes and accessories, opens Aug. 1.

Bill Kirshenbaum, the owner of Perwinkles for Her at Village Pointe, said it's great that Apple is opening a retail store at the shopping center.

"Village Pointe brings in stores not found anywhere else," Kirshenbaum said. "The store will bring in more clientele and more specialty stores."

Apple operates 147 stores worldwide, including six in Japan, six in the United Kingdom and two in Canada.

Apple logos may herald Omaha store Omaha World-Herald (Nebraska) June 28, 2006 Wednesday

LOAD-DATE: June 28, 2006

EXHIBIT M



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MMR

September 4, 2006

SECTION: Pg. 11(1) Vol. 23 No. 14 ISSN: 1080-0794

ACC-NO: 151323807

LENGTH: 367 words

HEADLINE: Apple prowess extends to the retailing arena;
Apple Computer Inc.

BYLINE: Woldt, Jeffrey

BODY:

Anyone seeking ideas about how to put the excitement back into retailing need look no further than the stores operated by Apple Computer Inc. The outlets do more than showcase the company's Mac and iPod electronics, they embody the ethos of innovation that has come to characterize the Apple brand.

Perhaps the most striking of the 147 stores the company currently operates is on Fifth Avenue between 58th and 59th Streets in New York City. A 32-foot-square transparent cube with the Apple logo at its center serves as the entrance to the 10,000 square feet of selling space located below a plaza. Open round the clock, the store offers hands-on access to the full range of Apple products, giving customers a chance to put them through their paces. Computers are connected to the Internet, and shoppers are free to retrieve e-mail and surf the Web. Knowledgeable salespeople walk the store to answer questions and provide other assistance.

That's only the beginning. Four departments take retail service to a new level: At the Genius Bar customers can get advice and technical support from specially trained "Mac people." The Studio helps facilitate creative projects. ProCare provides personal training, setup services and annual computer tune-ups. Workshops consist of a variety of free one-hour instructional sessions designed to help people get the most out of their products.

The response has been phenomenal. Apple's Fifth Avenue store and another on Prince Street in SoHo are usually thronged with consumers eager to tap into some aspect of the multidimensional experience they offer.

Although Apple's retailing operation is unique in some fundamental respects, it is useful as an example of how a business can be reimagined. Overseen by senior vice president Ron Johnson, a former vice president of merchandising at Target Corp., the stores cut through the clutter to stand for something in a marketplace where it is often difficult to tell where the product mix, customer service and ambience of one mass marketer end and those of any number of its competitors begin. The Apple stores have succeeded by transforming shopping into theater and service into education, a feat to which all retailers can aspire.

LOAD-DATE: September 16, 2006

EXHIBIT N



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January 24, 2007 Wednesday 11:31 AM EST

LENGTH: 79 words

HEADLINE: M&Ms: Apple Logo Melts in Your Mouth

BODY:

Jan. 24, 2007 (Gizmodo delivered by Newstex) --

A tipster who works for the sister company of M&M Mars picked up a few bags of the chocolate candies at the company's outlet store where he works in Australia, and what did he find but Apple logos printed on some of the M&Ms inside. A fluke? Part of an upcoming promo campaign in Australia? Here's a closeup:

Apple fanboys will eat this stuff up. -- Charlie White

Packs of m&ms (but try this because of Digg effect) [via Digg]

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LOAD-DATE: January 24, 2007

EXHIBIT O



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February 12, 2007 Monday 4:35 PM EST

LENGTH: 136 words

HEADLINE: Color Customize the Apple Logo on Your Laptop

BODY:

Feb. 12, 2007 (Gizmodo delivered by Newstex) --

As a proud new switcher and owner of a MacBook, I'm already looking for ways to tweak the sucker out (anybody have a laser engraver I can use? e-mail me), and this is one hell of an easy way to give the Apple laptop a little pop and color. Canadian company, iColours has small transparent sheets that can be placed inside the laptop to change the color of the Apple logo. If you don't want to use your Canadian funny money to order one of these, then just head on over to a hobby store and buy your own transparent sheets. Then follow the handy, dandy tutorials to figure out how to open up the MacBook and place the transparent sheet inside. iColours does custom designing of the transparent sheets, which could be kind of cool. --Travis Hudson

Product Page [Via TechPwn]

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LOAD-DATE: February 13, 2007

EXHIBIT P



1 of 1 DOCUMENT

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Fortune

March 19, 2007
U.S. Edition

SECTION: AMERICA'S MOST ADMIRABLE COMPANIES; Pg. 107 Vol. 155 No. 5

LENGTH: 2476 words

HEADLINE: Simply Irresistible

BYLINE: Jerry Useem; Jenny Mero

HIGHLIGHT:

Why Apple is the best retailer in America

BODY:

SORRY STEVE, Here's Why Apple Stores Won't Work," BusinessWeek wrote with great certainty in 2001. "It's desperation time in Cupertino, Calif.," opined TheStreet.com. "I give [Apple] two years before they're turning out the lights on a very painful and expensive mistake," predicted retail consultant David Goldstein. Yet five years later, at 4:15 A.M., a light flickered on.

Onlookers were bathed in the milky-white glow of the Apple logo, suspended in a freestanding cube of glass at the corner of Fifth Avenue and Central Park South in Manhattan. Dazzling in clarity and 32 feet on a side, the structure was likened variously to a temple, the Louvre Pyramid, Apple's G4 "Cube" computer, a giant button, and even--in the words of NBC's Brian Williams--Steve Jobs' Model T. But it was, everyone could agree, manifestly a store. "People haven't been willing to invest this much time and money or engineering in a store before," says the Apple CEO, his feet propped on Apple's boardroom table in Cupertino. "It's not important if the customer knows that. They just feel it. They feel something's a little different."

And not just the architecture. Saks, whose flagship is down the street, generates sales of \$362 per square foot a year. Best Buy stores turn \$930--tops for electronics retailers--while Tiffany & Co. takes in \$2,666. Audrey Hepburn liked Tiffany's for breakfast. But at \$4,032, Apple is eating everyone's lunch.

That astonishing number, from a Sanford C. Bernstein report, is merely the average of Apple's 174 stores, which attract 13,800 visitors a week. (The Fifth Avenue store averages 50,000-plus.) In 2004, Apple reached \$1 billion in annual sales faster than any retailer in history; last year, sales reached \$1 billion a quarter. And now comes the next, if not must-have, then must-see, product. "Our stores were conceived and built for this moment in time--to roll out iPhone," says Jobs, summoning one to the table with a tantalizing I've-got-the-future-in-my-pocket twinkle. If sales are anywhere near expectations--Apple hopes to move ten million iPhones in 2008--the typical Apple Store could be selling, in absolute terms, as much as a Best Buy, and with just a fraction of the selling space.

You could say that Apple has landed--not only on our street corners and in our malls but also, for the first time, on the top ten of FORTUNE's Most Admired Companies. Its peers have watched it upend industries from computers to music. But how did a high-tech wundercompany become America's best shopkeeper?

"I started to get scared," says Jobs. Looking angularly trim in his trademark mock turtleneck and jeans (shopping, one is reminded, has never been integral to his lifestyle), Jobs is describing what he saw circa 2000. The company was increasingly dependent on mega-retailers--companies that had little incentive, never mind training, to position Apple's products as anything unique. "It was like, 'We have to do something, or we're going to be a victim of the plate tectonics. And we have to think different about this. We have to innovate here.'"

The leap into retail, though, would be from a standing start. "We looked at it and said, 'You know, this is probably really hard, and really easy for us to get our head handed to us.' So we did a few things. No. 1, I started asking who was the best retail executive at the time. Everybody said Mickey Drexler, who was running the Gap." Drexler agreed to join Apple's board. Next, Jobs went looking for the one right person to run Apple retail. The answer was Ron Johnson, then a merchandising chief at Target who was pushing that company's hugely successful foray into affordable design.

"One of the best pieces of advice Mickey ever gave us was to go rent a warehouse and build a prototype of a store, and not, you know, just design it, go build 20 of them, then discover it didn't work," says Jobs. In other words, design it as you would a product. Apple Store Version 0.0 took shape in a warehouse near the Apple campus. "Ron and I had a store all designed," says Jobs, when they were stopped by an insight: The computer was evolving from a simple productivity tool to a "hub" for video, photography, music, information, and so forth. The sale, then, was less about the machine than what you could do with it. But looking at their store, they winced. The hardware was laid out by product category--in other words, by how the company was organized internally, not by how a customer might actually want to buy things. "We were like, 'Oh, God, we're screwed!'" says Jobs.

But they weren't screwed; they were in a mockup. "So we redesigned it," he says. "And it cost us, I don't know, six, nine months. But it was the right decision by a million miles." When the first store finally opened, in Tysons Corner, Va., only a quarter of it was about product. The rest was arranged around interests: along the right wall, photos, videos, kids; on the left, problems. A third area--the Genius Bar in the back--was Johnson's brainstorm.

"When we launched retail, I got this group together, people from a variety of walks of life," says Johnson. "As an icebreaker, we said, 'Tell us about the best service experience you've ever had.'" Of the 18 people, 16 said it was in a hotel. This was unexpected. But of course: The concierge desk at a hotel isn't selling anything; it's there to help. "We said, 'Well, how do we create a store that has the friendliness of a Four Seasons Hotel?'" The answer: "Let's put a bar in our stores. But instead of dispensing alcohol, we dispense advice."

Johnson is telling the story as he walks the floor of Apple's San Francisco store, a perfect stainless-steel box punctuated by a massive skylight, which is throwing sun on a thirtysomething couple getting a tutorial at the Genius Bar. "See that?" says Johnson. "Look at their eyes. They're learning. There's an intense moment--like when you see a kid in school going 'Aha!'"

What else does Johnson see? A guy with a broken laptop. The chances of getting it fixed today are one in three; by tomorrow, two in three. "We're trying to get as fast as the dry cleaner," says Johnson, crossing the glass skybridge that spans the second floor.

The most striking thing, though, is what you don't see. No. 1: clutter. Jobs has focused Apple's resources on fewer than 20 products, and those have steadily been shrinking in size. Backroom inventory, then, can shrink in physical volume even as sales volume grows. Also missing, at the newest stores, anyway, is a checkout counter. The system Apple developed, EasyPay, lets salespeople wander the floor with wireless credit-card readers and ask, "Would you like to pay for that?" The interiors, too, have been distilled to a minimum of elements. "We've gotten it down so there's only three materials we're using: glass, stainless steel, and wood," says Johnson. "We spent a year and a half perfecting that steel. Stainless steel can be cold if you don't get the finish right. See the bounce? See the blues up there?" No, frankly, but Apple hunted down a Japanese supplier and pushed it to achieve the effect by blasting the metal with small beads.

Suppliers describe working with Apple as both thrilling and scary. "We're used to working on projects with very high standards," says Michael Mulhern of TriPyramid Structures, whose components hold the Fifth Avenue Cube together. "With Apple Stores, everything is two notches above that." And even that doesn't seem to be enough. A few years back Jobs issued a challenge: How small could you make a store and have it still feel big? The resulting "minis-tore" (not "nano") was just 15 feet wide, with a fabric ceiling that mimics pure daylight.

The minis fit nicely into a real estate strategy that Jobs calls "Ambush the customer." He says he wanted to show Windows users "how much better a Mac is. But Windows users weren't going to drive to a destination." That's why Johnson waited so long for the San Francisco location--a corner off Market Street where people live, work, shop, tour, and play, as he puts it. "The real estate was a lot more expensive," says Jobs, but it was worth it because people "didn't

have to gamble with 20 minutes of their time. They only had to gamble with 20 footsteps of their time." Downstairs, a man in a hardhat walks in with an iPod nano. Johnson likes this. "When we launched retail, there was a real cult-of-the-Mac mentality," he says. "But our goal was never to have a store for a cult. It was to be a store for everyone. So if you look around here," you see, in fact, the sort of group you'd see in diversity-recruiting brochures. Nor does the store feel like a cult. A club, maybe, in the sense that owning a Mac means joining something. Apple wants the purchase to be the beginning, not the conclusion, of a beautiful--and, it hopes, profitable--friendship.

"Apple has changed people's expectations of what retail should be about," says Candace Corlett of WSL Strategic Retail in New York. "After they've seen Apple, how do they feel looking at a drugstore or the jeans section in a department store?" Other companies are asking themselves the same question. Saturn's car showrooms, general manager Jill Lajkziak told the Detroit News last spring, would have a "more contemporary, more interactive look and feel--like an Apple Store." And several doors down from the Apple Store in the Palisades Center mall in West Nyack, N.Y., is a COMING SOON sign with another familiar name. It's one of two stores Dell is experimenting with. Sorry, Michael: Here's Why Dell Stores oh, never mind.

Apple, meanwhile, has not returned the compliment by taking cues from others. "Why copy when you can create?" asks Johnson. The Genius Bar, for instance, is now complemented by the Studio, staffed by "Creatives" who offer one-to-one training on everything from putting together your Def Leppard tribute on iMovie to how to deejay your friend's wedding. That's what makes Apple such a hard study: The subject won't sit still for its portrait. "I can't even remember Apple without the stores," says Jobs. It's a statement of how integral they've become to the company; 8,000 of Apple's 20,000 employees, he notes, work in retail. But it's also a reminder that what we're glimpsing are his taillights. It's customary, at this point, to say what could go wrong--a string of product misfires, some future Apple backlash, who knows? But the best way to predict the future is to invent it. "Genius sits in a glass house," the Swiss artist Paul Klee wrote. It's on the corner of Fifth Avenue and Central Park South, and anyone can wander in.

feedback juseem@fortunemail.com

CORNER STORE

Under the Cube on Fifth Avenue, a space that reshapes the rules of retailing.

INSANELY LUCRATIVE

Number of Apple Stores: 174 and counting

Flagships: Fifth Avenue (below) and SoHo, New York City; San Francisco; North Michigan Ave., Chicago; Regent Street, London; the Grove, Los Angeles; Ginza, Tokyo; Shinsaibashi, Osaka

Under construction: Boston

Annual sales per square foot, In fiscal 2006

[This article contains a chart. Please see hardcopy of magazine or PDF.]

Apple Stores \$4,032*

Tiffany & Co. \$2,666

Best Buy \$930*

Neiman Marcus \$611

Saks \$362

*Data are for the past 12 months

Source: Sanford C. Bernstein

THE TRAFFIC

Weekly visitors per store: 13,800

At Fifth Avenue store: 50,000-plus

Ideal location: "Live there, work there, play there, shop there, tour there."

THE SOFTWARE

Applicants per opening: 20

Harvard University: 10

Job requirements: Must understand machines and people

THE HARDWARE

Materials: Low-iron glass; bead-blasted stainless steel from Japan; Pietra Serena stone from Italy
 Design: Spiral staircase with cylindrical elevator

THE ARCHITECT

Steve Jobs, CEO, Apple Vision: "A buying experience as good as our products."
 Detail: Holds patent for staircase design
 Above: Ministore in Palo Alto

THE LOOK AND FEEL

Products under glass: None
 Purpose: Allow customer to "test drive" new products
 Number of display computers connected to Internet: All
 Next big thing: iPhone
 iPhones sold through third parties (except Cingular): None

BOX STORY:**Observing Geniuses in Their Native Habitat**

The retail safari begins at 9:30 a.m. Our bus leaves the Wharton School's Philadelphia campus with 15 retail-obsessed business students; Bill Cody, who runs the school's retail program; and a few consultants from WSL Strategic Retail, who are leading the trip. We're on an all-day class excursion to a nearby mall to get a good, close look at some big game.

We first hit Sephora, Bath & Body Works, and Williams-Sonoma. Nice organic makeup, soap, and stand mixers, respectively. Polite appreciation. Then everyone snaps to attention. It's the main event: an Apple Store. Time to observe the lion eating the wildebeest, as it were.

From the door, we all notice the pristine layout and curated feel. There's a limited selection, which makes shopping much easier. The Apple Store lets you take it all in at a glance, says Candace Corlett, one of the WSL people. It leads you to where you need to be. If I get lost, there's someone to take me there. Sure enough, we're immediately greeted by a guy in his twenties, bopping his head to music only he can hear. As he demonstrates iPods and digital cameras, he mentions he's a part-time photographer.

Toward the back of the store is the Genius Bar. Corlett explains that Apple has established a new expectation of intelligent service that used to be associated with the trusted pharmacist. Now, it's your trusted Genius. The people behind the counter are, if not geniuses per se, then at least well-rounded individuals. One, a former physics teacher, tells us he got weeks of training, including time in Cupertino. (He also explains that the Genius Bar's atom logo represents lithium, the go-to element in high-tech batteries. Know what else it's used for? he deadpans. Bipolar disorder.) Another guy tells us that all who work the Bar must commit to full-time hours, and that he himself scubas on the side. He smiles. The hunting party is enchanted. They're smooth, these Geniuses.

Next up is Macy's where, tucked between racks of socks and men's underwear, the group discovers an iPod vending machine. Upon examination, they find that you can return merchandise only by mailing it to a special address. Blank stares. I don't think this is how Apple wants to portray its brand, ventures Derek, a would-be footwear executive.

Over lunch Stefon, an undergraduate with dreams of being a CEO, holds forth. He believes Tiffany's recent sales drop is due to commodification and that Ralph Lauren is diluting his brand. He's also awed by the work that goes into selling particularly at Apple. There are so many moving parts to retail, he says. It's not just about putting stuff on a shelf.

"OUR GOAL WAS NEVER TO HAVE A STORE FOR A CULT. IT WAS TO BE A STORE FOR EVERYONE."

NOTES: See also cover story on page 98 of same issue.

GRAPHIC: PHOTO: PHOTOGRAPHS BY CHRIS MUELLER; BOX POPULI; The Apple Store on Fifth Avenue in New York City

PHOTO: ROBERT CAPLIN--BLOOMBERG NEWS/LANDOV; RIGHT HAND MAN; Jobs (left) hired Johnson away from Target to run Apple Stores.

PHOTO: SCOTT OLSON--GETTY IMAGES; FAN CLUB; Waiting for the Chicago store to open in 2005

PHOTO ILLUSTRATION: PHOTOGRAPHS BY CHRIS MUELLER; PAUL SAKUMA--AP/FORTUNE GRAPHICS

CHART: Source: Sanford C. Bernstein

LOAD-DATE: March 5, 2007

EXHIBIT Q



1 of 1 DOCUMENT

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Copyright 2007 Small Biz Mentor
Small Biz Mentor

October 4, 2007 Thursday 12:25 AM EST

LENGTH: 270 words

HEADLINE: Verizon Wireless Voyager - Anything You Can Do I Can Do Better

BYLINE: Yvonne Russell

BODY:

Oct. 4, 2007 (Small Biz Mentor delivered by Newstex) -- Just when I was starting to wonder whether I could justify buying an iPhone, news has leaked of the very cool Verizon (VZC) (VZ) Wireless (VOD) LG Voyager.

Competition is good, but my thinking of jumping ship and wanting to know more, made me think about the unexpected impact competition in your niche can also have on small business. More on that in a moment. The Verizon LG Voyager looks pretty nifty. Rich Tehrani reports that it's being called an "...iPhone killer. The device runs on the faster Verizon Wireless data network... and has a keyboard. These are the two Achilles heels of the current In a society where we always want the latest and greatest, how will the release of the Verizon Voyager impact on Apple's sales? Is it an "iPhone killer"? Probably not, as Apple is such a strong brand name, making anything Apple produces a "must have" for many consumers. Can your small business stand up to fierce or unexpected Anything You Can Do I Can Do Better - Competition in Small - What services or products do you offer at your small business, that are "must have" for your customers and clients?

- What could kill your small business? - Do you keep tabs on your small business competition?

- What can you do to - Are you an innovator?

- Is there scope for collaboration with - Can you identify trends or changing needs?

- Do you have a strong small business brand? Have you had experience having to change your business direction? How do you deal with competition in your small business? I'd love to hear about it.

>Newstex KMM-0045-20017133

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LOAD-DATE: October 4, 2007

EXHIBIT R



Copyright 2008 Globe Newspaper Company
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The Boston Globe

March 23, 2008 Sunday
THIRD EDITION

SECTION: IDEAS; Pg. C3

LENGTH: 802 words

HEADLINE: Why women should marry someone less attractive, how the apple logo makes people 'think different,' and more.

BYLINE: By Kevin Lewis - Kevin Lewis is a columnist for Ideas. He can be reached at kevin.lewis.ideas@gmail.com

BODY:

Uncommon Knowledge

Surprising insights from the social sciences

HERE'S SOME ADVICE for women: think twice about marrying that good-looking guy. A team of psychologists recruited 82 newlywed couples and rated each spouse's physical attractiveness and satisfaction with the marriage. They then observed how the two interacted with each other while discussing personal issues. It turns out that couples where the wife was more attractive were characterized by more supportive interaction on the part of both spouses; but, if the husband was more attractive, he was less satisfied and both spouses exhibited less supportive interaction. The psychologists suggest that a relatively attractive husband may feel he has more extramarital options, causing him to be less supportive of his wife, who, in turn, is less supportive of her husband. On the other hand, because women are less focused on the physical appearance of their mate, a more attractive wife is less likely to harbor resentment about her spouse and, meanwhile, has a husband who counts his blessings.

McNulty, J. et al., "Beyond Initial Attraction: Physical Attractiveness in Newlywed Marriage," *Journal of Family Psychology* (February 2008).

...

PERHAPS CONSERVATIVES SHOULD give John McCain more credit on economic policy. McCain voted against the Bush tax cuts, something that haunted him on his path to the Republican nomination. He defends himself by saying that tax cuts must be matched by spending restraint, but many conservatives believe that cutting taxes preemptively is the best way to restrain spending -- the "starve the beast" hypothesis. Now two economists find no support in the historical record to indicate that tax cuts have a negative effect on federal spending. In fact, they found a positive effect -- the tax cuts were followed by spending increases. Unless politicians explicitly connect spending and tax policy, there is a tendency to disassociate the two. Meanwhile, contrary to the notion that tax cuts pay for themselves via extra growth, most of the subsequent recovery in lost revenue came as a result of tax increases enacted specifically to counter the initial tax cuts.

Romer, C. and Romer, D., "Do Tax Cuts Starve the Beast: The Effect of Tax Changes on Government Spending," *National Bureau of Economic Research* (October 2007).

...

ALTHOUGH THE ISSUE of race is now front and center in the Democratic presidential primary, it was not that long ago that Obama had to contend with accusations that he was not "black enough," given his biracial heritage and

Why women should marry someone less attractive, how the apple logo makes people 'think different,' and more. The Boston Globe March 23, 2008 Sunday

lighter skin color. One reason why this is an issue for the black community is that there is a sense of differential treatment, not just between whites and blacks, but between people of different shades of black. Several economists decided to test whether there is indeed a "preference for whiteness" in the labor market. They analyzed data from two large interview-based surveys and found that average wages do indeed rise with lighter skin tone, due to more favorable treatment by employers.

Goldsmith, A. et al., "From Dark to Light: Skin Color and Wages Among African-Americans," *Journal of Human Resources* (Fall 2007).

...

THE GOAL OF marketing is to make you buy something. But what if it does more than that? A team of psychologists wanted to find out if some brands can actually change behavior in situations that have nothing to do with buying something. Specifically, the psychologists set up experiments where people were exposed to a brand logo, even subliminally, and then given tests of creativity or honesty. Those who were exposed to an Apple logo were more creative than those who were exposed to an IBM logo or no logo at all. Likewise, those who were exposed to a Disney Channel logo were more honest than those who were exposed to an E! Channel logo.

Fitzsimons, G. et al., "Automatic Effects of Brand Exposure on Motivated Behavior: How Apple Makes You 'Think Different,'" *Journal of Consumer Research* (forthcoming).

...

WITH WALL STREET in turmoil, everyone is anxious about the state of the economy. Although bear markets ostensibly rebound to become bull markets, there are lingering consequences, even for the best and brightest. A Stanford professor analyzed data from a survey of business school alumni in the late 1990s and found that stock market conditions while attending business school have an effect on the careers of would-be investment bankers. A bull market, they found, draws more students into investment banking -- and away from pursuits like actually running a business. The study is a hint that many of us may end up in careers by accident; we were not destined to do what we're doing now.

Oyer, P., "The Making of an Investment Banker: Stock Market Shocks, Career Choice, and Lifetime Income," *Journal of Finance* (forthcoming).

LOAD-DATE: March 26, 2008

EXHIBIT S



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Advertising Age

March 24, 2008

SECTION: NEWS; Pg. 4

LENGTH: 684 words

HEADLINE: THIS BRAND MAKES YOU MORE CREATIVE;
A subliminal-messaging study from Duke claims it's possible

BYLINE: BETH SNYDER BULIK

BODY:

What does your brand do for consumers? If you're Apple, you make them more creative, and if you're Disney, you make them more honest.

So says research published in the April issue of the Journal of Consumer Research that found test subjects who were shown a logo for 30 milliseconds—a subliminal flash that was not actually “seen”—were much more likely to be creative or candid in the cases of Apple and the Disney Channel, respectively.

“Brands are almost human in representation in people's minds,” said Gavan Fitzsimmons, professor of marketing and psychology at Duke University, and one of three authors of the 52-page study. “We started out discussing the fact that we now know about all the social influences on us. Why wouldn't it then logically be that brands have the same impact?”

So he, along with his wife, Tanya Chartrand, also a professor of marketing and psychology at Duke, and his sister, Grainne Fitzsimmons, research chair in social cognition at University of Waterloo in Ontario, set out to tackle the question. They pretested hundreds of brands, looking for pairs in similar categories that were equally liked by consumers but also had distinctly different and acknowledged brand attributes. They wound up pairing Apple with IBM and Disney with the E! Channel.

They also took into account that consumers are exposed to hundreds of brands every day, but in a “super-liminal” way—that is, in a way that can be seen, such as a logo on a friend's shirt. What they wanted to test was the effect of subliminal exposures.

For the Apple-IBM test, 341 subjects were presented with a split screen and asked to push either a right- or left-hand button when they saw a box flash. What they didn't see—and couldn't possibly have seen in just 30 milliseconds—was the flash of the Apple or IBM logo while the box was on the screen.

Afterward, the subjects were given a creative challenge: Write down as many uses for a brick as you can think of, besides creating a building. The researchers then asked an independent group of judges to rank the answers for creativity.

The results: The group that had been subliminally primed by the Apple logo came up with 15% to 30% more uses for the brick than the control group. And the independent judges more often rated them as more unique and creative.

For the Disney-E! Channel test, they did the same thing. Some 63 participants instead saw the Disney or E! logo flash while the box was onscreen. Their test was different, though. This group was asked to honestly respond to

THIS BRAND MAKES YOU MORE CREATIVE; A subliminal-messaging study from Duke claims it's possible
Advertising Age March 24, 2008

true/false statements such as "I can remember playing sick to get out of something" or "I do not find it difficult to get along with loud-mouthed, obnoxious people." (Those who agreed with the latter flunked on honesty.)

Again the results showed the group exposed to the Disney Channel logo was more honest in its answers than the E! Channel-exposed group.

Note that neither group exposed to IBM or E! Channel became less creative or less honest because of the exposures. They stayed the same-their answers were statistically similar to the control group.

It's not likely to have been a fluke. The research group got similar results in more than 10 replications of the test with a variety of subject groups.

So what does it mean for marketers? The research purports to prove that brands can subliminally inspire or create certain kinds of feelings in consumers-potentially valuable information for marketers.

For instance, marketers doing product placement may want to go with shorter exposures rather than longer ones that draw consumers' ire, Mr. Fitzsimmons said. Or marketers could sell the notion of those positive associations to consumers. "All day, every day, we're changing who we are-becoming more honest, becoming more creative-as the function of the brands that surround us," he said.

And that may be the way to change consumers' buying behavior. Mr. Fitzsimmons said two of the three researchers (himself included) have switched to Apple computers. "In part because we thought it can't hurt and maybe strategic brand exposure might be a good thing."

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GRAPHIC: Art Caption: Comparing apple

LOAD-DATE: March 28, 2008

EXHIBIT T



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March 31, 2008 Monday 3:38 PM EST

LENGTH: 275 words

HEADLINE: Apple Logo Makes You Creative. Really [Branding]

BODY:

Mar. 31, 2008 (Gawker delivered by Newstex) --

A counterpoint for all you Apple-haters out there: a new study by researchers at Duke University found that "even the briefest exposure to the Apple logo may make you behave more creatively." How did they measure that? By having the subjects list "all of the uses for a brick that they could imagine beyond building a wall." That's science for you! If only gazing at the Apple logo could help me think of a good joke for this post. The actual scientific findings: The team conducted an experiment in which 341 university students completed what they believed was a visual acuity task, during which either the Apple or IBM (NYSE:IBM) logo was flashed so quickly that they were unaware they had been exposed to the brand logo. The participants then completed a task designed to evaluate how creative they were, listing all of the uses for a brick that they could imagine beyond building a wall.

People who were exposed to the Apple logo generated significantly more unusual uses for the brick compared with those who were primed with the IBM logo, the researchers said. In addition, the unusual uses the Apple-primed participants generated were rated as more creative by independent judges.

"This is the first clear evidence that subliminal brand exposures can cause people to act in very specific ways," said Grinne Fitzsimons. "We've performed tests where we've offered people \$100 to tell us what logo was being flashed on screen, and none of them could do it. But even this imperceptible exposure is enough to spark changes in behavior." [Science Daily via Neatorama]

Newstex ID: GAWK-0001-24155138

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LOAD-DATE: March 31, 2008

EXHIBIT U



1 of 1 DOCUMENT

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SNL Kagan Media & Communications Report

June 15, 2009 Monday

SECTION: MARKETWEEK

LENGTH: 820 words

HEADLINE: The truth behind Apple's price slice

BYLINE: Matthew Deegan

HIGHLIGHT:

SNL Kagan spoke to several analysts and industry observers to learn more about Apple's recent price cuts and what prompted them.

BODY:

During the company's fourth-quarter 2008 earnings call - and before his hiatus - Apple Inc. CEO Steve Jobs made a strong statement about Apple's pricing structure.

"We don't know how to make a \$500 computer that's not a piece of junk, and our DNA will not let us ship that," Jobs said. "We've seen great success by focusing on certain segments of the market and not trying to be everything to everybody."

Yet, at a Jobs-less Worldwide Developers Conference months later, Apple announced pricing cuts to its oldest iPhone model and high-end MacBooks.

So could Apple now, as a result of the recession, be forced into tinkering with the DNA that Jobs so staunchly defended?

According to Oppenheimer & Co. analyst Yair Reiner and Morgan Keegan & Co. analyst Tavis McCourt, Apple's pricing changes are the continuation of a normal pricing formula for products: Enter the market at the high end, grow scale, then offer upgrades that justify moving the older product down the pricing ladder.

The 8 GB iPhone certainly climbed down a few rungs, dropping to \$99 from \$199. McCourt said the cut opens Apple's smart phone to a new segment of the consumer market "that maybe wasn't willing to pay \$199."

Both analysts said the \$100 discount was driven by this potential to gain market share, not the need to undercut its handset competitor, the Palm Pre, which hit shelves June 6 at \$199.99 after rebates.

"What [the discount] is really telling us is that Apple can now sell a year-old product that is, by many standards, still head and shoulders above competitive products," Reiner told SNL Kagan. "It's more a testament to where Apple's engineering and product cycles are relative to the wireless market than it is an indication of competitive pressures."

The iPhone was not the only product to receive a price slash. The company also unveiled performance upgrades to its entire MacBook lineup while lowering prices on its higher-end models. Apple cut the 17-inch MacBook Pro, for example, to \$2,499 from \$2,799, while it reduced the MacBook Air to \$1,499 from \$1,799. The MacBook White remained at \$999, however.

According to McCourt, once again the cut was not to compete with cheaper netbooks, but rather to coax already converted Apple buyers into trading up.

"If they lowered the low-end MacBook from \$999 to \$699, that's clearly to fight the netbooks," he said. "But that's not what they did."

McCourt told SNL Kagan that the recession caused Apple buyers during the last two quarters to trade down toward the lower end of the MacBook family, and the new price cuts could spur greater high-end demand.

But Reiner disagreed.

The Oppenheimer analyst said MacBook sales may have been impacted, at least in part, by Microsoft Corp.'s recent marketing campaign championing the affordability of PC notebooks.

"I think [the discounts] may be a response on Apple's part," he said.

However, Reiner said very few companies generate the kind of buzz that Apple does when announcing new products or product enhancements.

"Apple makes a very limited number of very concentrated bets," he said. "Unlike a Microsoft that has 1,001 logs in the fire and therefore has a hard time knowing which ones to focus on, Apple has a few very important projects. And none of the projects they're undertaking are minor, so when they're ready to make an announcement, chances are, it's one that's going to be quite interesting."

Generally speaking though, some experts said they discourage discounting, even in the face of a recession, because it erodes a brand. Therefore, Apple's recent moves could be considered fairly risky.

"Once consumers get used to paying a low price point, it's so hard for them to justify paying more," Martin Lindstrom, brand consultant and author of "Buyology," told SNL Kagan.

Echoing that sentiment, brand consultant Rob Frankel said discounting is an act of brand destruction, calling Microsoft's recent "thrift is chic" ad campaign "a flawed act of desperation."

"A lot of these identity brands react to whatever panic their public registers, and that's why they're all over the map and falling down a lot," Frankel said.

However, the consensus among the experts was that the Apple brand's buzz quality thus far helped it resist brand erosion.

"What Apple is showing us is that no matter what the economic climate, innovation sells," said Karl Barnhart, managing director at CoreBrand. "And if you have a product and a culture like Apple that keeps generating things that people must have, they'll find the money for it."

In fact, Lindstrom went so far as to compare Apple brand loyalty to a religion. He said that when a study he helped

conduct scanned the brains of both Apple fanatics and people who professed a strong faith in Christianity, the same regions in both groups' brains were activated.

Furthermore, Lindstrom polled 2,000 consumers and asked if they would tattoo an Apple logo on their arm.

"And 6.7% of Apple fans said yes," he said.

LOAD-DATE: January 1, 2010

EXHIBIT V



28 of 97 DOCUMENTS

Copyright 2011 Los Angeles Times
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Los Angeles Times

January 22, 2011 Saturday
Home Edition

SECTION: BUSINESS; Business Desk; Part B; Pg. 1

LENGTH: 1206 words

HEADLINE: TECHNOLOGY;

Apple grows on Samsung's soil;

In South Korea, patriotism figures into the war between the iPhone and Galaxy S

BYLINE: John M. Glionna, Jung-yoon Choi

DATELINE: SEOUL

BODY:

South Korea's technology czar was meeting with reporters a few weeks ago when talk turned to smart phones and the choice faced by tens of millions of tech-savvy consumers here: whether to buy **Apple** Inc.'s iPhone 4 or Samsung Electronics Co.'s Galaxy S.

Hwang Chang-gyu admitted that he owned both phones. Then he dropped a bombshell: He actually preferred his iPhone, calling it "more convenient" than its homegrown competitor. "The reason we couldn't make a smart phone like iPhone is that we don't know how to shoot ahead," he said.

Hwang's comments were seen as heresy in a country that considers itself an international leader in consumer electronics. Not only does he oversee government research and development, but he also is a former chief executive of Samsung Electronics, which makes mobile phones. After a buzz in the local media, Hwang issued a retraction stressing Samsung's competitiveness.

The reaction speaks volumes about South Korea's high-stakes smart-phone war, one that Samsung -- and some say the South Korean government itself -- has no intention of losing.

The northeast Asian nation is among the phone industry's most fertile markets, with 45 million cellular users among a population of 49 million. Although smart phones represent a relatively small share of mobile phone sales, analysts say the growth potential is enormous.

As the world's largest technology company, Samsung is accustomed to waging relentless assaults on foreign markets. What it is less used to, analysts say, is fending off a bold offensive by a foreign competitor invading its home turf with a breakthrough product.

Apple rolled out its iPhone 4 here last September and by the end of the year had sold 1.8 million units, nearly catching up to Samsung's Galaxy S, which launched more than two months earlier and has tallied 2 million sales, according to South Korean news reports. Industry analysts say **Apple's** reputation for innovation has established the device as the newest must-own gadget among young consumers here, some of whom wait weeks for an iPhone because of a backlog.

TECHNOLOGY; Apple grows on Samsung's soil; In South Korea, patriotism figures into the war between the iPhone and Galaxy S Los Angeles Times January 22, 2011 Saturday

"**Apple** is an **iconic logo** and people worldwide want to be part of its coolness," said Brian Marshall, an analyst with the research and investing firm Gleacher & Co. "While Samsung has long dominated in South Korea, that has started to change."

Samsung is the world's No. 2 maker of mobile phones, behind Finland's Nokia Corp., and rates fifth in sales of smart phones -- rankings that give the firm a runner-up, "We try harder" mentality, even at home.

Within hours of **Apple's** unveiling of the iPhone 4 last June, Samsung heralded its new Android-based Galaxy S, promoting its speedier processor for multimedia functions and its larger and brighter touch-screen display. The phone was the result of a 40-member task force Samsung set up three years ago -- about the time **Apple** launched the first generation of iPhones -- to devise strategies to corner the \$163-billion global industry.

Critics say the corporate battle has taken on nationalistic overtones in a country nicknamed the Samsung Republic for the political clout wielded by family-owned conglomerates. The firm has benefited from government intervention and South Korean press coverage that may have stifled **Apple** sales, analysts say.

In an e-mail response to questions, Samsung officials called the sales war a sign of a healthy market. "Consumers have a lot to gain from fiercer competition, be it in markets at home or abroad," spokesman James Chung wrote.

Apple also seemed pleased with its performance here. "We're thrilled with the customer response to iPhone in South Korea and we look forward to even more success with both iPhone and iPad in the future," spokeswoman Natalie Harrison said.

But industry insiders say **Apple** was waylaid for two years by South Korean import regulations before it could introduce the first iPhone here in 2009. Last June, **Apple** Chief Executive Steve Jobs temporarily excluded South Korea from the iPhone 4's release, citing delays in government approval.

Trade officials here deny using such tactics. "Korea has now opened up its trade," said Jang Ho-geun, a spokesman for the Korea International Trade Assn. "We got rid of the barriers to protect domestic companies like Samsung."

Not everyone agrees. "Samsung enjoys a protected home market," said an industry observer familiar with South Korea's regulatory climate, who asked not to be named because of the sensitivity the issue. "The press here loves to infer the worst motives behind everything **Apple** does."

Last fall, South Korean lawmakers summoned the U.S. firm to answer questions about its iPhone service policy, which supplies refurbished phones to customers with faulty devices. "In its history, the National Assembly has summoned foreigners to testify on only 15 occasions," said the industry insider. "**Apple** has appeared twice. The reason is that it's become too successful."

In a strange twist, analysts say, Samsung is both a competitor and supplier to **Apple**, with the assembly of up to one-third of the iPhone's components outsourced to the South Korean firm. This year, Samsung is projected to earn \$7.8 billion from its relationship with **Apple**, more than half from the iPhone.

South Korea has a history of erecting trade barriers to discourage predatory imports, often as a defense against U.S. political and military pressure to buy American-made goods.

For years, many U.S. firms cited the American military presence in South Korea as an argument to sell U.S.-made fighter jets and rice. "They overplayed their hand way too many times to make sure Korea bought U.S. goods," said Tim Shorrock, a former newspaper reporter who covered U.S.-South Korean trade. "It created a lot of resentment, which exists even today."

A major assault against **Apple** has come from the Korean press, which promotes the Galaxy S as the "iPhone killer." An article about alleged service problems with the iPhone was headlined "Tasting **Apple's** bitter fruit." After Jobs suggested that government bureaucracy slowed the release of the iPhone 4 here, one paper ran the headline "Jobs lied, didn't he?"

Industry watchers acknowledge that Samsung, one of the nation's most powerful advertisers, might be behind the stories. "It may be true that they released some misleading news," said Kim Ji-hyun, author of a book on South Korean telecommunications. "But this kind of marketing did work domestically."

TECHNOLOGY; Apple grows on Samsung's soil; In South Korea, patriotism figures into the war between the iPhone and Galaxy S Los Angeles Times January 22, 2011 Saturday

Some bloggers have come to **Apple's** defense, criticizing the negative press coverage. "In this Republic of Samsung, they are trying to drive the whole battle of smart phones as patriots (Galaxy or Korean-**brand** phone users) vs. traitors (iPhone users)," one wrote.

Ultimately, Samsung's challenge will be winning over consumers who don't view buying local as an act of patriotism, analysts said. "If you're a 20-year-old buying a cellphone, you don't care about all that corporate stuff, much less nationalistic responsibility," said Michael Breen, a newspaper columnist and author of "The Koreans."

"In a developed country like South Korea, there's no need to hunker down and make financial sacrifice for the good of national economy when Samsung is doing very well, thank you."

john.glionna@latimes.com

Choi works in The Times' Seoul bureau.

GRAPHIC: PHOTO: AD: A sign in South Korea touts Samsung's Galaxy S, which national media call the "iPhone killer." **PHOTOGRAPHER:**Matt Douma For the Times **PHOTO: CHOICE:** A salesman in Seoul holds a Samsung phone, left, and an **Apple** iPhone. Analysts say the growth potential for smart-phone sales is huge. **PHOTOGRAPHER:**Matt Douma For the Times

LOAD-DATE: January 22, 2011

EXHIBIT W



46 of 133 DOCUMENTS

Copyright 2012 The New York Times Company
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October 2, 2012 Tuesday
Late Edition - Final

SECTION: Section B; Column 0; Business/Financial Desk; ADVERTISING; Pg. 4

LENGTH: 905 words

HEADLINE: List of Global Brands Keeps Coke on Top, And Apple Jumps Up

BYLINE: By STUART ELLIOTT

BODY:

AS Advertising Week 2012 continues in New York, a widely discussed topic is how to generate measurable business results for the brands sold by marketers. Coincidentally, a study to be released on Tuesday addresses the value of powerful brands -- and the problems of brands whose value is diminishing.

The study is the 13th annual Best Global Brands report from Interbrand, a brand consulting company owned by the Omnicom Group. The report ranks what it deems the 100 most valuable brands on criteria that include financial performance, the role the brand plays in influencing the choices made by consumers and the brand's ability to help its parent's earnings.

Such measures ought to attract more attention on Madison Avenue, Christine Fruechte, president and chief executive at Colle & McVoy, an agency owned by MDC Partners, said during an Advertising Week panel on Monday.

"When we put together advertising programs, we're constantly keeping in mind how to add shareholder value," Ms. Fruechte said. "We want to have a tangible impact on the client's business or services."

Ms. Fruechte cited as an example a client, the Caribou Coffee Company, whose stock, she said, has risen to more than \$18 a share from \$1.17 when the agency began its work.

Although Caribou Coffee is not listed in the 2012 report, many of the ranked brands are known for dedicating time and corporate treasure to continually, if not continuously, trying to improve the results of their advertising. Case in point is the brand that ranked No. 1 on the list for the 13th consecutive year, Coca-Cola. Interbrand estimated its brand value at \$77.8 billion, up 8 percent from the 2011 report.

"We remain very humble that we're in that top spot," said Joseph V. Tripodi, executive vice president and chief marketing and commercial officer at the Coca-Cola Company. Mr. Tripodi has spoken frequently about how increasing the effectiveness of ads will help the company increase its revenue to \$200 billion in 2020, from \$95 billion in 2008.

List of Global Brands Keeps Coke on Top, And Apple Jumps Up The New York Times October 2, 2012 Tuesday

Although "nothing lasts forever," Mr. Tripodi said of the streak, the company will strive to keep the Coke brand relevant through innovations in how it engages with consumers. For instance, he said, on Facebook Coca-Cola has more likes, 51.98 million, than any other brand.

"A lot of staying relevant is not being afraid to take risks or do different things," Mr. Tripodi said. "It's less about what you sell and more about what you stand for as a brand and company."

Despite the status quo atop the list, eight of the remaining top nine brands changed ranks from last year, Interbrand reported, including Apple, which rose to No. 2 from No. 8, and Samsung, which rose to No. 9 from No. 17.

Also, two brands dropped out of the top 10: Disney, which fell to No. 13 from No. 9 last year, and Hewlett-Packard, which fell to No. 15 from No. 10.

"Brands like Apple and Samsung set the pace" for the 2012 report, said Jez Frampton, global chief executive at Interbrand, which is dominated by strong performances by technology companies. Indeed, of the top 10 brands, five are in technology: Apple, Google, Microsoft, Intel and Samsung.

(Interbrand considers I.B.M., also in the top 10, a business services brand rather than a technology brand. With it included, six of the top 10 would be technology brands.)

"Technology companies are doing so well because they're showing real understand of human beings" as they "change the way we live our lives," Mr. Frampton said.

"It's irony, a group of technology companies showing the way how to be human," he added.

Another prominent technology company, Facebook, entered the list for the first time, at No. 69. Facebook was among six new entrants; the others are Pampers (34), Prada (84), Kia (87), Ralph Lauren (91) and MasterCard (94).

"It's very flattering for us to be part of it," said David Lauren, executive vice president for advertising, marketing and corporate communications at the Ralph Lauren Corporation. "It's always nice to be recognized."

Some brands from the 2011 report are absent from this year's list. One is Barclays, which was in 79th place last year; Mr. Frampton attributed the departure to the "adverse effects" of the accusations that Barclays had tried to fix key interest rates for its own benefit.

Several brands that were ranked lower on the 2012 list compared with last year's have also been suffering setbacks. Among them are BlackBerry, which tumbled to 93 from 56; Goldman Sachs, which declined to 48 from 38; and Nokia, which dropped to 19 from 14.

Conversely, several brands in the top 100 took noticeable steps up. They include, in addition to Apple and Samsung, Amazon, which climbed to 20 from 26, and Nissan, which rose to 73 from 90.

"It's by far the most significant leap we've had," said Andy Palmer, executive vice president for marketing and planning at the Nissan Motor Company. "It's the ultimate external proof point that we're doing the right things as a brand."

Among those things, Mr. Palmer said, is that "we've become a heck of a lot better at telling stories," as this year, "for the first time in our 80-year history, we created a global brand campaign" for Nissan.

He also cited advertising efforts like a Nissan channel on YouTube with "one new story every single day of the year," he said, an app with about 54,000 downloads and Twitter feeds for models like the Nissan Leaf as well as for regions like Nissan USA.

List of Global Brands Keeps Coke on Top, And Apple Jumps Up The New York Times October 2, 2012 Tuesday

URL:

<http://www.nytimes.com/2012/10/02/business/media/best-global-brands-report-has-coca-cola-on-top-and-apple-climbing.html>

GRAPHIC: PHOTOS: Coca-Cola has led the Best Global Brands rankings for 13 years, while Apple rose to No. 2, from No. 8 last year. (PHOTOGRAPHS BY SETH PERLMAN/ASSOCIATED PRESS

KAREN BLEIER/A.F.P. -- GETTY IMAGES) **CHART:** Brand Ranking: Interbrand, the brand consulting agency, ranks 100 brands most valuable based on criteria that include financial performance and the role the brand plays in influencing consumer choices. (Source: Interbrand)

LOAD-DATE: October 2, 2012

EXHIBIT X



17 of 133 DOCUMENTS

Copyright 2013 The New York Times Company
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September 30, 2013 Monday
Late Edition - Final

SECTION: Section B; Column 0; Business/Financial Desk; ADVERTISING; Pg. 5

LENGTH: 881 words

HEADLINE: Apple Passes Coca-Cola as Most Valuable Brand

BYLINE: By STUART ELLIOTT

BODY:

APPLE is the new most valuable brand in the world, according to a closely followed annual report.

The report, to be released on Monday, is from Interbrand, a corporate identity and brand consulting company owned by the Omnicom Group that has been compiling what it calls the Best Global Brands report since 2000. The previous No. 1 brand, Coca-Cola, fell to No. 3.

Not only has Apple replaced Coca-Cola as first among the 100 most valuable brands based on criteria that include financial performance, this is the first time that the soft drink known for slogans like "It's the real thing" has not been No. 1.

Apple's arrival in the top spot was perhaps "a matter of time," Jez Frampton, global chief executive at Interbrand, said in a recent interview. Apple was No. 2 last year, climbing from No. 8 in the 2011 report.

"What is it they say, 'Long live the king'?" Mr. Frampton asked. "This year, the king is Apple."

The 2013 report begins: "Every so often, a company changes our lives, not just with its products, but with its ethos. This is why, following Coca-Cola's 13-year run at the top of Best Global Brands, Interbrand has a new No. 1 -- Apple."

The report estimates the value of the Apple brand at \$98.3 billion, up 28 percent from the 2012 report. The value of the Coca-Cola brand also rose, by 2 percent to \$79.2 billion, but that was not sufficient to give Coca-Cola a 14th year as Interbrand's most valuable brand.

Although "Coca-Cola is an efficient, outstanding brand marketer, no doubt about it," Mr. Frampton said, Apple and other leading technology brands have become "very much the poster child of the marketing community."

That is underscored by the brand in second place in the new report: Google, which rose from fourth place last year.

In fact, of the top 10 Best Global Brands for 2013, five are in technology: Apple; Google; Microsoft, No. 5, unchanged from last year; Samsung, 8, compared with 9 last year; and Intel, 9, compared with 8 last year.

Samsung's ascent followed the company's adoption of a new brand strategy called the Brand Ideal, which includes "a greater focus on social purpose," Sue Shim, executive vice president and chief marketing officer at Samsung, said by e-mail. That reflected research indicating American consumers would switch brands to "one that was associated with improving people's lives," she added.

I.B.M. -- No. 4 in 2013, down a notch from 2012 -- is ranked as a business services brand. Otherwise, technology would account for six of the top 10.

"Brands like Apple and Google and Samsung are changing our behavior: how we buy, how we communicate with each other, even whether we speak with each other," Mr. Frampton said. "They have literally changed the way we live our lives."

Among other transformative technology brands that performed well in the new report was Facebook, which climbed to 52 from 69 last year, its first year on the list.

However, not all technology brands fared well. BlackBerry, which tumbled last year to 93 from 56 in 2011, has disappeared from the list. And Nokia, which dropped to 19 from 14 in 2011, finished this year in 57th place -- "the biggest faller" among the 100, Mr. Frampton said.

Among nontechnology brands, a notable addition to the list was Chevrolet, at 89, the first General Motors brand to rank among the Best Global Brands.

"It feels good to hit the list for the first time," Alan Batey, global head of Chevrolet at G.M., said in a telephone interview. "It's a great first step, but we've got a long way to go. There are a lot of big brands in front of us."

The milestone reflects how General Motors has been "making a conscious effort to globalize Chevrolet," Mr. Batey said, selling the brand in 140 countries in ads that play up attributes like "value for money and designs that move hearts and minds."

Commonwealth, the creative agency for Chevrolet, "played a key role" in helping the brand make the list, he added. Commonwealth is part of the McCann Worldgroup division of the Interpublic Group of Companies.

Last year, when Coca-Cola finished atop the Best Global Brands list for the 13th consecutive time, an executive at the Coca-Cola Company acknowledged the streak but noted that "nothing lasts forever."

A year later, the executive, Joseph V. Tripodi, executive vice president and chief marketing and commercial leadership officer, had this reaction: "Of course, we would like to remain on top of the list forever. That said, we are honored to continue to be included among such an esteemed group of global brands, and we congratulate Apple and Google, both valued partners of ours."

"We've seen the value of technology brands rise as they create new ways for people to stay connected virtually," Mr. Tripodi said by e-mail. "We understand this, as the lasting power of our brand is built on the social moment of sharing a Coca-Cola with friends and family."

"Creating these simple moments and delivering on our brand promise each and every day remains our focus," he added, "as we continue to grow the value of brand Coca-Cola for decades to come."

If it is consolation, Coca-Cola remains far ahead of Apple and Google in likes on Facebook fan pages. Coca-Cola has 73.2 million, compared with 9.8 million for Apple and 15.1 million for Google.

Apple Passes Coca-Cola as Most Valuable Brand The New York Times September 30, 2013 Monday

URL: <http://www.nytimes.com/2013/09/30/business/media/apple-passes-coca-cola-as-most-valuable-brand.html>

GRAPHIC: PHOTO: A scene from a commercial for the iPhone 5 by Apple, a brand valued at \$98.3 billion by Interbrand, a consulting company. CHART: Knocked Off the Top: For the first time since Interbrand, a corporate identity and brand consultancy, began compiling its Best Global Brands survey, Coca-Cola is not the No. 1 most valuable brand. (Source: Interbrand)

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