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US CORPORATE REPUTATION WORTH \$3.3 TRILLION – BUT SHAREHOLDER VALUE COMING UNDER PRESSURE

New York, 24 June 2015 - US corporate reputations are worth some \$3.3trillion – or more than \$1 of shareholder value in every \$6 - according to the latest 2015 US Reputation Dividend Report.

This eighth annual study based on analysis of more than 500 of the country's largest public companies, has Apple reclaiming the top spot with the most economically effective corporate reputation in the S&P 500. Walt Disney is second and ExxonMobil third. J&J is back in the top ten, and AT&T gets in the leading group for the first time.

Although slipping fractionally, at 49.5%, Apple's Reputation Contribution – the proportion of the company's market capitalization directly attributable to the confidence inspired by its reputation – pointed to a value of \$320bn in January 2015. As a group, the combined value of the top 10 reputations at the start of 2015 amounted to \$1,165bn, 45% of their total market cap.











Company	Reputation Contribution	Reputation Contribution change (% pts)	2014 rank	Reputation value (Jan 2015)
	49.5%	-0.2%	2	\$320,317m
The  Company	49.4%	-0.4%	1	\$78,758m
	48.6%	1.4%	4	\$186,745m
	47.2%	-1.6%	3	\$165,228m
	42.2%	-4.3%	5	\$25,628m
	41.1%	-2.8%	6	\$83,213m
	40.7%	4.8%	27	\$33,256m
	40.5%	2.3%	21	\$117,252m
	40.4%	14.8%	102	\$70,205m
	39.5%	6.7%	47	\$84,818m

Figure 1: The Top 10 US Most Valuable Reputations

The study underlined that while some companies are benefitting from growing reputation assets gross reputation value across the S&P 500 is down by \$325bn, dropping below 20% total market capitalization for first time in six years. Reputation Contributions were down in 70% of S&P 500s and in just over 10% of cases, corporate reputations are now such that they are destroying value. "This is worse than recent

years,” warns Reputation Dividend Director Sandra Macleod, “and a surprising trend given growing boardroom attention to trust and transparency.”

The study highlights that one of the factors behind reputational influence is industry sector where average contributions ranged from just 10% to nearly 30% in where investors are more inclined to defer to their understanding and confidence in the organizations than elsewhere. According to Reputation Dividend’s US Senior Partner Bob Takacs, “This was especially noticeable in the Oil & Gas sector where companies with the stronger reputation assets weathered the storm of the recent collapse in oil prices far better than others.”

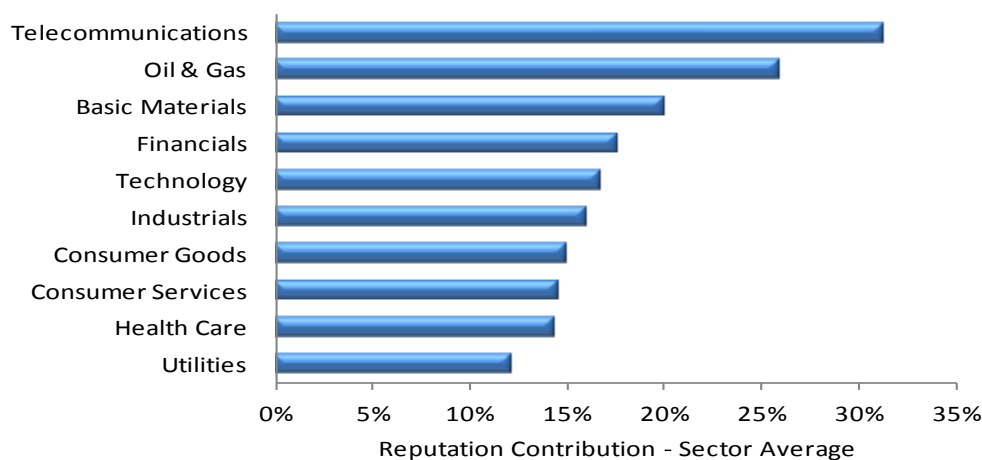


Figure 2: Reputation Contribution by Industry Sector

Added Takacs, “It looks like some corporates have allowed themselves to be seduced, in part at least by the allure of ‘returning’ financials, lulling some reputation owners into complacency as they see their financials take the lead in driving stock price growth. This is putting even more shareholder value at risk at the same time as increasing the opportunity cost of failing to leverage the reputation asset. In effect, leaving money on the table.”

The full study is available for download on www.reputationdividend.com

BACKGROUND

Founded by ex Interbrand specialists and a team of analysts, Reputation Dividend is the only recognised index of the financial value of corporate reputation as measured as a percentage of market capitalization. This is the eighth Annual Report, covering some 360 of the largest companies in the USA. The 2015 US study was run in parallel with its sister UK study, and is based on data reported in March 2015.

FOR FURTHER INFORMATION:

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