

# 2009 Brand Power Industry Rankings

## Building Materials



### Lafarge is the Industry Mover

**Lafarge** is the only building materials company to have grown their Brand Power over the beginning of the year; a time where the housing industry is still a quagmire of inactivity.

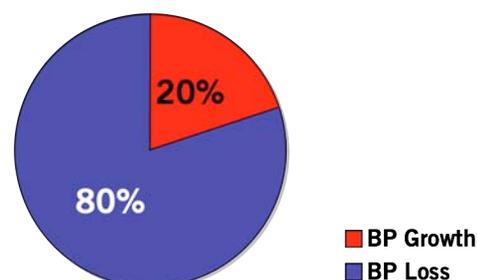
The Building Materials Industry has understandably been impacted by the dramatic decline in the housing industry, showing 80% of the companies in decline within the database. Few companies within the industry have been able to weather the storm in terms of brand equity far better than others.

An encouraging note, is that the average rank decline for a company was only 13, whereas the average rank growth was 38. The three companies that have found the right combination in this economy are powering through the competition.

After filing for Chapter 11 back in 2006, **Armstrong** has rebounded, moving up 38 from 574 in 2008 to 536 in 1st Q 2009.

**Hanson's** strong global infrastructure most likely helped defend against the worst of the U. S. recession. They moved up 44 from 703 in 2008 to 659 in 1st Q 2009. Despite this growth, they remain 5th within their industry.

**Florida Rock** was the industry loser, dropping 31 ranks within the database, and 2 ranks within the industry.



Company Name	Q1 2009 Industry Rank	2008 Industry Rank	2008 Q1 2009 Industry Variation	Q1 2009 CBI Database Rank	2008 CBI Database Rank	2008 Q1 2009 CBI Database Variation
Owens Corning	1	1	0	244	233	-11
Texas Industries	2	2	0	425	416	-9
Perini Corporation	3	3	0	506	498	-8
Armstrong World Industries	4	4	0	536	574	38
Hanson Ltd.	5	5	0	659	703	44
Nortek Holdings	6	6	0	802	794	-8
Vulcan Materials Company	7	7	0	823	800	-23
Masco Corporation	8	8	0	836	824	-12
Fluor Corporation	9	9	0	881	850	-31
Lafarge	10	12	2	984	1015	31
USG Corporation	11	11	0	1003	996	-7
Florida Rock Industries	12	10	-2	1008	977	-31
Jacobs Engineering Group	13	13	0	1045	1041	-4
Cemex	14	14	0	1055	1051	-4
Israel Land Development	15	15	0	1116	1113	-3

# 2009 Brand Power Industry Rankings Home Builders



## KB Home and Fleetwood are Movers and Shakers

The Home Builder's Industry had even more significant gyrations. 3 improvers, 3 decliners, and only 2 steadfast companies in terms of the entire database.

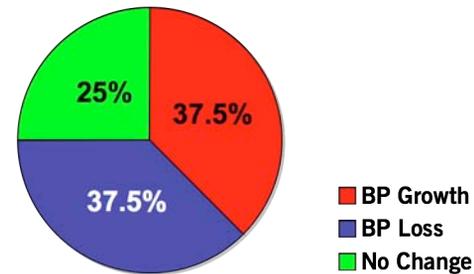
**KB Home** has strong branding deals with Disney and Martha Stewart. Those ties, helped move KB Home up within the industry, from 4th to 3rd; and 20 ranks within the database, from 621 to 601.

**Fleetwood**, after trimming the corporate fat, moved up from 6th to 5th, and 38 ranks within the database, from 787 to 749.

**Lennar** dropped 80, from 696 in 2008 to 776 in 1st Q 2009. It also dropped from 5th to 6th place in the Home Builder Industry.

**Pulte Homes** dropped 36 rankings, from 603 to 639. It dropped a full ranking the Home Builder Industry, from 3rd to 4th.

**St. Joe** and **Centex** hold the number 1 and 2 spots respectively in the industry. St. Joe is currently ranked at 410 within the database, and Centex is at 483.



Company Name	Q1 2009 Industry Rank	2008 Industry Rank	2008 Q1 2009 Industry Variation	Q1 2009 CBI Database Rank	2008 CBI Database Rank	2008 Q1 2009 CBI Database Variation
St. Joe Company	1	1	0	410	410	0
Centex Corporation	2	2	0	583	570	-13
KB Home	3	4	1	601	621	20
Pulte Homes	4	3	-1	639	603	-36
Fleetwood Enterprises	5	6	1	749	787	38
Lennar Corporation	6	5	-1	776	696	-80
D. R. Horton	7	7	0	967	992	25
NVR Inc.	8	8	0	1117	1117	0

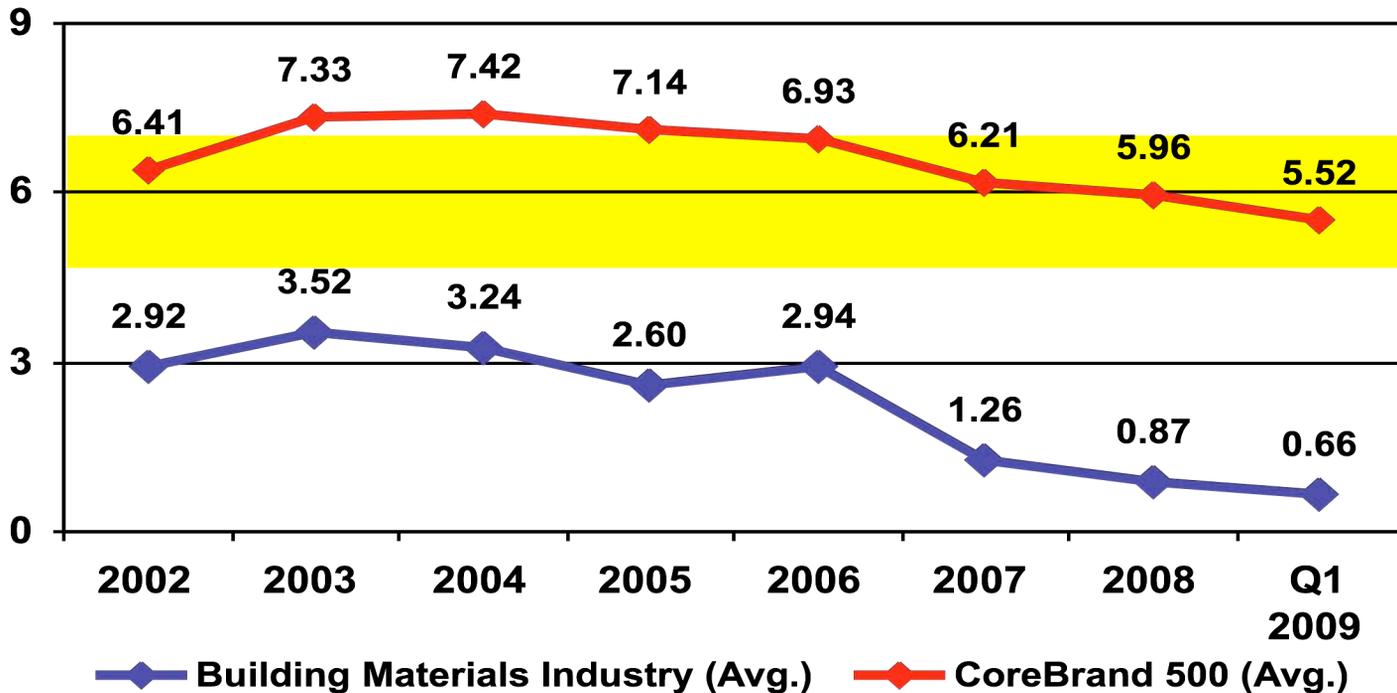
# Brand Equity % of Market Cap Averages



## Building Materials Continue Decline

CoreBrand's research has found that on average the 1,200 corporate brands that make up the CBI contribute between 5-7% of market cap value. In the 2003-2005 timeframe the contribution was higher than usual. In 2008, the figure, 5.96%, was right at average. The first quarter of 2009 shows a continuing trend of decline, which started back in 2004. So, when looking across the board at all companies, the economy has not had a devastating impact on corporate brands and, according to the most recent numbers, things are generally normal.

Brand value within the Building Material industry has been in decline since 2003. In 2003, brand equity on average was 3.52% of market capitalization, in 1st Q 2009 the brand equity is only 0.66%. A potential silver lining is that the industry's average Brand Equity is declining at half the rate of the entire CBI from 2008 to Q1 2009, with a drop of -0.21% vs. the CBI's drop of -0.44%.



\* Highlighted area = historic average

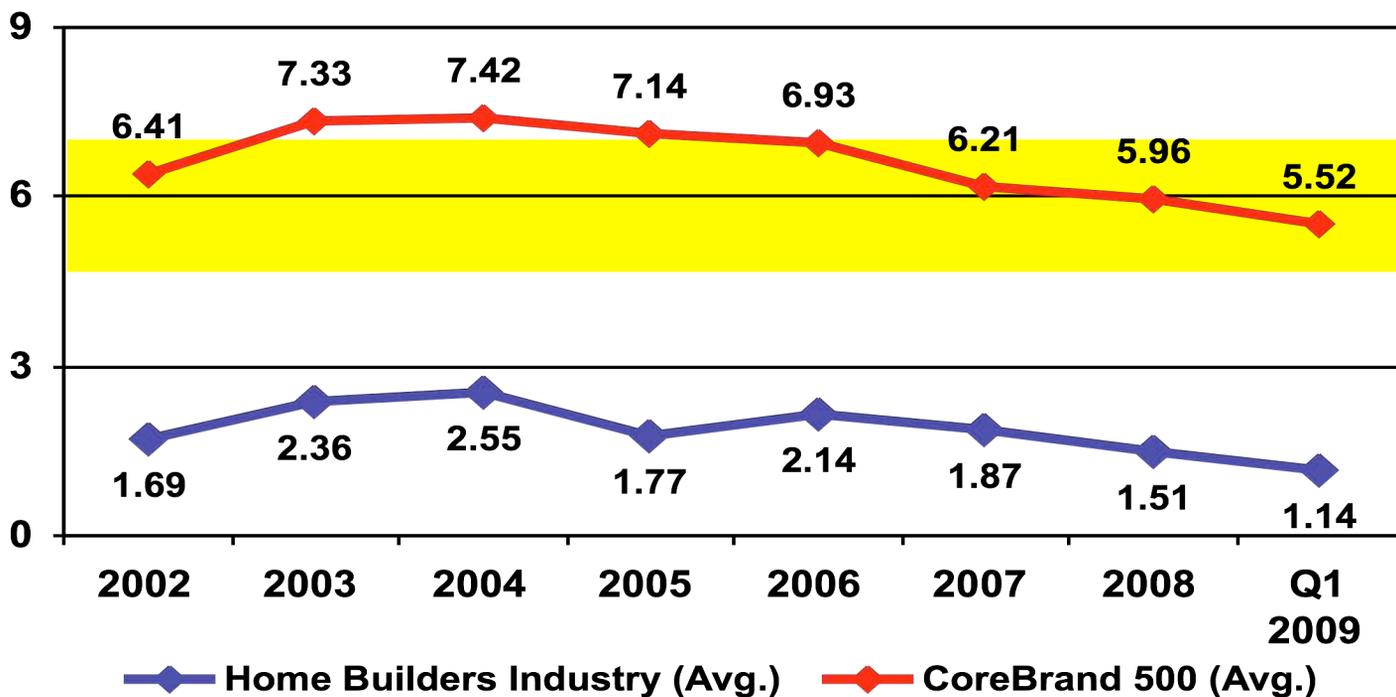
# Brand Equity % of Market Cap Averages



## Home Builders Still Declining

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Brand equity in the Home Building Industry hit a high in 2004, at 2.55% of market capitalization. Today, it is at 1.14%, which is a significant decline by any measure but not as severe as the Building Material industry.



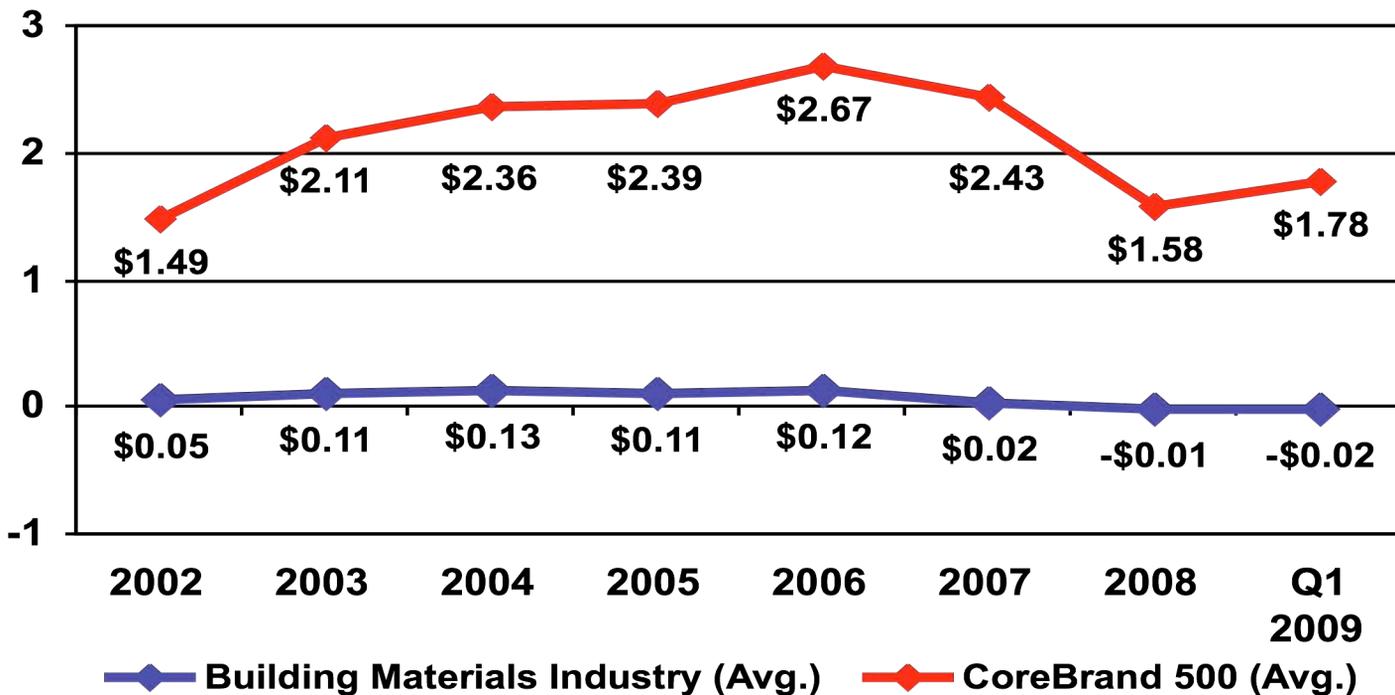
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# Brand Equity \$ Value Averages



## Building Materials Have Deficit in Brand Equity

In 2003, the average value of brands in the industry was \$110 million, today that value is actually at a deficit of \$20 million. This is a sobering decline by any measure, but does it mean that brands should be ignored because they are not currently performing well? No, because the brands that prepare for recovery today are the ones who will be able to get the highest premium value in a rebound.



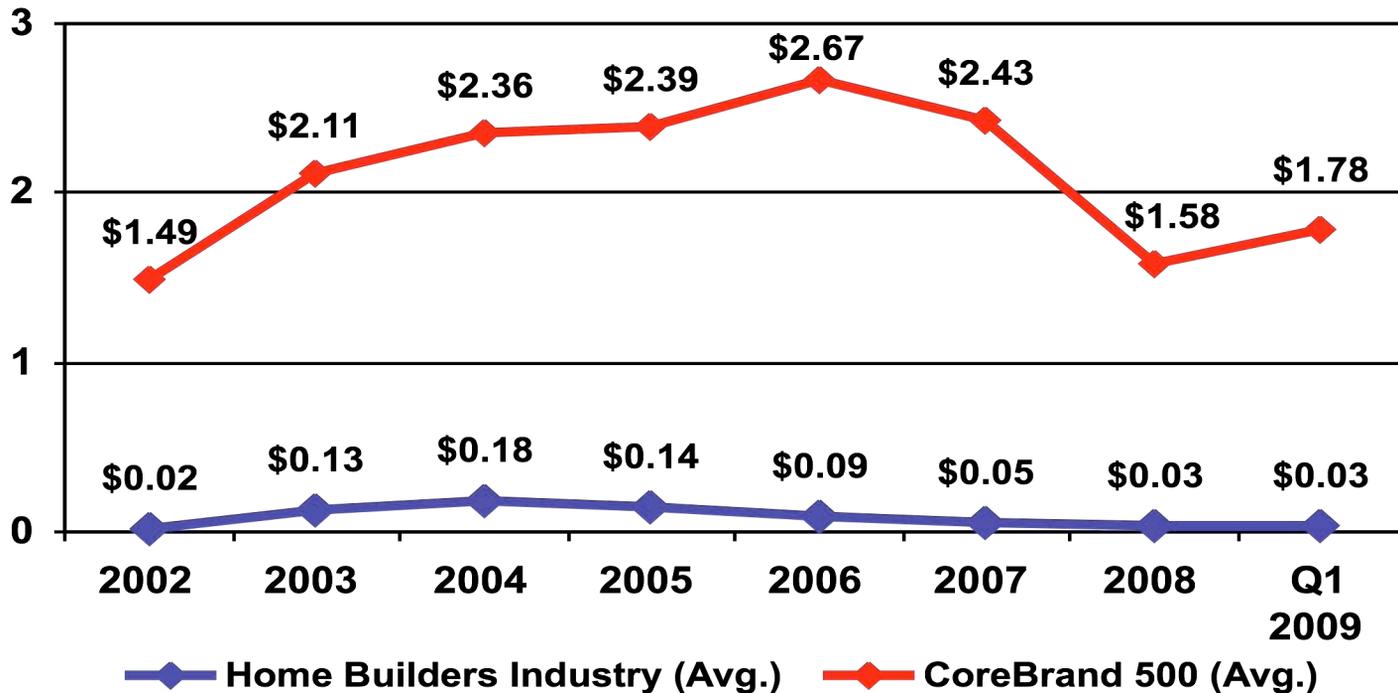
\$ Values are in the billions ex: \$1.00 = \$1 Billion

# Brand Equity \$ Value Averages



## Home Builders Leveled Out Brand Equity

The brand equity dollar value was \$180 million on average, and today has declined to \$30 million on average. Again, you wouldn't want to bet the farm on the brand today, but if you believe there is a better future ahead (and our data identifies that a rebound in brands are taking place) then you need to take the brand into consideration for rebuilding your reputation within your industry.



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CoreBrand tracks over 1,200 of the world's best corporate brands and maintain the largest continuous brand benchmark tracking system.

## The CoreBrand Database

- **Each year CoreBrand conducts 12,000 telephone interviews among business leaders to measure their perceptions of some of the world's best corporate brands.**
- **Respondents are business decision-makers from the top 20% of U.S. businesses.**
  - This senior business audience (VP level and above) represents the investment community, potential business partners, and business customers across 49 key industries.
  - 400 respondents rate each company per year; 1,200 companies are measured each year.
- **CoreBrand collects financial performance data and communications investment information to understand the support behind and impact of these brands.**

## The Brand Power Measurement

- **Respondents are first asked to rate their familiarity with a series of companies.**
  - Scores are a weighted average of the top three responses.
- **Respondents who have a qualified level of familiarity are then asked to rate their favorability of those companies across 3 dimensions.**
  - Overall Reputation, Perception of Management and Investment Potential attributes provide insight to the source of favorable/unfavorable impressions.
  - Scores are a weighted average of the top three responses to create a measure of favorability.
- **Familiarity and favorability data are combined to create Brand Power, a single measure of the size and quality of a corporate brand.**
  - This number provides a single measure of the size of a company's audience and its disposition towards the company.

## The Brand Power Rankings

- **The following Brand Power rankings are based on the Q1 2009 100 top-scoring brands.**
  - The 2008 rankings are included for comparison purposes.