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ST-R3 AGENCY PERFORMANCE RATING FOR 2004Unit 35147, 35/F, Citic Square
1168 Nanjing Road (West)
Shanghai 200041, China
T (8621) 5111-9181
F (8621) 5252-4616**75 MARKETERS GIVE THEIR ASSESSMENT****Background and methodology**

- ST and R3 collaborated and published the first 6 six months Performance rating in July of 2004
- In this round, we are ONLY evaluating the full year performance in 2004 (**NOT the best agency of recent years, only of the last 12 months**)

16th Floor Cheung Kong Center
2 Queens Road, Central
Hong Kong
T (852) 2297 2855
F (852) 2297 006636th floor, Menara Citibank
165 Jalan Ampang, 50450
Kuala Lumpur, Malaysia
T (603) 2169 7770
F (603) 2169 6168www.rthree.com
shufen@rthree.com

Agencies are rated on 3 key areas:

- New business performance (from wins/losses reported in the monthly ST-R3 league table)
- Awards Performance – creative and effectiveness
 - based on performance in the Singapore Effies, which measures advertising effectiveness
 - for creative performance : Creative Circle Awards, and the rankings of local agencies in the Gunn report
- Performance in the Agency Image Survey – an in-depth survey conducted by R3 over phone and online , amongst 75 Singapore based marketers, on their perception of agencies. (More information on the survey inside).

Media agencies are judged by their performance in new business and the R3 Agency Image Survey.

Unlike other rankings, the result of this evaluation is entirely based on the above criteria, which aims to be the most comprehensive possible. Instead of a small panel of judges scoring agencies based on their own submissions, we used the combined results of 75 marketers, dealing with agencies on a day to day basis.

OVERVIEW OF CREATIVE AGENCIES

Over 35 international and local creative agencies were assessed in this ranking exercise.

Agencies who were in the top 10 for some of the criteria but did not make the top 10 included Batey Red Cell, 10AM, AGI, and Kenetic, and international agencies like Dentsu, Foote Cone and Belding, Lowe, McCann, Grey Worldwide, Publicis, Bates and M&C Saatchi.

| Ranking | Agency | Highlights |
|---------|-------------------|--|
| 1 | BBDO | Great performance on all fronts (except Effies) |
| 2 | Ogilvy & Mather | O&M earned its position purely on creative scores. Exceptional performance in CCA and equally strong performance in international awards |
| 3 | TBWA | TBWA claimed top spot in new business, coupled with strong performance on the creative front |
| 4 | Saatchi & Saatchi | Well balanced performance on all criteria |
| 5 | Leo Burnett | Leo Burnett suffered a major account loss but had a good year on the creative front, trailing only O&M and TBWA on Gunn Report scores |
| 5 | DDB | Even with lackluster new business performance, DDB had exceptional performance in the Effies and the R3 Agency Image survey |
| 7 | Fallon | Boosted by great performance on the R3 Agency Image survey and overall creative performance |
| 7 | JWT | JWT faired within the top 10 for new business and R3 Agency Image survey, but was notched up by its strong creative performance |
| 9 | Y&R | A superb new business performance in 2004, but not within the top 10 on the other criteria |
| 10 | BBH | BBH scored best on the creative front, followed by the R3 Agency Image survey and the EFFIEs |

MEDIA AGENCIES

| Ranking | Agency |
|---------|------------------|
| 1 | Mindshare Group |
| 2 | OMD Group |
| 3 | MediaCompete |
| 4 | Optimedia |
| 5 | Initiative Media |
| 6 | Carat |
| 7 | Universal McCann |
| 8 | MEC |
| 9 | Zenith |
| 10 | Starcom |

On the media agency ranking, it is worth noting the top scorers are also the ones who have been performing in the top 5 of the new business league. This is because the results of the agency image survey are remarkably close to that of new business performance. The most top-of-mind media agencies were Mindshare, OMD and Zenith.

SOME QUOTES – R3, co-founder Goh Shu Fen

“As with any ranking, there will always be a degree of subjectivity. In this case, the qualitative influence is really at the judging of the individual awards, whether it’s the EFFIES, CCAs or Cannes. We are confident this methodology is the most robust possible.”

“ We believe more and more clients are looking to media agencies for marketing and media breakthroughs, and in due course, there will be more pressure for agencies to participate and recognition, just like the creative agencies. Some agencies like OMD and Mindshare have already been proactive on this front by participating in the creative shows or launching their own internal awards, such as the Alchemy awards at Mindshare.”

Source: The Gunn Report, IAS (EFFIES), ST-R3 Advertising League, CCA

AGENCY IMAGE RESEARCH

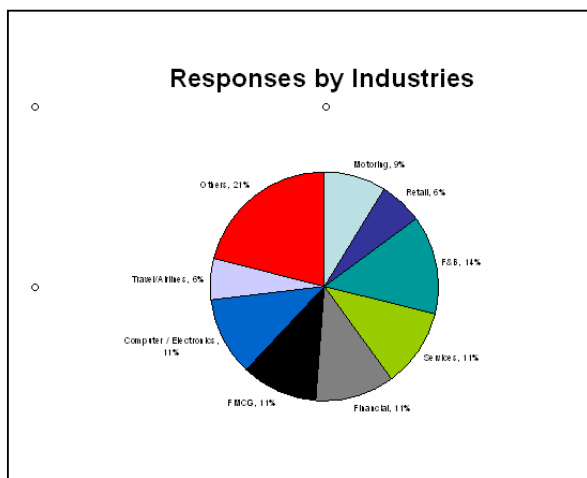
Singapore

SURVEY OVERVIEW

This is the first time a survey of such has been undertaken for Advertising Agencies in Singapore. The survey covers insights into the perceptions and opinions of leading marketers of mainstream advertising agencies as well as media agencies.

Throughout the report, we use top marketers opinions to benchmark criterias which are representative of the advertising industry.

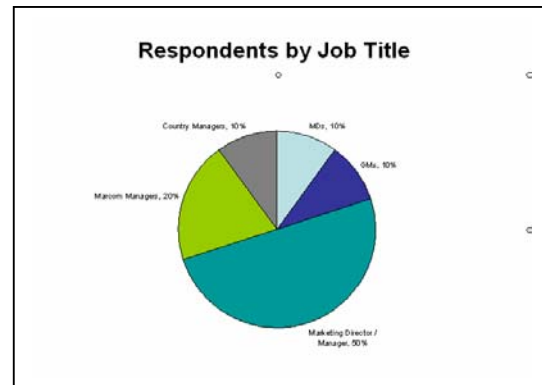
75 marketers based in Singapore completed this 10 part survey with the commitment of total confidentiality on each individual response over a one month period from mid-November to mid-December 2004.



The primary industries which were represented in this survey sample are Motoring companies, Financial, Services, F&B, FMCG as well as Computer & Electronics. Other industries include Retail, Travel & Airlines. The “others category” include Jewellery, Watches, Petroleum, Government bodies, Telecommunication companies and courier as well as selective media

owners.

The respondents interviewed were mainly Marketing Directors / Marketing Managers, with a handful of Marcom Managers as well as MDs, GMs and Country Managers based in Singapore.



We covered some of the top spending marketers in Singapore and the rest was spread out amongst marketing decision makers in companies such as Panasonic Singapore, New Zealand Milk Pte Ltd, Starhub, Levi Strauss, Starhub, Nestle and many more.

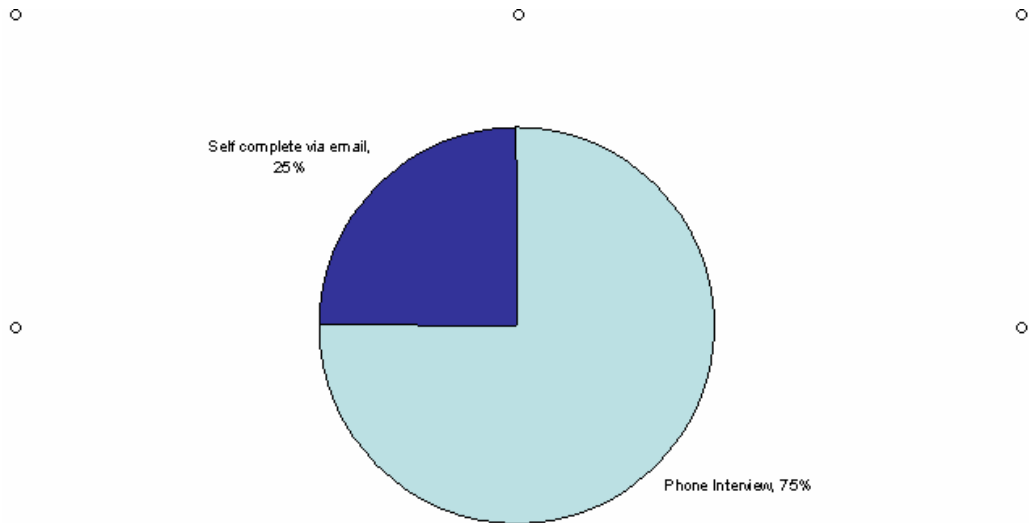
Some of the participants include :

| | |
|--------------------|------------------|
| Ace Daikin | Coca-Cola |
| Acer Computer | Courts |
| Adobe Systems | Danone |
| AMEX | DHL |
| APB | Eaton Power |
| Audi | F & N Foods |
| AIA | Fuji Xerox |
| AXA Life Insurance | Harley Davidson |
| Bayer | Heinz |
| BMW | Henkel Singapore |
| BP Singapore | Hertz |
| Burger King | Hewlett Packard |
| C.K. Tangs | J & J Singapore |
| Canon | Levi Strauss |
| Carrefour | Maybank |
| Cathay Pacific | Metro |
| Cerebos | Nestle |
| Chevron Texaco | New Zealand Milk |
| Cisco Systems | Newsweek |

- Nike
- Nippon Paint
- OCBC Bank
- Panasonic Singapore
- Performance Motors
- Perlini Silver
- Pernod Ricard
- Pirelli
- Ricola
- Rolex
- SAP
- Shell
- Singapore Airlines
- SM Motors
- Sony Ericsson
- Starhub
- STB
- Temasek Holdings
- Time Inc
- TNT International
- Valuair
- VISA
- Volvo
- Yahoo!
- Yeo Hiap Seng
- Singapore Telecoms

SURVEY METHODOLOGY

Marketers were given the options to complete the survey either via phone, email or face-to-face interviews : of which we successfully completed 75% of the interviews via phone over a 30 min interview and 25% over the email (self completion of Part 2 of the survey).



The questionnaire was designed in 2 parts, where in Part 1, spontaneous results (unprompted) was required of the marketer to list out in their perception and opinion the top 5 agencies at top of mind awareness recall.

In Part 2 of the survey, we included some 30 mainstream agencies (international and local) where marketers were required to rank their perceptions of the agencies according to a list of attributes which have been pre-set according to the relevance of the industry.

List of mainstream agencies include :

| | |
|-------------------|-------------------|
| O & M | Formul8 |
| 10 am | GOSH |
| Bates Advertising | Grey |
| Batey Ads | JWT |
| BBDO | Leo Burnett |
| BBH | Lowe |
| CRUSH | M & C Saatchi |
| DDB | McCann |
| Dentsu | Publicis |
| Euro RSCG | Saatchi & Saatchi |
| Fallon | TBWA |
| FCB | Y & R |

The interviewers who completed the interviews have more than 10 years of experience in the industry, and they are specialised executive interviewers who conduct interviews with only top management personnel. The interviewers were also given a one day overview of the advertising industry so that they are able to prompt and probe respondents for the verbatims correctly and at the same time they are also enabled to cross check and ensure that the answers given by the respondents are relevant and accurate.

R3 Asia Pacific has taken the initiative to kick start this first and only Singapore Agency Image Research to give both marketers and advertising agencies an insight into the marketers perceptions of the advertising industry in Singapore. R3 is the Asian arm of a global client-agency consultancy focused on agency compensation and relationships. Our US office, since 1972, has led the way in migrating marketers from commission based to fee and Payment by Results based structures that are fair to both client and agency. The Asian operation is run by Greg Paull and Goh Shu Fen who have extensive experience from the advertising and marketing communications agency side in Asia Pacific region. In the last 3 years, they have managed agency reviews, remuneration, and relationship projects for Microsoft, Coca-Cola, Heineken, BMW, VISA, Kelloggs, J & J, amongst others. For more information, visit www.rthree.com, or contact shufen@rthree.com if you are interested to find out more about the survey results.
