



Government Trust in Asia Remains High at the Expense of NGOs

Employee Development Increases in Importance

Hong Kong – 24 October 2006 – A major study of 1,050 regional opinion leaders launched today reveals a shift in trust in institutions. Although the government remains the most trusted institution throughout the Asia-Pacific region with a top rating of 29 percent, NGOs lost significant trust over the past year, with their overall trust rating falling from 28 percent to 22 percent.

The study, part of global public relations firm Edelman's annual Asia Pacific Stakeholder Study conducted by Harris Interactive Inc., looks at 1,050 respondents in seven stakeholder groups – government, media, NGOs, employees, upscale consumers, institutional investors and senior business executives – across 10 Asia-Pacific markets – Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, South Korea, Singapore and Taiwan. The study's objective is to understand what drives stakeholders' opinions.

Surprisingly, the study reveals that employee relations are becoming an increasingly important metric for stakeholders. The importance of employee development as a defining characteristic has dramatically grown over the past three years, doubling from 9 percent in 2004 to 15 percent in 2006. This is now the third most commonly cited attribute stakeholders identify as a 'standout characteristic' for a corporation.

"Increased accountability and scrutiny of corporate business practices have resulted in slightly higher corporate trust ratings across the region," commented Alan VanderMolen, Asia-Pacific President for Edelman. "Further, the study reveals that stakeholders are significantly more likely to mention 'strong management' and 'leadership' as a distinguishing characteristic of corporations today than they were four years ago," VanderMolen added.

Edelman's survey also identifies that regionally, stakeholders find those closest to the operation of a corporation to be the most trusted and believable sources of information about that particular corporation. Stakeholders across the region rate a CEO as the most trusted and believable spokesperson, with a 51 percent top credibility rating. A Chairman of the Board comes in second place with a 42 percent rating, and a CFO is rated the third most trusted source with a 40 percent top rating. Conversely, the least trusted source of information across the region is a blogger, with only a 12 percent top believability rating.

"Regionally, stakeholders remain committed to the daily newspaper as a source of trustworthy news and information," VanderMolen said. "Although less conventional, online media sources are gaining strength, but they have yet to be established as credible channels of information in the Asia-Pacific," he concluded.

The Edelman stakeholder study also assesses how stakeholders define a good and responsible corporation. Throughout the region, tangible business factors are still considered the most

essential for a ‘good and responsible’ corporation. Specifically, *brands* and *product quality* continue to be the first characteristics noted about a corporation, with 23 percent of stakeholders surveyed identifying this as the most notable characteristic. However, less tangible features are gaining in importance for stakeholders.

Strong management and leadership are the second most frequently mentioned attributes stakeholders look at when examining a company. Compared to four years ago, stakeholders are significantly more likely to mention strong management and leadership as a distinguishing characteristic of corporations.

“When seeking information about a corporation, many stakeholders place a premium on information defining corporate social accountability,” commented VanderMolen. “Issues such as customer and employee relations, community welfare and corporate transparency are emerging as the new metrics by which corporations are evaluated,” he added.

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about the Survey

This was Edelman's fourth annual Asia Pacific Stakeholder Research study conducted in partnership with Harris Interactive Inc., one of the world's leading research houses. The research objective was to understand which factors are most important to stakeholders when corporations build relationships with them. Within this, the research examined:

- Trust in Asia Pacific institutions and information sources
- The drivers of stakeholder opinions
- The drivers of responsible corporate behavior / Corporate Social Responsibility

The regional respondents represented seven different stakeholder groups, including:

- Senior business executives: C-Suite executive decision makers
- Institutional investors
- Government officials: Mid-range officials or above, such as senior officers and senior executive officers
- Media representatives: Senior Business Editors/Reporters/Journalists and Producers
- NGOs/trade associations: Managers or above working in institutions, charity organizations, industry associations and/or trade associations
- Up-scale consumers: Middle to upper class consumers with buying power; work in multi-national corporations and large corporations
- Employees

About Edelman

Edelman is the world's largest independent public relations firm, with 2,200 employees in 46 offices worldwide. The firm was named PRWeek's Large Agency of the Year for 2006. Advertising Age named Edelman as the best PR firm in its 2005 "Best Agencies" issue, while PRWeek awarded the firm its "Editor's Choice" distinction at the start of 2006. Edelman was also named 2006 Large Agency of the Year and 2005 International Agency of the Year by The Holmes Group. Visit www.edelman.com or www.edelmanapac.com for more information.

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