

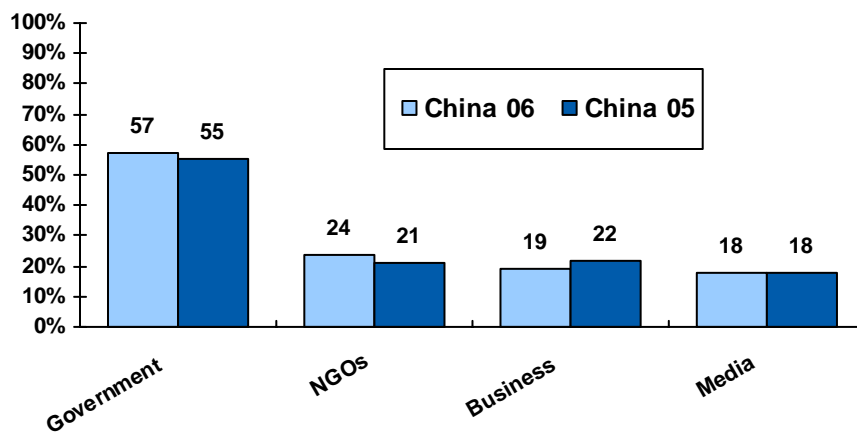


2006 China Stakeholder Research

Key Findings:

Trust in Institutions

- Institutions in China enjoy a high degree of trust across the spectrum. Respondents in China particularly trust Government and NGOs to 'do what is right'. Government received a top rating of 57 percent followed by NGOs with a 24 percent rating. Business and Media came in with a 19 percent rating and 18 percent rating, respectively. NGOs saw 14 percent growth in trust, whereas business in general saw 13 percent decline in trust overall.



Trust in Business

- Business in China enjoys a high degree of trust by Senior Executives. Senior Executives in China give business a top rating of 40 percent. Government and Media, on the other hand, have the lowest trust in Business in China with a top rating of just 10 percent and 5 percent respectively.
- Amongst multinationals, European multinationals in China are more trusted than US multinationals and Asian multinationals. European MNCs received a top rating of 59 percent, US MNCs 53 percent, and Asian MNCs a top rating of just 27 percent.

Media and Blogs: Degree of trust and believability

- Foreign mainstream media is the most trusted media institution by respondents in China with a top rating of 38 percent. Bloggers in China are the least trusted with a top rating of only 10 percent.
- China is a TV nation, with 49 percent of Chinese turning to TV first for trustworthy news and information, versus just 31 percent regionally. Television is followed by web-based media, newspapers and radio respectively.
- Across the region, Chinese are very familiar and most active in the Blogosphere. 83 percent of respondents in China are aware of the term “blogging” versus 70 percent regionally, and 88 percent of Chinese stakeholders surveyed have done any blogging themselves versus 68 percent regionally.

Communications vehicles: Trust and believability

- According to stakeholders in China, the three most trusted sources of information about a company are Analyst Reports with a ‘trust and believability’ top score of 46 percent, followed by 44 percent for Trade Press, and 41 percent for Word of Mouth. The least trusted communication vehicles are blogger websites with a top rating of 11 percent, Direct Mail with 13 percent and the non-corporate internet site with 13 percent.
- When Chinese seek information about a corporation, they turn to Analyst Reports first. Respondents gave Analyst Reports a top rating of 42 percent, Trade Press 37 percent and Word of Mouth 37 percent for ‘likelihood to use to seek out information about a corporation.’
- Those closest to the corporation are the most trusted when delivering information about the company in China. The CEO, Chairman, and CFO are the most trusted with top ratings of 58 percent, 51 percent and 50 percent respectively. On the other hand, Bloggers, Media and NGOs are the least trusted when delivering information about a corporation in China with top trust ratings of 16 percent, 22 percent and 27 percent respectively.

Website Usage and Trust

- Local browser websites and Local Web-based news sites were the most visited in China last year, with 88 percent of respondents using both sites, followed by 81 percent visiting Chinese government websites.
- Western print and electronic news sites rated poorly and were the least trusted with only 44 percent of respondents visiting them and only 35 percent trusting them.

Characteristics of a responsible organization

- Consistent with regional results, Chinese stakeholders rate tangible business factors the most essential for a ‘good and responsible’ corporation.
- Stakeholders rate the following characteristics most highly when asked if they are essential drivers of good and responsible behavior (the percentages refer to a rating of ‘8 or higher’):
 - Offering top quality products and services is rated the most important characteristic for a good and responsible corporation, with a 86 percent rating.
 - Stands behind its products and services when something goes wrong is the second most important driver of a good and responsible corporation with a 83 percent rating.

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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.