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Ameren

FOCUSED ENERGY. *For Life.*

Factors Influencing Stock Price

- Cash flow, earnings & dividends
- Stock price growth
- Expected cash from growth
- Other factors
- Average size
- Financial strength
- **Brand power (5-7%)**



Ameren (AEE) is a Fortune 500 energy company traded on the New York Stock Exchange. Based in St. Louis, we're among the nation's largest investor-owned utilities serving over three million customers—with more than 16,000 megawatts of generating capacity and 64,000 square miles of service area.

Leading the way to a secure energy future.

Our regulated subsidiaries are Ameren Illinois, Ameren Missouri and Ameren Transmission Company. We also operate Ameren Energy Resources, a merchant generating power company, as well as our development and fuels services companies—all making sure you have the energy you need, now and in the future.

Preparing for the future

Sustainability means operating responsibly now while considering our long-term impact. As we strive to meet future energy demands, we must balance the "triple bottom line" of people, planet and profit—finding the right mix of energy while being strong environmental stewards.

Driving economic growth

You know us as an energy provider, but we're also an engine for growth. Ameren's Economic Development team links new and expanding companies with vital resources. Last year, our efforts supported \$236 million in regional business investment. Our company itself is over 9,000 strong; we're a Top 100 Military Friendly Employer and Diversity Council Honors Award recipient.

Shining a light on what matters

Community involvement is what powers the people of Ameren. Whether coaching sports, delivering meals or working with veterans, our co-workers give generously of their time and talents. Likewise, the Corporate Charitable Trust proudly supports local organizations.

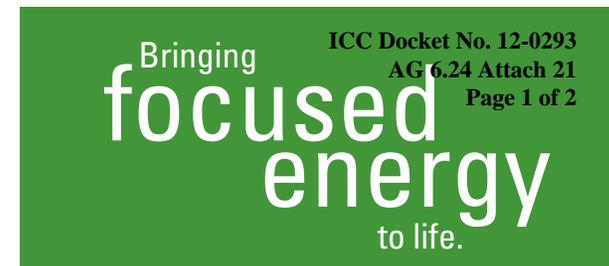
Delivering for shareholders

Ameren is firmly committed to increasing value for shareholders. We offer a nine-decade tradition of uninterrupted cash dividend payments, as well as a strong balance sheet and asset base of \$23 billion.

Learn more—pay your bill, review your usage, check outages and get answers to your questions—at Ameren.com.



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Ameren Service Territory



Ameren provides the energy that is **vitaly important** to our way of life at home, at work and at school. More than three million customers in **Missouri and Illinois** rely on our safe electricity and natural gas service today, while counting on us to develop even **better ways** to provide it in the future. We want to be more than energy providers; we're striving to be energy advisors—a trusted **resource for life**. That's our focus now, and for **generations to come**.



Keeping the lights on

When you flip the switch or adjust the thermostat, you expect it to work. Ameren is on call 24/7 to ensure your energy is there. Meanwhile, we constantly upgrade our system to enhance reliability—including “Smart Grid” improvements that find and fix outages fast.

Putting safety first

Each year, thousands of people learn to be safe around electricity and natural gas through Ameren’s educational efforts. We have professional programs and fun lessons for students, too. Our own employees undergo rigorous training; this commitment to safety saves lives.

Acting to save energy

When it comes to energy efficiency, actions speak louder than words. Residents and businesses can find no-cost/low-cost tips, tools and resources to use less and spend less—all at ActOnEnergy.com.

Our focus...

**Ameren Illinois Company's
Response to AG Data Requests
Docket No. 12-0293
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing
Data Request Response Date: 8/23/2012**

AG 6.26

Ref: Ameren Ex. 17.0, line 244 (Corporate Consultation Support). In her testimony, Ms. Lord references, “Corporate Consultation Support-allocated to AIC.” Please provide complete copies of all reports, analyses, projections, workpapers, correspondence and other documents in the possession of Ameren Services or AIC in connection with this effort.

RESPONSE

**Prepared By: Geralynn M. Lord
Title: Director, Identity and Customer Education
Phone Number: 314-544-4788**

Ameren Illinois objects to the request for "complete copies of all reports, analyses, projections, workpapers, correspondence and other documents" in AIC's possession as burdensome and overly broad. Subject to this objection, AIC provides the following response sponsored by Ms. Lord. In producing the attached documentation, Ameren Illinois does not concede admissibility of, or foundation for, said documentation.

Copies of relevant historical documents connected to references to “Corporate Consultation Support-allocated to AIC” are included in AG 6.26 Attach 1 through 34. Resulting documents from corporate consultation and support include power point presentation for co-workers “town hall” meetings, diversity initiatives collateral, and scripts for TV commercials. Attach 12-33 constitute competitively sensitive market strategies and analysis and have been marked **CONFIDENTIAL and PROPRIETARY**.

Please note that any cost information included in the attached historical documentation, for budgeted and actual spend in 2011 on advertising, represents Ameren corporate level spend, not the actual amounts allocated to AIC electric that have been included in AIC's proposed revenue requirement for this proceeding. Please see Ameren Exhibits 14.2 and 14.3 for information on the advertising costs allocated to AIC electric.

In addition, vouchers describing the applicable costs were identified on page 18 of Schedule WPC-8 (Ameren Exhibit 14.2) in the Company's April 20, 2012 filing. Public

redacted versions of the relevant vouchers can be found on the Commission's e-Docket in the Company's May 17, 2012 Errata filing for this docket. Copies of unredacted vouchers were included in the Company's April 20, 2012 submission to the Commission and can be provided upon request. Further information on the relevant invoices (e.g., description of work billed) was sponsored by AIC witness Ms. Pagel and can be found in Ameren Exhibit 14.3.



321 sw water st, peoria, il 61602 www.simantel.com p 309.674.7747 f 309.674.7756

:: REPORT

Date: June 6, 2011
Client: Ameren – Dave Hunt
Subject: “Marketing and the Market”

INTRODUCTION

Ameren’s finance and communications departments have a lot in common. Both are driven by metrics and performance. Both are well versed in such terms as “equity,” “assets” and “value.” And both are absolutely critical to Ameren’s long-term viability.

While their functions may seem distinct—finance professionals monitor the books; marketers and communicators monitor the brand—they are, in fact, inextricably intertwined.

Simply put, Ameren’s brand has a direct impact on its bottom line.

Managing the brand, then, is just as wise as managing cash flows. Today’s smart companies consider the communications arm of their business a strategic investment, rather than an operating expense.

“The corporate brand offers opportunities to create value at every turn and in every part of the business,” says James R. Gregory, CEO of CoreBrand, a nationally recognized consultancy that tracks dozens of energy sector brands.

By investing in branding, he says, “You’re putting a previously underused business asset to work.”

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Pages 5-6.....Brand and Utility Companies (Chart included)
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Supplementary documents include Sample Brand Power Report and 2007 Brand Power chart



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BRAND BASICS

Before delving into analysis, it's important that finance experts understand what "brand" truly means. Corporate brand is much more than a logo. It's not an advertising campaign.

Rather, brand (as defined by CoreBrand) encompasses "the sum total of images, perceptions and experiences you and your company create, from how customers enjoy your product or service to how investors feel about your quarterly returns."

If that sounds like a lot, it is. Anyone who encounters Ameren's products, services and people comes away with a perception of what the company stands for and what they can expect.

These perceptions are heavily shaped by communications functions, which are all about relationships—paid and earned media relations, public relations, employee relations, governmental relations, customer relations, etc. When Ameren builds relationships and clearly and consistently communicates the worthwhile ways it brings value to people's lives, it enhances the brand.

Ameren's brand in action

Recall that Ameren has begun to do this through its unique brand promise, *Focused Energy. For Life*. This means Ameren is focused on making sure the energy vital to life will be there today ... and for generations to come.

Consider the Customer Initiative, in which Ameren is:

- Building a smarter, more reliable grid.
- Helping families and businesses take action to manage energy use.
- Educating customers about distributed generation technologies.

This initiative cannot succeed in a vacuum; its success requires effective communication.

Whatever channel is chosen (in-person, online, mail, social media, broadcast, special events, etc.) communication helps deliver value to customers. It shapes perceptions.

That, in turn, causes stakeholders—customers, co-workers, legislators and, notably, *investors*—to feel better about the Ameren corporate brand.

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BRAND AND THE BOTTOM LINE

When investors feel good about a brand, they are more inclined to put their money behind it. It's common sense.

This notion dates back before today's sophisticated evaluation tools. Consider this enduring quotation from John Stuart, Chairman of Quaker (circa 1900):

"If this business were split up, I would give you the land and bricks and mortar, and I would take the brands and trademarks, and I would fare better than you."

Still, over the past decade, marketing experts have sought to determine how the intangible asset of brand affects shareholder value and other metrics. This is due to a couple of factors.

Accountability: When making difficult decisions about corporate resource allocation, financial officers seek reassurance that marketing departments are a worthwhile investment. "Finance people want to be reassured that marketing strategy is aligned with the business strategy," affirms Jonathan Knowles of global brand firm Wolff Olins.

Accounting: Like tangible assets (property and equipment, etc.), intangible assets are quantified on balance sheets. The Financial Accounting Standards Board's issuance of Statement of Financial Accounting Standards (SFAS) 141&142 has caused companies to take a closer look at the balance-sheet breakdown of "goodwill" vs. "intangible assets." Chief among intangible assets are Marketing and Creative/Artistic.

"Prior to the introduction of SFAS 141 ... goodwill engulfed the whole pyramid where there was no quantification of intangibles, making it difficult to recognise the commercial value of intangibles such as brand names."

— "The Impact of SFAS 141," Article by Thayne Forbes, *Intangible Business brand consultancy Intellectual Asset Management*, Feb. 1, 2008

"It's only since the advent of the new accounting standards (SFAS 141 in the United States and IFRS [International Financial Reporting Standards] 3 elsewhere) that brands have assumed balance sheet level importance. This is so new that many marketers have not yet realized that brands are assets and have a relatively new status in the world of finance."

— "Searching for a Silver Bullet," Article by Roger Sinclair, *Prophet brand consultancy* Sept. 14, 2010

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321 sw water st, peoria, il 61602 www.simantel.com p 309.674.7747 f 309.674.7756**BRAND VALUATION**

With a fresh corporate interest in brand valuation, many global and domestic firms have developed methodologies to provide such metrics. These include:

- CoreBrand
- Interbrand
- Brand Finance
- Prophet
- Wolff Olins
- Intangible Business

Noteworthy numbers

Below are some noteworthy findings produced by these and other firms:

Wolff Olins analyzed the net tangible balance sheet assets (NTBSA) of 6,000 global, non-financial companies. It discovered that the **average ratio of NTBSA to market value is 35%. (For utilities, the ratio is 53%)**. The rest of the market value comes from intangibles, including brand.

— “Brand Equity and Shareholder Value” Presentation at CMO Council
Chicago MPM Forum, May 17, 2005

How much does brand account for? Estimates range, depending on the company.

- According to Interbrand, the world’s largest brand consultancy, average corporate brand reputation is estimated to account for upwards of 30% of a company’s stock price. **The world’s most valuable brand, Coca-Cola, is estimated to account for over 50% of the corporation’s stock price.**

“Brand Valuation,” Study by Interbrand in association with JP Morgan
Cited in April 27, 2004, issue of Brand Channel

- For the 1,000 companies it tracks, including many domestic utilities, U.S. firm CoreBrand conservatively estimates that on average **brand accounts for about 8% of market capitalization.**

“Count the Ways: How Marketing Affects Your Stock Price.” Article by Jack Neff
Ad Age, May 1, 2006

A good brand can bolster stock performance during good times and serve as a buffer in bad. In fact, **“a strong corporate brand could add 5% to 7% to a company’s stock price** in a bull market and mitigate losses in a down market.”

“Name Brand Calculus or Imaginary Numbers?” Report by Cap Gemini Ernst & Young
US Banker, June 2003

How much should go toward communications? Today’s leading companies are focusing their management efforts on effective marketing. For instance, Interbrand reports that electronics brand leader Samsung invests heavily in this arena—spending **about 5% of annual revenues on communications.**