



reddot design award

Press release

Essen, April 9, 2009

Aesthetics in figures – 'red dot' top7 bond

"Good design is good business." This phrase was coined by the former president of IBM, Thomas J. Watson jr., in the 1950s. What he meant was that companies with internationally recognized product design often record above-average unit sales and profits. Good design pays off. Design in this context relates to series products that fulfill a purpose and offer quality of use. These are products that many people know or even own. Good design improves the quality of life and helps companies to achieve economic success. Good design pays off because it creates added value. Now there is evidence that aesthetics can also be measured in figures. The red dot institute for advanced design studies made it its task to monitor the design developments at well-known publicly listed companies over several years and analyze their design activities in relation to their economic success. This research project, which was initiated by red dot, was the first of its kind in the world, and discovered a relationship between successful design and success on the stock exchange. The basic idea behind the 'red dot' top7 bond was to make it possible to express design efficiency and thus quality in figures, and to give investors an incentive to invest in quality – in this case in design.

Design expert Professor Dr. Peter Zec explains: "The economic added value of good design has become established worldwide as a long-term recipe for success." According to Professor Zec, years of expertise as an international promoter of design have shown him that design is not just about aesthetics. The research work carried out by the red dot institute for advanced design studies made it possible to develop a formula that can actually measure the value of design. "This type of market survey is unique worldwide," says Professor Dr. Peter Zec. "The results provide the inherent motivation to use design in the business process. They can be used to convince entrepreneurs to optimize their work by investing in design and generating the maximum economic benefit." According to Professor Dr. Peter Zec, the financial crisis is not all negative, as it also serves to open up new perspectives. Quality acquires a completely new



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status, and this ultimately benefits design. "In times of crisis it is possible to introduce new value systems, and the results of the market analysis by the red dot institute for advanced design studies open up new investment strategies," says Professor Zec.

For the first time, the 'red dot' top7 bond (security identification number: WLB700) allows investors to invest in a cautious alternative investment from WestLB AG, the interest on which depends on the development of design-based stock corporations. This bond is issued by WestLB. The idea for the product was developed in a cooperation between WestLB, Sparkasse Essen and red dot GmbH & Co. KG, Essen. A special event by Sparkasse Essen will take place on April 20, 2009 in the red dot museum to mark the beginning of the subscription period Germany-wide.

The product with a nominal amount of EUR 1,000 can be subscribed from April 20 to May 29, 2009. The 'red dot' top7 bond offers investors a chance of an annual interest payment of up to seven percent. The amount of the annual interest payment depends on the development of the shares included in the share portfolio. There is a safety buffer of up to 45% to protect against falls in share prices. If none of the shares is trading at or below the respective share price threshold on any of the monthly valuation dates, the maximum interest of seven percent will be paid for the corresponding period. If one or several shares are trading at or below the reference value on any of the valuation dates, the interest will be reduced accordingly. If more than six of the shares contained in the share portfolio are trading at or below their respective reference values on at least one of the valuation dates, the 'red dot' top7 bond will not pay out any interest in this period. As additional security, 100% of the capital invested is protected at the nominal amount until the end of the term.

The companies included in the share portfolio or the subsidiaries of these companies have all received a distinction in the red dot design award for their good design achievements. The 'hall of fame' of the companies reads like the 'who is who' of the international design scene: Adidas AG, Apple Inc., BMW AG St, Canon Inc., Daimler AG, Dell Inc., Nike Inc., Nokia OYJ, Porsche Automobil Holding SE, Koninklijke Philips Electronics NV, Siemens AG, Sony Corporation.

In recognition of the increased significance of design on the investor side, Sparkasse Essen will be showing a red dot special exhibition in its main branch for the duration of the subscription period. Selected products that have won red dot awards for their innovative design quality will be on display to the public from April 20 to May 15, 2009.



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The red dot institute for advanced design studies

The red dot institute for advanced design studies has been supporting the work and the results of the red dot design award for several years now. Within the last five years, the red dot design award has grown to become the largest international design competition, with around 11,000 participants from more than 60 nations worldwide. The possibility of measuring design quality in a global comparison and using the award in a targeted manner as a marketing and communications tool allows the companies to position themselves successfully on the global market.

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