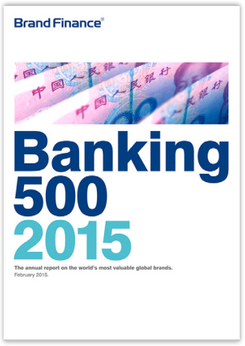
Brand Finance®

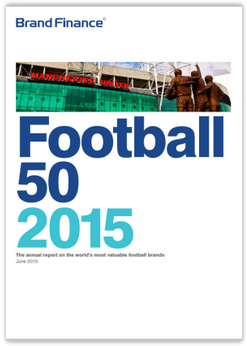
Understanding Brand Value Differences 2016

January 2016

Contents

Brand Finance puts thousands of the world's biggest brands to the test every year, evaluating which are the most powerful and most valuable. The Global 500 covers the top 500 from all sectors and is just one of many annual reports produced by Brand Finance. Visit **www.brandfinance.com** to discover more.





Executive Summary

A recent research study was undertaken by MARKABLES, comparing brand values published by the principal brand valuation firms with the values reported in audited financial statements when the brand had been acquired by way of a business combination.

This was subsequently taken as evidence by noted industry commentator and lecturer at Melbourne Business School, Mark Ritson that the discipline of Brand Valuation is of little practical use in a light-hearted piece in Marketing Week magazine. Brand Finance was not convinced and has developed a robust response to MARKABLES' assertions.

MARKABLES' business is to gather and document the trademark data from financial statements, providing easy online access through a well-structured database, for a fee. It suggests that valuations performed under 'IFRS3' are the gold standard for intangible asset valuations in order to highlight attention to its database as the premier source of audited trademark values, being "extremely helpful as comparables". This is perhaps understandable, given MARKABLES' business model.

However, defining the results of purchase price allocations ('PPAs') as the gold standard of valuation because they reflect a real transaction is, in our view, naïve. PPAs are by no means as reliable as MARKABLES suggests.

Our key reservations are as follows:

- In the absence of knowledge of the discount rates used by the preparer, and the terminal growth rate that the valuer would have used if he/she had decided to value the trademark on an indefinite life, we believe that the uplift factor used by MARKABLES to uplift a definite lived trademark to an indefinite lived asset is frankly a guess, and not a very clever one at that.

- The presumption that those preparing the PPAs were expert valuers is not evidenced by the financial statements, nor is it a requirement of the standard

- Some of MARKABLES' selected transactions appeared to be other than "normal transactions", being variously inter-company transfers of assets, emergence from Chapter 11 proceedings, bargain purchases, transactions involving "fresh start accounting" following corporate reorganisation, acquisitions arising out of the 2009 credit crisis

- Residual goodwill appeared to be excessive as a percentage of the purchase price and percentage of the intangible value of the acquired companies, particularly in the context of the paucity of explanations of what the residual goodwill represented.

Many auditors, valuation companies, and investors share our concerns as to the value of the PPAs. In our view MARKABLES has been injudicious and rather sensationalist in the conclusions it has drawn, whether through a desire to achieve publicity or a lack of critical assessment of the data.

Whitepaper.

On 22 April 2015 Mark Ritson wrote an article in Marketing Week entitled "What is the point of brand valuations if those doing the valuing are so off target?"

In the introduction to his article he wrote: "A few years ago I wrote about the wild and concerning variances across different brand valuations. In my usual understated style, I suggested that despite the power and prestige of big valuation firms Interbrand, Millward Brown and Brand Finance, there was a possibility that much of what they do was bollocks."

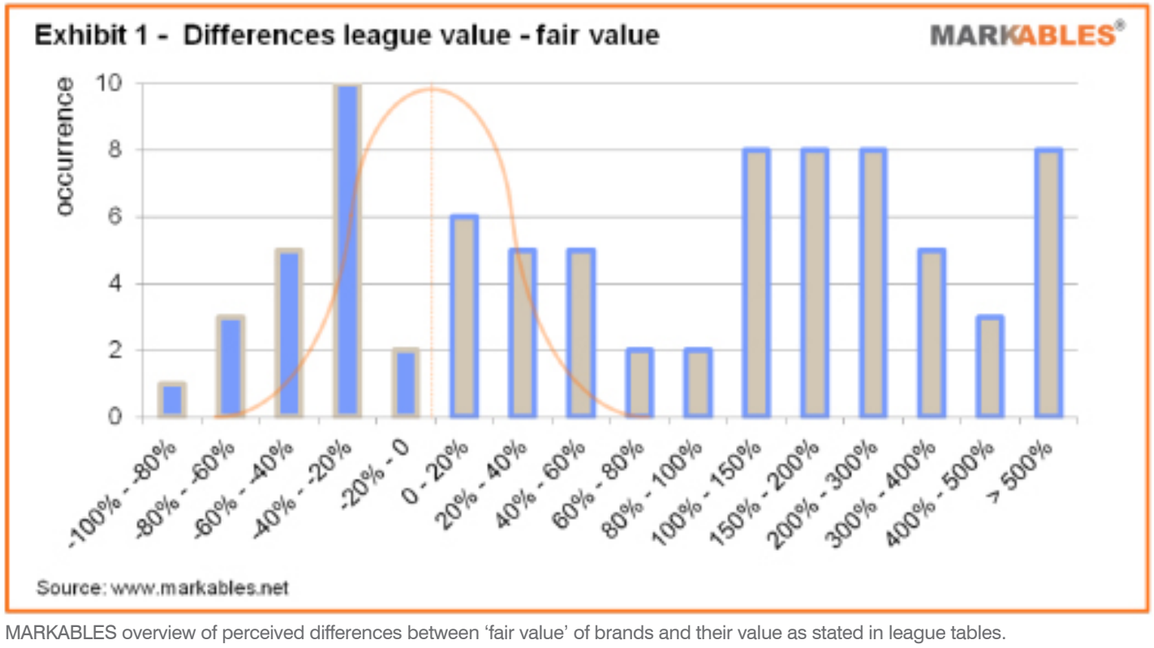
Mark, as the central tenet of his article, stated that: "Trademark specialists Markables has called my bluff and those of the big valuation firms. It has found 68 examples of big brands that have been valued using a purchase price allocation approach or, in layman's terms, instances where a real financial transaction of a brand was conducted. Markables was able to compare a valuation firm's estimates of brand equity versus the actual price paid for the brands in the year the transaction took place. The difference between the two figures gives a fascinating insight into the general accuracy of brand valuation and a clue as to who does it better."

Mark did not attempt to convince the readership that he had validated the results of the White Paper prepared by MARKABLES, nor did he appear to question any of its findings.

At our request, MARKABLES provided us with a brief summary of the results of their White Paper entitled "How Accurate are the Brand Value Rankings? - Findings of a Comparative Analysis of Brand Values from Different Sources", the results of which we have replicated, without comment, in Appendix 1.

MARKABLES observed that:

"…from time to time such brands are acquired, and sometimes it even happens that their acquisition values are revealed in the financial statements of the acquirer. The value of the brand contained in the purchase price for a business is determined from fair value assessments done by "purchase price allocation" ['PPA'] experts according to established national and international accounting standards. They represent brand valuations when there is a real financial transaction, i.e. the enterprise values reflect actual willingness to pay. Fair value is the amount at which an asset for which a market price cannot be determined (because there is no established market for the asset) could be bought or sold in a current transaction between willing parties."



MARKABLES overview of perceived differences between 'fair value' of brands and their value as stated in league tables.

"Another question remains. Are brand values from acquisition accounting (fair values) better than from the league tables? As for any asset which is not traded on an active market, a real and true value of a brand does not exist. Usually, brands are traded as parts of enterprises or branded businesses. Only very rarely, brands are traded standalone, without other assets bundled with the brand. Even in these rare cases, the pricing does not result from an active market, but is a rather incidental and buyer-specific price (similar to a price paid by a collector for a rare item). Therefore, any brand value is more or less factitious. This holds true for both brand values from purchase accounting, and brand values published in league tables."

MARKABLES referenced Marc Fischer as a respected expert in the area of brand valuation methodologies, who has supposedly analysed "40,000 brand values from nearly 5,000 different brands published in numerous league tables." No analysis of Marc Fisher's scholarship was provided in MARKABLES' White Paper. MARKABLES, however, indicated that it was Marc Fisher's belief that "real brand transaction prices obviously represent a "gold standard" that reflects managerial decisions."

MARKABLES did admit that values derived from PPAs may be arbitrary or skewed, either by accounting policy or by inexperience of the appraiser. However it discounted this and concluded that the results of PPAs "must be considered to be rather robust", the reasons for which it then proceeded to detail:

- "Purchase accounting is based on a real transaction, thus a managerial decision and a real willingness to pay.

- In contrast to a standalone valuation of a particular asset, purchase accounting has to fit into the 100% cap of the purchase price. The sum of all individual assets may not exceed total enterprise value. All different assets are not only valued individually, but also relative to each other. This relative valuation provides for an additional quality check.

- Purchase accounting is performed under established international and national accounting standards. Such standards exist since long and are continuously improved. Standards like IAS and IFRS set a globally accepted framework for financial accounting and reporting.

- The results of purchase accounting (including any brand valuation) are checked and approved by independent auditors and chartered accountants.

- Purchase accounting is performed by specialized and experienced valuation professionals. Such professionals work in the valuation and forensic accounting branches of accounting firms, or in financial advisory and valuation firms. The business valuation profession is organized in professional associations which organize education, examination and credentials of valuation professionals. There are close to 20,000 trained business valuation professionals worldwide holding credentials like ASA BV, CPA ABV, CICBV, IACVA, NACVA, CBA and others.

- Business valuation professionals are independent – from both the owner of the valuation subject and from the chartered auditor of the financial statement.

- Business valuation professionals deal with any type of (intangible) assets being part of a business. They are impartial with regard to particular types of assets. In contrast, brand valuation specialist might tend to be passionate for the value of brands.

- Arbitrary accounting policy is a rather theoretical argument which cannot be confirmed in reality. If this was true, the share of indefinite lived goodwill or trademarks (which are not subject to amortization) in enterprise value would increase. Overall and over time, this cannot be observed. The proportion of goodwill is very stable, and indefinite lived trademarks are on the decline.

Table 1

Brand	Acquirer	Comments
Virgin Mobile	Sprint Nextel	2009 10-K not available on website
Bezeq	B Communications	2010 10-K not available on website
Grupo Pão de Açúgar	Casino	Couldn't find financial statements
Volvo	Geely Sweden AB	Couldn't find financial statements
MobilNil	France Telecom	Financial statements in French
Schneider Electric	Schneider Electric SAS	Can't find reference to any "acquisition"
Clearwire	Clearwire Corp	Can't find reference to any "acquisition"
Banca Popolare	Banca Popolare	Can't find reference to any "acquisition"

For these reasons, purchase accounting can be considered to be the most accurate and reliable methodology for the valuation of brands as of today."

MARKABLES' White Paper set us thinking about many things:

- Was MARKABLES' analysis and conclusions right?
- Are PPAs, as currently reported in financial statements, useful to investors?
- Are brand valuation standards good enough to be credible?
- Should internally-generated intangible assets be included in financial statements?

MARKABLES Analysis:

We attempted to review the transactions which related to brand league table valuations performed by Brand Finance (fifty nine) by accessing the financial reports from the internet, principally through the Investor Relations section of the acquiring company's website.

Of the 59 acquisitions, we could not find financial statements for four of them, one of the financial statements found was exclusively in French which we did not attempt to translate, and for three of them we could find no reference to any acquisition in the financial statements (see **Table 1**).

One of the transactions was a transfer of the asset only (IKEA trademarks) between related parties, and was not reported as part of a PPA. Since the transfer was between related parties, we're not entirely certain that this represents an arm's length price for the IKEA brand, and should probably not have been used as part of MARKABLES' survey.

Definite-lived assets versus indefinite-lived assets

Of the fifty nine acquisitions analysed by MARKABLES, twenty six brands were reported as definite life assets.

In its analysis MARKABLES had attempted to produce a level playing field by inflating the brand values, which had been reported on a definite-life basis in the published accounts, to an indefinite life, because as MARKABLES stated the "three brand valuation firms generally assume [an indefinite life for brands]." To do this, MARKABLES applied a set uplift factor to convert the reported brand values to an indefinite life.

In separate correspondence MARKABLES informed us that they had calculated the uplift factors using a 30% tax rate, a 12% discount rate and a 2% terminal growth rate ('TGR'). This assumed that all reported brands had been valued on an income basis. In the absence of direction from MARKABLES we assumed a growth rate equal to the TGR for periods before the terminal growth rate was applied. Our calculations were marginally different from those determined by MARKABLES (See **Table 2**).

However, in the absence of details of the discount rates used in the PPAs, and the TGRs that the valuers would have used if they had decided that the brand had an indefinite life, we believe that the assumptions used (and hence the answers derived) are a bit of a guess.

We calculated the uplift factors that we considered should have been applied using different discount rates and TGRs, and these are presented in **Table 3**.

Some of the variances are sufficiently material to cause us to be sceptical of the conclusions reached by MARKABLES. Only one of the transactions was accompanied by an explanation of what discount rate had been used (ABSA's acquisition by Barclays), therefore there is no indications as to how MARKABLES derived its assumptions in determining its uplift factors.

Ernst & Young, in its study entitled "A global survey of purchase price allocation practices", dated February 2009, stated that "discount rates…used were disclosed only in 10 annual reports [out of 709 analysed]" Therefore it appears to be a common trait that discount rates are not disclosed in the vast majority of cases, and hence this adds an even greater level of scepticism of MARKABLES uplift from a definite life to an indefinite life (See **Table 3**).

Discrepancies

We were unable to verify some of the data provided by MARKABLES. Some of the differences may relate to foreign exchange rates used by MARKABLES. We selected the exchange rate reported by www.xe.com as at the date of the change of control of the acquired business as reported in the financial statements of the acquiring entity.

Table 2

	MARKABLES uplift from finite life to indefinite	Brand Finance uplift from finite life to indefinite	
Finite life	per MARKABLES' analysis model	12% discount rate, 2% TGR	MARKABLES possible over/(under) statement
1 year	x 9.6842	x 11.2000	(13.5%)
5 year	x 2.4533	x 2.6773	(8.4%)
10 year	x 1.5862	x 1.6460	(3.6%)
15 year	x 1.3285	x 1.3261	0.2%
20 year	x 1.1833	x 1.1821	0.1%
35 year	x 1.0396	x 1.0394	0.0%

Table 3

	MARKABLES uplift from finite life to indefinite	Brand Finance uplift from finite life to indefinite							
Finite life	per MARKABLES' analysis	8% discount rate, 4% TGR	MARKABLES possible over/(under) statement	10% discount rate, 3% TGR	MARKABLES possible over/(under) statement	14% discount rate, 1% TGR	MARKABLES possible over/(under) statement	16% discount rate, 0% TGR	MARKABLES possible over/(under) statement
1 year	x 9.6842	x 27.0000	(64.1%)	x 15.7143	(38.4%)	x 8.7692	10.4%	x 7.2500	33.6%
5 year	x 2.4533	x 5.8151	(57.8%)	x 3.5691	(31.3%)	x 2.2020	11.4%	x 1.9088	28.5%
10 year	x 1.5862	x 3.1811	(50.1%)	x 2.0753	(23.6%)	x 1.4244	11.4%	x 1.2931	22.7%
15 year	x 1.3285	x 2.3134	(42.6%)	x 1.5948	(16.7%)	x 1.3285	11.2%	x 1.1210	18.5%
20 year	x 1.1833	x 1.8872	(37.3%)	x 1.3670	(13.4%)	x 1.1833	7.8%	x 1.0542	12.2%
35 year	x 1.0396	x 1.3641	(23.8%)	x 1.1113	(6.5%)	x 1.0396	2.5%	x 1.0056	3.4%

The differences between the MARKABLES analysis and the Brand Finance analysis fall into the following categories:

a) Reported life of the brand
b) Brand valuations
c) Brand value not reported.

a) Reported life of the brand

Brand	MARKABLES Value/life of the brand	Brand Finance Value/life of the brand
Kabel Deutschland	$28m/7 years	$29m/undisclosed
Cable & Wireless Worldwide	$86m/10 years	$85m/undisclosed
MetroPCS	$236m/8 years	$235m/undisclosed
ABSA	$313m/15 years	$300m/10 years
Hughes Communications	$32m/10 years	$32m/1 to 2 years
Hochtief*	$308m/15 years	$222m/5 to 10 years. $64m/indefinite
HBOS	$934m/37 years	$318m/10 to 15 years. $222m/indefinite

* included in the acquisition were indefinite-lived trademarks (Turner, Flatiron, EE Cruz and Devine Ltd (€49.7 million) plus definite-lives trademarks (€171.3 million)

b) Brand valuation

Brand	Reporting currency	MARKABLES ($m)	Brand Finance ($m)
PAETEC	USD	$12m	$15m
NAVTEQ	EUR	$84m	$90m
Capitalia	EUR	$451m	$610m
St George Bank	AUD	$746m	$410m
Deutsche Postbank	EUR	$545m	$511m
Iberia	GBP	$426m	$489m
GVT	EUR	$170m	$182m
IKEA	EUR	$11,563m	$11,688m
MAN	EUR	$2,266m	$2,213m
Bulgari	EUR	$2,923m	$3,051m
Porsche	EUR	$17,760m	$17,003m
Edison	EUR	$1,214m	$1,189m
Merrill Lynch	USD	$1,515m	$1,500m
TripAdvisor	USD	$1,830m	$1,800m
HVB Hypo-und Vereinsbank*	EUR	$999m	$963m
Sprint**	USD	$6,455m	$5,935m

* two acquisitions (HVB and Bank Austria Creditanstalt) were reported together, and we are unaware whether the reported value of the trademark (€803 million) relates to HVB, Bank Austria Creditanstalt or both.
** The reported valuation of the trademarks of $5,935 million covered the Sprint and Boost Mobile trademarks. As far as we could see, no separate valuation for each individual brand was provided

c) Brand value not reported

We were unable to identify any separately reported brand values in the following acquisitions

Brand	MARKABLES ($m)	MARKABLES (life of brand)
Vivo Movél	$984m	20 years
Sofora	$436m	20 years
PTCL	$70m	15 years
3Com	$31m	4 years

It is possible that MARKABLES' forensic accounting expertise exceeds our own. However, there are sufficient differences to cause us to believe that a certain amount of MARKABLES' analysis is potentially flawed, and hence their conclusions might similarly be potentially suspect.

Other intangible assets

MARKABLES made two points that appeared to indicate that the three brand valuation companies (Brand Finance, Interbrand and Millward Brown) do not take into account the other intangible assets that would be included in the PPA valuations performed during a Business Combination.

- In contrast to a standalone valuation of a particular asset, purchase accounting has to fit into the 100% cap of the purchase price. The sum of all individual assets may not exceed total enterprise value. All different assets are not only valued individually, but also relative to each other. This relative valuation provides for an additional quality check.

- Business valuation professionals deal with any type of (intangible) assets being part of a business. They are impartial with regard to particular types of assets. In contrast, brand valuation specialist might tend to be passionate for the value of brands.

If MARKABLES had made the effort to review Brand Finance's sister website (www.brandirectory.com) it would have discovered that we had issued, in 2007, a study entitled Global Intangible Tracker 2007, which quite clearly demonstrates that we are well aware of the types of assets that comprise the intangible value of companies, the requirements of the international accounting standards relating to intangible assets and the inter-play of the intangible assets between the various types of business.

If MARKABLES had made any enquiry of us, we could have enlightened them that we have performed in excess of 100 PPAs since the mid-2000s. We believe that this would have demonstrated that we are equally impartial as to the extent of potential intangible assets that exist within the organisations of which we value the brands in our league tables. We may be passionate about the power of brands, and the value that we believe they command, but we are not blind to the existence of, and potential value of, the other intangible assets that may exist within the organisations that we review.

We have repeated a similar exercise in 2015 in our report entitled "Global Intangible Financial Tracker 2015" (GIFT 2015), which was published in partnership with the Chartered Institute of Management Accountants (CIMA). (http://brandfinance.com/knowledge-centre/reports/global-intangible-finance-tracker-gift-2015/)

Expert valuers

MARKABLES implies that all PPAs are performed by experts.

- Purchase accounting is performed by specialized and experienced valuation professionals. Such professionals work in the valuation and forensic accounting branches of accounting firms, or in financial advisory and valuation firms. The business valuation profession is organized in professional associations which organize education, examination and credentials of valuation professionals. There are close to 20,000 trained business valuation professionals worldwide holding credentials like ASA BV, CPA ABV, CICBV, IACVA, NACVA, CBA and others.

- Business valuation professionals are independent – from both the owner of the valuation subject and from the chartered auditor of the financial statement.

Under the provisions of IFRS3 there are no conditions imposed that the PPA need be performed by third parties, qualified or not. The company's management are entitled to perform the PPA, or use experts as they deem fit. The only thing that is understood is that the company's auditors and other divisions within the audit firm (taxation, valuation, consultancy etc.) are disallowed from performing the PPA, on which the auditors would ultimately have to conclude in their audit.

It is not impossible that the auditors could provide

working papers to the management of the acquiring, or acquired, company for their review, which management would then present, adjusted or unadjusted, to the auditors as part of the working papers for the year-end financial statements. For the record, the auditors are not disallowed from performing the impairment reviews in future years relating to the goodwill, indefinite-lived intangible assets, and, if necessary, for the definite-lived assets.

Of the allocations of intangible value that we reviewed from MARKABLES' sample, we found that only four referred to the use of experts in the allocations of value on which they were reporting. Therefore we find it difficult to necessarily agree with MARKABLES that all PPAs are performed by qualified experts; Banco Pastor, 3Com, Digitel and Vivo Movél, being the four instances where an independent expert was referred to regarding the performance of the PPA in the financial statements.

Ernst & Young, in its study entitled "A global survey of purchase price allocation practices", dated February 2009, stated:

"Even though our experience is that many companies rely on an independent valuation expert to perform their PPAs, they do not mention it in their annual reports. [information only disclosed for 23 transactions out of 709 analysed] The experts most often quoted (sic) were large audit firms and companies specialising in the valuation of real estate and capital equipment."

Gold standard

MARKABLES implied that PPAs were the gold standard of valuations because they were prefaced on real fair value transactions that were valued accordingly.

- "Purchase accounting is based on a real transaction, thus a managerial decision and a real willingness to pay.

We are uncertain whether the following constitute "real transactions" on which a fair value of the intangibles, including residual goodwill, was being allocated. The particular conditions are primarily distressed sales, particularly in the banking and financial sector, for which the value of individual assets may have been suppressed so as to remain within the intangible value "attributed" by the transaction.

First Republic Bank- associated with Merrill Lynch, Bank of America, and buy-back of
assets from BoA
Merrill Lynch- allied to First Republic Bank
Fairpoint- emergence from Chapter 11 Proceedings
Fortis Banque - acquisition arising out of the credit crisis
HBOS- bargain purchase (negative goodwill)
Edison- bargain purchase (negative goodwill)
Cable & Wireless Worldwide- bargain purchase (negative goodwill)
IKEA- inter-company asset transfer

"Before deciding a bargain purchase has taken place, the acquirer must double check their measurement of the acquiree's identifiable assets, liabilities and contingent liabilities. This is because bargain purchases are so rare, they need to be double checked. Once rechecked, the negative goodwill may be added to the consolidated profit figure for the period." [http://www.charterededucation.com/acca/calculating-goodwill-and-bargain-purchase-acca-p2/

Because of these stringent requirements, it is possible that the valuer, whether it be management or an independent expert, may seek to limit the amount of the bargain purchase by reducing the value of the tangible or intangible assets, in order to avoid tensions with the auditors in the justification of a bargain purchase. In some cases the valuer may be tempted to undervalue the intangible assets acquired.

Our analysis revealed that a sizeable number of acquisitions were reported where residual goodwill was a significant amount of the overall transaction, and our analysis is included in Appendix 2.

The range of residual goodwill as a percentage of total intangible value ('IV') was as follows:

Residual Goodwill

Residual goodwill as % of IV	Number of acquisitions	Residual goodwill as % of IV	Residual goodwill ($)	IV ($)	Residual goodwill as % of FV	FV ($)
90% to 100%	2	96.0%	$2,740	$2,855	70.4%	$3,894
80% to 90%	8	86.6%	$25,184	$29,085	64.7%	$38,949
70% to 80%	7	75.2%	$35,205	$46.798	51.3%	$68,620
60% to 70%	6	64.9%	$14,799	$22,812	56.5%	$26,179
50% to 60%	8	53.1%	$60,394	$113,792	59.3%	$101,785
40% to 50%	4	46.3%	$20,048	$43,320	33.2%	$60,472
30% to 40%	2	38.4%	$748	$1,947	25.7%	$2,906
20% to 30%	1	25.1%	$1,260	$5,018	58.2%	$2,163
10% to 20%	3	11.6%	$7,639	$65,982	21.9%	$34,858
0% to 10%	1	6.0%	$248	$4,108	19.9%	$1,248
Total	44	50.1%	$168,264	$335,717	49.3%	$341,076

The proportion of goodwill to IV is generally very high, and implies two things; either the acquiree has not drilled down far enough in the recognition of the intangible assets acquired, or has, either deliberately or through inadequate due diligence, overpaid for the acquisition.

The accounting standard IFRS3 requires that the acquiree explains the nature of the goodwill acquired. In the sample of 44 that we could analyse from MARKABLES' selection, 22 did not provide any explanation of what constituted the goodwill arising out of the acquisition. Of the remaining acquisitions goodwill was principally defined as the synergies expected to arise out of the business combination and other intangibles that do not qualify for separate recognition. With the large amount of goodwill being reported, some of the descriptions of goodwill appear to be inadequate. The descriptions of goodwill acquired are included in Appendix 3.

Intangible Business, in its report entitled "An Analysis of the International Application of IFRS3, Business Combinations", published in August 2008, stated that its survey found that the standards (IFRS3 and similar) were not being fully adhered to, determined that too much intangible value was being allocated to inadequately explained goodwill and not enough to identifiable intangible assets, and summarised that there were many disturbing examples of how the standards were being ignored. It provided the statistics in the table to the right .

	UK	US	ROW
Number of business combinations	87	212	118
Reported values (in £ billion)			
Identified intangible assets	11	145	73
Goodwill	19	245	105
Total intangible value	30	390	178
Net tangible assets	6	126	48
Total consideration	36	516	226
Percentage of total consideration			
Tangible assets	17%	24%	21%
Identified intangible assets	30%	28%	32%
Residual goodwill	53%	48%	47%
Percentage of total intangible value			
Identified intangible assets	37%	37%	41%
Residual goodwill	63%	63%	59%
Quality of description of goodwill			
Good description of goodwill	28%	not required	31%
Limited description of goodwill	15%		16%
No description of goodwill	57%		53%

In its key findings Intangible Business stated that:

"**Goodwill is too High**

In common with our findings for UK and US companies, we believe that there is a widespread tendency to understate the value of identifiable intangible assets through a failure to identify assets separately at all and undervaluing those that are identified. In addition, there is likely to be an element of goodwill that relates to overpayment for acquisitions, although it may be some time before it becomes apparent when this has happened in specific cases. However, readers of the reports do not have sufficient information to form a view on this."

This conclusion was supported by KPMG in its publication "Intangible Assets and Goodwill in the context of Business Combinations. An industry study" published in 2010, where it said:

"The high portion of goodwill is also one of the key results that is reflected by this study. This may be due to discretionary decisions that allow to allocate purchase price rather towards goodwill than intangible assets, as this affects the amortisation charge which will be spread over the remaining useful economic life of the acquired intangible assets and thus negatively impact earnings. This effect may be a concern for company management hoping to report improved earnings within the enlarged company after a business combination. In terms of unanticipated effects on earnings, the risk of goodwill impairment is often smaller than that associated with the amortisation of intangible assets, especially during times of strong economic growth. Across all industries, the percentage allocation of a purchase price to intangible assets has generally been less than that allocated to goodwill. This trend might well be driven by the less stringent disclosure requirements associated with goodwill recognition compared to other intangible assets and as part of an attempt to avoid a significant future negative earnings impact resulting from the amortisation of intangible assets."

Ernst & Young, in its survey "A global survey of purchase price allocation practices", published in February 2009 was critical of the paucity of explanations of goodwill in financial statements.

"Our survey shows that residual goodwill correlates to the importance of intangible assets in a given transaction: smaller goodwill generally results from the recognition of a key intangible asset.

Accounting standards (including FAS 141 and IFRS3) require the factors that gave rise to goodwill to be explained. The existence of goodwill was generally explained by synergies and future prospects.

In annual reports, companies often only disclosed a brief comment on synergies and other components of the purchase price."

Conclusion

We believe that making PPAs the "gold standard" from which intangible asset valuations, including brand valuations, should be based is naïve.

The PPAs that MARKABLES has used as comparators to brand league tables, published by Brand Finance, Interbrand and Millward Brown, have displayed some reasons why this is our conclusion.

a)The financial statements, more often than not, do not indicate whether an expert valuer was used, and on no occasion was the expert valuer, if used, named. Are we supposed to take it on trust that the work undertaken in the PPA has reached the standard implicitly accepted by MARKABLES? Would MARKABLES have changed its mind if it had been informed that the valuations were performed by the acquirer's management? Would it have accepted that a management valuation would be free from bias, or other motivations? Would the auditor necessarily have challenged the valuation undertaken by management, as vigorously as they would a valuation undertaken by an expert valuer, which in many cases would be a competitor of the auditor?

b)The financial statements (with one exception) did not mention the discount rates and terminal growth rates that were applied in the valuations performed within the PPA. Without knowing the discount rate used by the valuer and the terminal growth rate(s) the valuer might have used if he/she decided to value a brand on an indefinite life basis, we find it difficult to accept the uplift factors used by MARKABLES to amend the reported definite life brand values to an indefinite life basis.

c)One of the acquisitions (IKEA) was an inter-company transfer of the trademark (not a business combination), which leads us to believe that there may be several reasons to question whether the reported transaction was a) conducted under fair value, and b) whether the auditors could have challenged the veracity of the valuation of the trademark, since this was a transaction, not an allocation of value. Should this transaction have been included as a "gold standard" PPA?

d)The amount of residual goodwill arising from the sample that MARKABLES reviewed appears to be very high as a proportion of the intangible value disclosed. This leads to the question whether the valuation work was particularly diligent, whether performed by management, or by expert valuers reporting to the management. Other commentators (KPMG, Ernst & Young and Intangible Business made the same point in other surveys that they undertook relating to the valuation of goodwill within Business Combinations). The descriptions of goodwill were not especially helpful in validating the size of goodwill in context of the overall purchase price.

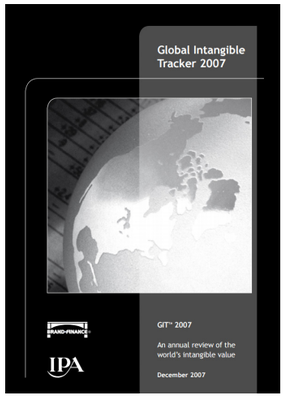
e)We were unable to verify some of MARKABLES' findings, and we accept that it may be that MARKABLES used other documentation other than financial statements in delivering its findings, or that it is blessed with greater forensic accounting skills than we possess.

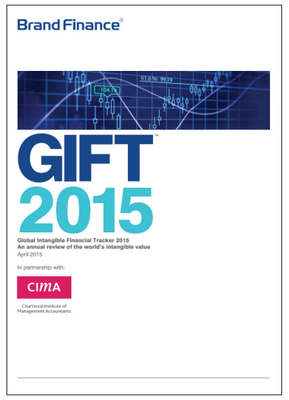
f)Some of the transactions that MARKABLES reviewed could be interpreted to be other than at arm's length, and hence its findings might appear to be arbitrary. Situations where a bargain purchase was disclosed could have included artificial valuations of intangible assets because of the requirements of IFRS3 in the case of "negative" goodwill or "badwill".

Furthermore we are disappointed that MARKABLES appears to imply that Brand Finance does not take into account the other intangible assets involved in a PPA, and thus has a tendency to value a brand in isolation of the other intangible assets in existence in a business. MARKABLES did not recognise that we had issued a publication in 2007 that might have indicated that we are very cognisant of the full gamut of intangible assets in a business. The 2007 publication was updated in 2015. Both of these publications were available on the website in which we publish our brand league table results. MARKABLES did not enquire of us whether we have ever done a PPA, and hence whether we understand the nature of a PPA, and the work procedures we go through. The work we undertake on the brand league tables, and the review of this work, takes into account the total intangible value of the business for which we value individual brands, but our league table reports do not specifically mention this procedure.

Are PPAS Useful to Investors?

One of the purposes behind the introduction of IFRS3 – Business Combinations was that the investor should be given more detail concerning the acquisition of a business to help him, or her, judge whether the management has made a reasonable acquisition on his/





Brand Finance published the Global Intangible Financial Tracker study as early as 2007. An updated version was published in 2015.

her behalf. In essence the accounting treatment and disclosure requirements, specified in the standard, would inform the investors what assets (tangible and intangible) had been acquired, the extent of the payment beyond the net asset value (residual goodwill) and the explanation thereof.

Beyond that the disclosure requirements should allow the investor to gauge whether the intangible assets are perceived to be 'wasting' assets or long-term value generators. Furthermore the disclosure requirements should allow the investor to determine what the future amortisation charges should be in the future in order to set expectations.

KPMG's, EY's and Intangible Business' studies appear to indicate that the investor may be badly serviced by a preponderance of the intangible value being reported as residual goodwill, with an inadequate explanation of what this residual goodwill represents. This could lead the investor to question whether the management has identified all the intangible assets acquired in the business combination, whether the valuation exercise (PPA) has been diligently pursued, or whether the management has prosecuted a 'bad' acquisition.

In 2014 the Financial Reporting Council ('FRC') undertook a survey to determine the views of preparers, users and auditors of financial statements on the effectiveness of IFRS3. A summary of the survey made the following points:

"A very common response from preparers was to highlight the difficulties in determining many of the fair value measurement requirements of the standard, from valuing intangible assets that are not separable from the business to previously held equity interests on gaining control. Investors also understand these difficulties and are often sceptical of the reliability of the information provided; this scepticism often results in investors making significant adjustments to the information provided under IFRS 3.

It was striking in our outreach event that preparers highlighted the cost of separately identifying and measuring all intangible assets and auditors noted the significant challenge in auditing these valuations as they are often heavily based on management judgements, whilst many investors said they then ignored the financial information provided, removing it from their assessments of performance and position. This highlights significant doubts that the separate recognition and measurement of intangible assets, particularly those that are not separable from the business, would satisfy a cost/benefit assessment."

In principle, the separate recognition of at least some intangible assets was seen to be useful, providing greater understanding of the acquired business, the motivations for the acquisition and the drivers of future value.

44.4% of respondents agreed that intangible assets acquired in a business combination should be included in the consolidated balance sheet, as advocated by the standard, providing transparency about the assets acquired and the price paid.

7.4% of respondents stated that no intangible assets acquired in a business combination should be recognised as separate assets in the consolidated balance sheet, believing that disclosure of the intangible assets was sufficient. When asked how they would account for the related portion of the purchase price, they were willing to include these intangibles if they were subsumed into residual goodwill.

37.0% of respondents proposed that intangible assets be separated into "wasting" intangible assets which should be recognised separately, and "organically replaced" intangible assets which should be subsumed within residual goodwill.

3.7% of respondents proposed that all intangible assets acquired should be subsumed within goodwill.

3.7% of respondents proposed that the intangible assets should be disclosed during the initial announcement of the transaction, and then written off.

3.7% of respondents had no view.

"Wasting" versus "organically replaced" intangible assets

Investors defined separable intangible assets with finite useful lives and identifiable future revenue streams as "wasting" intangible assets (e.g. wireless spectrum, patents), which should be treated as assets in their own right and be identified separately from goodwill.

"Organically replaced" intangible assets are those that are replenished by the acquiring company on an ongoing basis through marketing and promotion conducted in its day-to-day business (e.g. customer relationships, customer lists, brands). Investors argued that these assets should be subsumed within residual goodwill.

Other concerns raised within the survey by the respondents were:

- Scepticism of the high level of management judgemental inputs and the possible lack of expertise of the preparers, particularly where there is no active market and limited corroborative evidence

- Scepticism of the reliability and verifiability of the fair value of intangible assets that are not separable from the business, and hence where there are no market prices or transactions for similar assets

- Judgement required in determining interrelationships where there are multiple intangible assets, such as brand names, customer relationships, customer lists

- Scepticism over the ability to determine a non-arbitrary UEL for such assets

- Diversity in practice in the intangible assets identified in different acquisitions

- Management commentaries may sometimes refer to resources that appear to meet the broad definition of intangible assets, but which are not separately recognised in the financial statements

- Inadequate disclosures, lack of granularity, although many of these are already subject to current IFRS requirements, suggesting that the preparers are failing to comply with the requirement, do not present sufficient detail/clarity to meet user needs

- High compliance cost, particularly where the valuations are complex and judgemental, sometimes involving increased use of external advisors as preparers

- Lack of data to perform post-acquisition reviews on management's objectives for the business combination

The FRC reported that that preparers find the valuation of non-separable intangible assets the most judgemental and costly, and the auditors find them most difficult to audit because of its dependence on management judgement. The auditors noted that such judgements create significant challenges for them, given that significant inputs into any valuation model are based on management judgements and forecasts for which there is limited independent corroborative evidence. Preparers will often not have the expertise to perform valuations where there are no external market prices, predictions on future cash flows are judgemental and there is significant interaction between the assets. Furthermore, the FRC noted that preparers and auditors had stated that they would benefit from further guidance on determining appropriate valuation techniques. Does this mean that the blind are leading the blind? Can the investors have confidence in the results that they are being presented with?

In contrast, the investors almost unanimously (88.9%) agreed that separately acquired intangible assets should be included in the balance sheet, although there was no unanimity whether these assets should be amortised over the UEL after assessment for impairment, or whether they should remain unamortised but subject to an annual impairment test. We assume that these acquisitions were made within a more market-based structure, and hence investors were prepared to rely more on the fair value indicated.

It should be borne in mind that the FCA reported that a number of investors stated that they disregard some of the intangible assets, often those that have required the

most valuable and costly valuations. This casts doubt on whether the requirements of IFRS3 have achieved the right balance between the benefits and the costs of its implementation.

Conclusion

PPAs, as currently specified in the standard and as currently applied, appear to be flawed in the minds of the investors, either as to the recognition of intangible assets separately from goodwill, the reliability of the asset values reported, the disclosures relating to the determination of the assets' fair values, the use of management judgement, the determination of the UEL of individual assets, the diversity in reporting in different acquisitions and the difficulty in performing post-acquisition reviews to assess management's stewardship of the acquired assets.

Adequacy of Brand Valuation Standards

In 2007 the International Organisation for Standardisation ('ISO') set up a task force to draft an International Standard on monetary brand valuation. After 3 years ISO 10668 – Monetary Brand Valuation – was released in Autumn 2010. This sets out the principles which should be adopted when valuing any brand. ISO 10668 was developed to provide a consistent framework for the valuation of local, national and international brands both large and small. The primary concern was to create an approach to brand valuation which was transparent, reconcilable and repeatable.

The purposes behind a brand valuation were noted to be:

- Accounting and financial reporting
- Insolvency and liquidation
- Tax planning and compliance
- Litigation support and dispute resolution
- Corporate finance and fundraising
- Licensing and joint venture negotiation
- Internal management information and reporting
- Strategic planning and brand management
  - >Brand and marketing budget determination
  - >Brand portfolio review
  - >Brand architecture analysis
  - >Brand extension planning

Brand Finance's CEO and founder, David Haigh, was instrumental in the development of ISO 10668 alongside other industry experts. Brand Finance is certified under ISO 10668.

ISO 10668 is the international norm that sets out 3 key requirements to determine the monetary value of a brand:

Requirement 1: Legal analysis – Defining the brand and ensuring the brand is sufficiently protected

Requirement 2: Behavioural analysis – Determining strength of the brand amongst its stakeholders

Requirement 3: Financial analysis – Using robust financial data and appropriate valuation techniques

Within the standard the following methods were considered for application to the valuation of a brand:

Cost: The cost approach measures the value of a brand based on the cost invested in building the brand, or its replacement or reproduction cost.

Brand Finance's CEO and founder, David Haigh, was instrumental in the development of ISO 10668.

Market: The market approach measures the value of a brand based on the market value of other transactions in comparable brands. It takes into account the fact that the actual price negotiated by independent parties in a transaction may reflect strategic values and synergies that cannot be realised by the present owner. Brands considered as comparable shall have similar characteristics to the brand subject to valuation, such as brand strength, goods and services, or economic and legal situation.

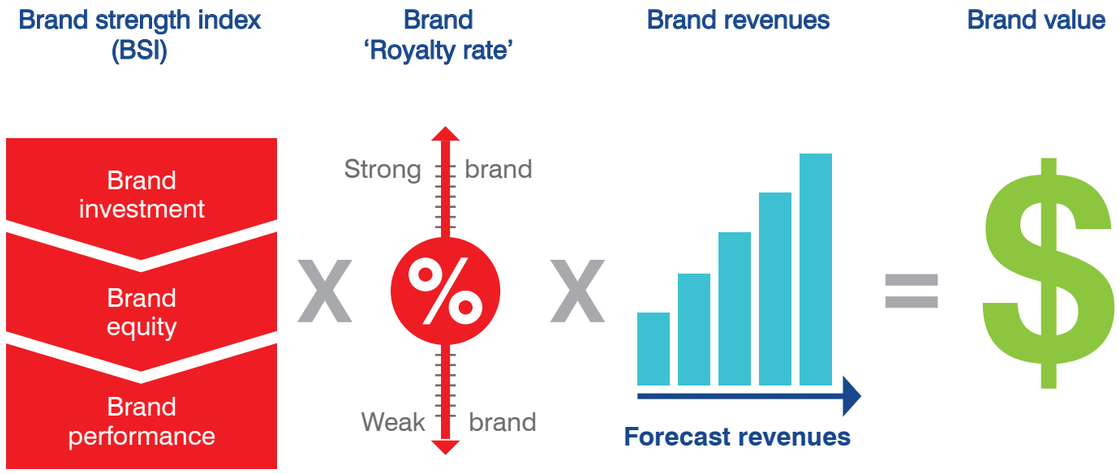
Income: The income approach measures the value of the brand by reference to the present value of the economic benefits expected to be received over the remaining useful economic life of the brand.

Under the economic approach, six methodologies are specified within the standard as acceptable for the valuation of a brand. These are:

- Price premium method
- Volume premium method
- Income split method
- Multi-period excess earnings method
- Incremental cash flow method
- Royalty relief method

The standard requires that the brand valuation report will clearly state (a) the purpose of the valuation, (b) the identity of the subject brand, (c) the individual component assets that constitutes "brand", (d) the premise of value, (e) approach and methodologies used to value the brand, (f) the valuation date, (g) the value date, (h) the result of the monetary valuation, (i) the data sources used, (j) overview of the legal rights, behavioural aspects and the financial analysis of the brand(s) and (k) the key assumptions and sensitivities. The assessor is specifically expected to thoroughly assess the relevance, consistency and adequacy of all data and assumptions used.

Below: Brand Finance Royalty Relief Method



Brand strength expressed as a BSI score out of 100.

BSI score applied to an appropriate sector royalty rate range.

Royalty rate applied to forecast revenues to derive brand values.

Post-tax brand revenues are discounted to a net present value (NPV) which equals the brand value.

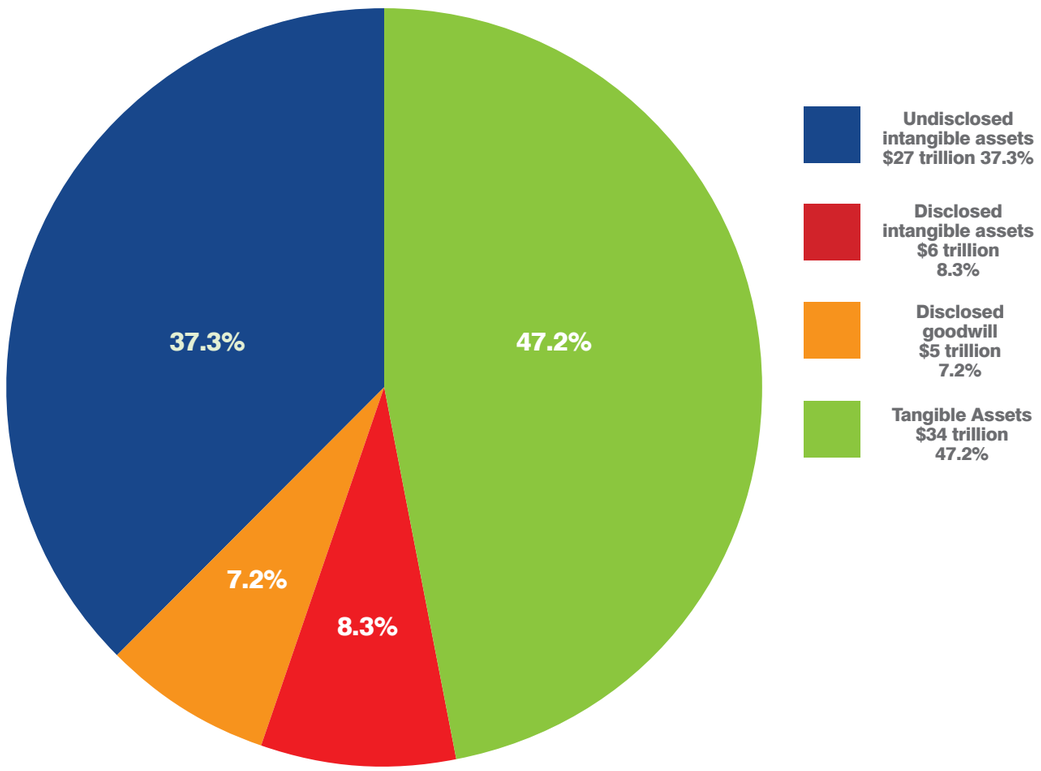
The overall principal of the statement is that the appraiser must use care and professional judgement to maintain independence and objectivity in reaching the valuation opinion.

With this in mind, the selection of different approaches and methods may inevitably lead to differing values, but the addressee to the report should be in a position to determine the reliability of the valuation result by reference to the data and assumptions used.

We are aware of the limitations of the differing approaches and methodologies, and recognise that the results are dependent on the assumptions underlying the valuation, but, by full implementation of the principles and requirements of ISO 10668, we believe that the user of the brand valuation report should be in full knowledge of the underlying premises to the value derived, and be in a position to judge its appropriateness, where the assignment has been prepared under the requirements of the standard.

Where now?

Our GIFT Study 2015 reported that 53% of the enterprise value of 58,000 companies, quoted on 120 stock exchanges, was intangible value, of which 71% is undisclosed intangible assets. The proportion of intangible value fluctuates wildly by commercial sectors: pharmaceuticals (91%), media (90%) Oil and banking (22%), electric (21%) and oil and gas (3%). However, as a headline, there is $27 trillion of value that is completely unexplained in the combined balance sheets of the 58,000 companies.



Above: Breakdown of total assets based on 58.000 companies - GIFT Study 2015

We have established that a brand acquired in a business combination, or acquired as a separate asset in its own right, is able to be introduced to the group's balance sheet. The provisions of International Accounting Standards ('IAS') 38 – Intangible Assets disallows the introduction of internally-generated brand value to be introduced into the company's balance sheet (para 63).

This, however, appears to be countercultural, since the brand that has been acquired, either directly or through a business combination, is included as an identified and reported brand , whilst potentially a bigger brand with significant value is ignored. The argument is that if it was thought useful for investors to be advised of the value of an acquired brand, it would be even more useful for them to know the value of the entire brand portfolio. Obviously an internal evaluation of internally-generated brands could be open to abuse. However the Marketing Accountability Standard Board ('MASB') believes it is essential to introduce "measurement standards for the efficient functioning of a marketing-driven business because decisions about the allocation of resources rely heavily on credible, valid, transparent and understandable information." Many in the marketing business, but not all, believe that this cause would be greatly assisted if brands were recognised as balance sheet assets. Their argument is that techniques used to place affair value on brands that are part of acquired goodwill are equally valid when used to value internally generated intangible assets.
We believe this to be true especially if the requirements of ISO 10668 are upheld.

A further extension that the MASB proposed was that IAS 38 should be amended so that brands are recognised at their fair value and not historical cost. To remain useful, brand values should be tested annually for impairment, and accretion.

To this end the MASB has established a Brand Investment and Valuation ('BIV') Project, with the objective of establishing "generally accepted brand investments and valuation standards" to provide an empirically proven model for valuing brands and guiding investment decisions. The development of the BIV Model (Phase I) is complete, and the extension of the model to drivers of brand preference/choice (Phase 2) is still ongoing, and we look forward to MASB's final report. Our understanding is that the BIV model is geared highly to FMCG brands, and not corporate or organizational brands.

The main impediment to the inclusion of internally generated brands on the balance sheet, and the allowance of revaluation to fair value annually, is the current provisions of IAS 38, and a seeming reluctance of the accounting profession to embrace the acceptance of putting the value of internally-generated intangible assets on to the balance sheet. Furthermore, if investors have cast doubts on the cost/benefit ratio relating to the implementation of IFRS3, how would they, the preparers and auditors react if all the internally generated intangible assets need to be included in the balance sheet and re-assessed annually?

The great unknown is whether internally-generated intangible assets (excepting research and development) will ever be included in the companies' balance sheets, and, if so, under what conditions?

Appendix 1

MARKABLES ID	Brand	Country	Industry
12390	**Denizbank**	Turkey	bank
12984	**Sampo Pankki**	Finland	bank
13080	**Bulgari**	Italy	luxury goods (jewelry)
13161	**Schneider Electric**	France	electrical distribution and control
13206	**GVT (Global Village Telecom)**	Brazil	telecommunications
13293	**Deutsche Postbank**	Germany	bank
15081	**IKEA**	Sweden	retail (furniture)
15747	**First Republic Bank**	US	bank
16041	**EMS Technologies**	US	network connectivity products
16533	**Global Crossing**	US	telecommunications (global service provider)
17424	**Clearwire**	US	telecommunications
17427	**Virgin Mobile**	US	telecommunications (wireless)
19530	**FairPoint**	US	telecommunications (broadband service provider)
19536	**MobiNil**	Egypt	telecommunications (wireless)
19551	**Deltacom**	US	telecommunications (broadband service provider)
19563	**Vivo Movél**	Brazil	telecommunications, wireless
20058	**Bezeq**	Israel	telecommunications
20178	**NBCUniversal**	US	media and entertainment
20454	**TripAdvisor**	US	internet travel
20853	**ABSA (Amalgamated Bank of South Africa)**	South Africa	bank
21045	**Whitney National Bank**	US	bank
21435	**012 Smile Telecom**	Israel	telecommunications
21537	**HBOS (Halifax Bank of Scotland)**	United Kingdom	bank
21585	**Merrill Lynch**	US	bank
21729	**Finansbank**	Turkey	bank
21912	**St George Bank**	Australia	bank
21936	**TAM**	Brazil	airline
22248	**Digitel**	Philippines	telecommunications
22923	**Edison**	Italy	utility (electricity, gas)
23040	**Amil**	Brazil	health benefit plan
23463	**Hughes Communications**	US	telecommunications (satellite)
23952	**NAVTEQ**	US	software, digital maps
24654	**Fortis Banque**	Belgium	bank
24663	**Grupo Pão de Açúcar (GPA)**	Brazil	retail (foodstores, consumer electronics)
24945	**Banca Antonveneta**	Italy	bank
24957	**Banca Popolare**	Italy	bank
25116	**Sofora (Telecom Argentina)**	Argentina	telecommunications
25146	**Capitalia**	Italy	bank
25149	**HVB Hypo- und Vereinsbank**	Germany	bank
26067	**Hochtief AG**	Germany	construction
26100	**Iberia Líneas Aéreas de España**	Spain	airline
26289	**Porsche**	Germany	automotive (passenger cars)
26292	**MAN**	Germany	automotive (trucks)
27435	**SonyEricsson**	Sweden	mobile handsets
27555	**Volvo Cars**	Sweden	automotive (passenger cars)
27789	**Sprint**	US	telecommunications
28773	**AWD**	Germany	wealth consulting, insurance broker
29145	**PTCL**	Pakistan	telecommunications
29358	**MetroPCS**	US	telecommunications (wireless)
29640	**3Com**	US	networking products
29871	**Jefferies**	US	bank (investment banking)
29952	**PAETEC**	US	telecommunications (local exchange carrier)
30930	**Banco Pastor**	Spain	bank
30981	**Cable & Wireless Worldwide**	United Kingdom	telecommunications (broadband service provider)
30984	**Kabel Deutschland**	Germany	telecommunications (broadband service provider)
31020	**HJ Heinz**	US	branded food (sauces)
31476	**Tunisiana (Orascom Telecom Tunisie)**	Tunisia	telecommunications (wireless)
31668	**Leap Wireless**	US	telecommunications (wireless)
31830	**tw telecommunications**	US	telecommunicatinos (network services)

Acquiror	Date	Brand value US$ mn	Useful life	Brand value	Brand Valuation Firm	Ranking	Year
Dexia SA	2006	72	10	114	Brand Finance	Global Banking 500 2008	2008
Danske Bank AS	2007	86	indef		Brand Finance	Global Banking 500 2008	2008
LVMH	2011	2923	indef		Brand Finance	Italy 50 2013	2013
Schneider Electric SAS	2011	1656	indef		Brand Finance	France 50 2013	2012
Vivendi SA	2009	170	indef		Brand Finance	Global Telecom 500 2010	2010
Deutsche Bank AG	2010	545	indef		Brand Finance	Global Banking 500 2010	2010
Inter IKEA Systems	2012	11563	indef		Brand Finance	Nordic 50 2013	2012
First Republic Bank	2010	43	indef		Brand Finance	Global Banking 500 2008	2008
Honeywell Int.	2011	246	indef		Brand Finance	Global Telecom 500 2011	2011
Level 3 Communications	2011	55	4	159	Brand Finance	Global Telecom 500 2011	2011
Clearwire Corp.	2009	3.8	5	9	Brand Finance	Global Telecom 500 2010	2010
Sprint Nextel	2009	279	37	288	Brand Finance	Global Telecom 500 2011	2011
FairPoint Communications	2011	58	indef		Brand Finance	Global Telecom 500 2010	2010
France Telecom	2010	148	15	197	Brand Finance	Global Telecom 500 2010	2010
Earthlink	2010	4	3	13	Brand Finance	Global Telecom 500 2010	2010
Telefonica Brasil	2011	984	20	1164	Brand Finance	Global Telecom 500 2012	2012
B Communications	2010	321	indef		Brand Finance	Global Telecom 500 2010	2010
Comcast	2011	2953	indef		Brand Finance	US 500 2014	2013
Liberty Interactive	2012	1830	indef		Brand Finance	US 500 2014	2014
Barclays plc	2005	313	15	416	Brand Finance	Global Banking 500 2008	2007
Hancock Holding	2010	12	3	43	Brand Finance	Global Banking 500 2008	2008
Partner Communications Co.	2011	20	12	30	Brand Finance	Global Telecom 500 2010	2010
Lloyds Banking plc	2009	934	37	965	Brand Finance	Global Banking 500 2010	2009
Bank of America	2009	1515	indef		Brand Finance	Global Banking 500 2010	2009
National Bank of Greece	2006	203	indef		Brand Finance	Global Banking 500 2008	2008
Westpac Banking	2008	746	indef		Brand Finance	Global Banking 500 2008	2008
LAN Airlines / LATAM	2012	82	indef		Brand Finance	Brazil 100 2013	2012
Philippine Long Distance Telephone Company	2011	104	indef		Brand Finance	Global Telecom 500 2011	2011
Electricité de France	2012	1214	indef		Brand Finance	Italy 50 2013	2014
UnitedHealth Group	2012	611	indef		Brand Finance	Brazil 100 2013	2013
Echostar Corp.	2011	32.2	10	51	Brand Finance	Global Telecom 500 2011	2011
Nokia	2008	83.8	6	180	Brand Finance	Global Telecom 500 2010	2010
BNP Paribas	2009	84	indef		Brand Finance	Global Banking 500 2008	2009
Casino	2012	1772	indef		Brand Finance	Brazil 100 2013	2012
Banca Monte dei Paschi di Siena SpA	2008	56	10	89	Brand Finance	Global Banking 500 2008	2008
Banca Popolare	2011	309	indef		Brand Finance	Global Banking 500 2012	2011
Telecom Italia	2010	436	20	516	Brand Finance	Global Telecom 500 2010	2010
UniCredit SpA	2007	451	indef		Brand Finance	Global Banking 100 2007	2007
UniCredit SpA	2005	999	indef		Brand Finance	Global Banking 100 2006	2005
ACS SA	2011	308	15	409	Brand Finance	Germany 50 2013	2013
IAG (British Airways)	2011	426	indef		Brand Finance	Spain 50 2012	2011
Volkswagen AG	2012	17760	indef		Brand Finance	Auto 50 2013	2013
Volkswagen AG	2011	2266	indef		Brand Finance	Germany 30 2012	2012
Sony Corp.	2012	177	7	344	Brand Finance	Global Telecom 500 2012	2012
Geely Sweden AB	2010	500	indef		Brand Finance	Auto 50 2013	2012
Sprint	2013	6455	indef		Brand Finance	Global Telecom 500 2013	2013
Swiss Life Holding	2008	117	indef		Brand Finance	Global Banking 500 2010	2009
Emirates Telecommunications Corp.	2012	70	15	93	Brand Finance	Global Telecom 500 2012	2012
Deutsche Telekom AG	2013	236	8	424	Brand Finance	Global Telecom 500 2013	2013
Hewlett Packard	2010	31	4.4	82	Brand Finance	Global Telecom 500 2010	2010
Leucadia National	2013	131	35	136	Brand Finance	Global Banking 500 2014	2013
Windstream Corp.	2011	12	1	116	Brand Finance	Global Telecom 500 2011	2011
Banco Popular Espanol	2012	62	indef		Brand Finance	Global Banking 500 2012	2012
Vodafone	2012	86	10	136	Brand Finance	Global Telecom 500 2012	2012
Vodafone	2013	28	7	55	Brand Finance	Global Telecom 500 2013	2013
HJ Heinz Holding	2013	12130	indef		Brand Finance	US 500 2014	2013
National Mobile Telecommunications Co. KSC	2011	54	6	116	Brand Finance	Global Telecom 500 2011	2011
AT&T Inc.	2014	340.0	indef		Brand Finance	Global Telecom 500 2012	2013
Level 3 Communications	2014	60.0	8	108	Brand Finance	Global Telecom 500 2013	2013

Appendix 2

Acquired company	Sector	Tangible assets net of minority interest	Intangible assets net of minority interest	Residual goodwill	Fair value at acquisition	Tangible assets net of minority interest	Intangible assets net of minority interest	Residual goodwill	Fair value at acquisition	Residual goodwill as %age of total	Definition of goodwill (if provided)
Amil	**health benefit plan**	$119	($917)	$4,300	$3,502	3.4%	(26.2%)	122.8%	100.0%	127.1%	The residual goodwill was never defined
PTCL	**telecommunications**	$293	$9	$1,630	$1,932	15.2%	0.5%	84.3%	100.0%	99.4%	"Any goodwill remaining is expected to be attributable to operating synergies between the Corporation [Emirates Telecommunications Corp] and the PTCL."
Global Crossing	**telecommunications (global service provider)**	$746	$106	$1,110	$1,962	38.0%	5.4%	56.6%	100.0%	91.3%	"The premium paid by Level 3 in this transaction is attributable to strategic benefits, including a significantly expanding IP/optical network with global reach including South America, Asia and the Pacific, improved credit profile and reduced financial leverage attribute to enhanced financial nd operational scale, and opportunity for investment and a network expansion. The combined business will have a comprehensive portfolio of voice, video, and data services, which will operate on a unique global services platform anchored by subsea and terrestrial fiber optic networks in North America, Europe, and Latin America."
Finansbank	**bank**	$403	$249	$2,137	$2,788	14.4%	8.9%	76.6%	100.0%	89.6%	The residual goodwill was never defined
Banca Antonveneta	**bank**	$4,751	$1,222	$9,798	$15,771	30.1%	7.8%	62.1%	100.0%	88.9%	"...the value of new [relationships] constitutes goodwill"
Banco Pastor	**bank**	($974)	$320	$2,293	$1,639	(59.4%)	19.5%	139.9%	100.0%	87.7%	"Goodwill included those intangible assets that did not qualify for separate recognition, which included the expected synergies and other benefits resulting from the business combination, such as the work force."
Denizbank	**bank**	$563	$234	$1,646	$2,443	23.1%	9.6%	67.4%	100.0%	87.5%	The residual goodwill was never defined
Jefferies	**bank (investment banking)**	$2,795	$253	$1,723	$4,771	58.6%	5.3%	36.1%	100.0%	87.2%	The residual goodwill was never defined
GVT	**telecommunications**	$808	$590	$3,150	$4,548	17.8%	13.0%	69.3%	100.0%	84.2%	The residual goodwill was never defined
Digitel	**telecommunications**	($36)	$280	$1,362	$1,606	(2.2%)	17.5%	84.8%	100.0%	82.9%	[Goodwill represents] "expected synergies arising from the acquisition includes cost efficiencies attainable from elimination of redundant infrastructure and facilities between PLDT, Smart and Digitel, and expected increase in revenue from current market share of PLDT, Smart and Digitel due to enhanced connectivity and integrated products and services."
Sampo Pankki	**bank**	$1,555	$752	$3,077	$5,383	28.9%	14.0%	57.2%	100.0%	80.4%	The residual goodwill was never defined
tw telecom	**telecommunications (network services)**	($436)	$1,323	$5,124	$6,011	(7.3%)	22.0%	85.2%	100.0%	79.5%	"The premium paid by Level 3 in this transaction is attributable to strategic benefits, as the transaction further solidifies Level 3's position as a premier global communications provider to the enterprise, government and carrier market, combining tw telecom's extensive local operations and assets in North America with Level 3's global assets and capabilities. tw telecom's business model is directly aligned with Level3's initiatives for growth, which include building managed solutions to meet customer needs through an advanced IP/optical network."
Kabel Deutschland	**telecommunications (broadband service provider)**	($399)	$2,010	$6,156	$7,767	(5.1%)	25.9%	79.3%	100.0%	75.4%	"The goodwill is attributable to the expected profitability of the acquired business and the synergies expected to arise after the Group's acquisition of KDG."
Capitalia	**bank**	$10,584	$3,552	$10,832	$24,968	42.4%	14.2%	43.4%	100.0%	75.3%	The residual goodwill was never defined
AWD	**wealth consulting, insurance broker**	($20)	$430	$1,302	$1,712	(1.2%)	25.1%	76.1%	100.0%	75.2%	"[Goodwill] relates to the anticipated future business of AWD."
HVB Hypo- und Vereinsbank	**bank**	$8,974	$2,503	$7,232	$18,709	48.0%	13.4%	38.7%	100.0%	74.3%	The residual goodwill was never defined
EMS Technologies	**network connectivity products**	$80	$119	$314	$513	15.6%	23.2%	61.2%	100.0%	72.5%	"[This] goodwill arises primarily from the avoidance of the time and costs which would be required (and the associated risks that would be encountered) to enhance our product offerings to the key target markets and serve as entry into new and profitable segments, and the expected cost synergies that will be realised through the consolidation of the acquired business into our Aerospace and Automation and Control Solutons segments. These cost synergies are expected to be realised principally in the areas of selling, general and administrative expenses, material sourcing and manufacturing."
Whitney National Bank	**bank**	$803	$224	$589	$1,616	49.7%	13.9%	36.4%	100.0%	72.4%	The residual goodwill was never defined
St George Bank	**bank**	$2,317	$1,551	$3,970	$7,837	29.6%	19.8%	50.7%	100.0%	71.9%	"The goodwill balance is attributed to the skills and talent of the St.George workforce, the benefit of expected head office and operational synergies, revenue growth and future market developments. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be measured reliably or they are not capable of being separated from the Group and sold, transferred, licensed, rented or exchanged either individually or together with any related contracts."
ABSA	**bank**	$1,750	$964	$2,092	$4,807	36.4%	20.1%	43.5%	100.0%	68.4%	The residual goodwill was never defined
Tunisiana	**telecommunications (wireless)**	$169	$578	$1,114	$1,861	9.1%	31.1%	59.8%	100.0%	65.8%	The residual goodwill was never defined
NAVTEQ	**software, digital maps**	($445)	$3,077	$5,792	$8,424	(5.3%)	36.5%	68.8%	100.0%	65.3%	"The goodwill is attributable to assembled workforce and the synergies expected to arise subsequent to the acquisition including acceleration of the Group's Internet services strategy."

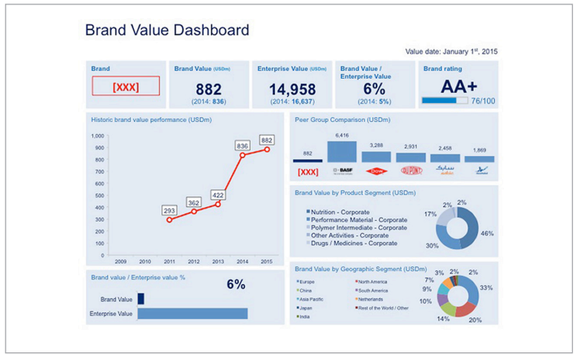
Appendix 2 Cont.

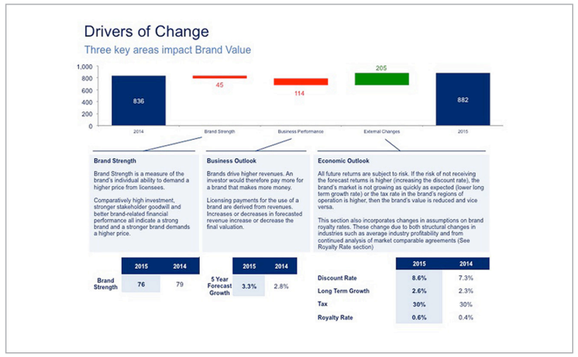
Acquired company	Sector	Tangible assets net of minority interest	Intangible assets net of minority interest	Residual goodwill	Fair value at acquisition	Tangible assets net of minority interest	Intangible assets net of minority interest	Residual goodwill	Fair value at acquisition	Residual goodwill as %age of total intangible value	Definition of goodwill (if provided)
Deutsche Postbank	**bank**	$1,534	$1,534	$2,739	$5,806	26.4%	26.4%	47.2%	100.0%	64.1%	"The goodwill largely reflects the value from revenue and cost synergies expected from the acquisition of Postbank."
TAM	**airline**	($739)	$1,703	$2,819	$3,782	(19.5%)	45.0%	74.5%	100.0%	62.3%	"This value expresses the synergies that are expected to be achieved through the Business Combination."
FairPoint	**telecommunications (broadband service provider)**	$1,098	$157	$243	$1,498	73.3%	10.5%	16.2%	100.0%	60.7%	The residual goodwill was never defined
Deltacom	**telecommunications (broadband service provider)**	($66)	$131	$189	$254	(26.1%)	51.7%	74.4%	100.0%	59.0%	"Goodwill arising from the acquisition is attributable to the assembled workforce and expected synergies and economies of scale from combining the operations of EarthLink and ITC^DeltaCom."
SonyEricsson	**mobile handsets**	($589)	$1,229	$1,643	$2,284	(25.8%)	53.8%	72.0%	100.0%	57.2%	"Goodwill represents unidentifiable intangible assets, sch as future growth from new revenue streams, increased market share particularly in emerging markets and the US, synergies with existing Sony assets and businesses and an assembled workforce."
TripAdvisor	**internet travel**	($999)	$2,995	$3,649	$5,645	(17.7%)	53.1%	64.6%	100.0%	54.9%	"Goodwill recognized from acquisitions primarily relate to assembled workforces, website community and other intangible assets that do not qualify for separate recognition."
012 Smile Telecom	**telecommunications**	($70)	$113	$137	$180	(38.8%)	62.8%	76.0%	100.0%	54.8%	"The goodwill represents assets and earnings that do not form separable identifiable assets under IFRS3, but are expected to contribute to the future results of the fixed-line segment: reduction in costs through synergies and economies of scale expected from combining the operations of 012 Smile and the Company; market knowledge; and highly skilled workforce."
3Com	**networking products**	$907	$1,093	$1,300	$3,300	27.5%	33.1%	39.4%	100.0%	54.3%	The residual goodwill was never defined
Hochtief AG	**construction**	$39	$1,210	$1,787	$3,036	1.3%	39.9%	58.9%	100.0%	59.6%	The residual goodwill was never defined
Vivo Movél	**telecommunications, wireless**	$24	$11,321	$13,461	$24,806	0.1%	45.6%	54.3%	100.0%	54.3%	The residual goodwill was never defined
Porsche	**automotive (passenger cars)**	($10,848)	$21,164	$23,212	$33,528	(32.4%)	63.1%	69.2%	100.0%	52.3%	The residual goodwill was never defined
HJ Heinz	**branded food (sauces)**	($405)	$14,141	$15,017	$28,753	(1.4%)	49.2%	52.2%	100.0%	51.5%	The residual goodwill was never defined
Bulgari	**luxury goods (jewelry)**	($57)	$2,231	$2,210	$4,383	(1.3%)	50.9%	50.4%	100.0%	49.8%	"Provisional goodwill [€1,522] corresponds to Bulgari's expertise, particularly in watches and jewelry, in addition to synergies with the Group's Watches and Jewelry network."
Merrill Lynch	**bank**	$18,600	$5,400	$5,100	$29,100	63.9%	18.6%	17.5%	100.0%	48.6%	"Goodwill represents the value expected from the synergies created from combining the Merrill Lynch wealth management and corporate and investment banking businesses with the Corporation's capabilities in consumer and commercial banking as well as the economies of scale expected from combining the operations of the two companies."
NBCUniversal	**media and entertainment**	($734)	$14,796	$12,085	$26,147	(2.8%)	56.6%	46.2%	100.0%	45.0%	"Goodwill …represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, noncontractual relationships, and agreements between us [Comcast] and NBCUniversal"
PAETEC	**telecommunications (local exchange carrier)**	($656)	$845	$653	$842	(77.9%)	100.4%	77.6%	100.0%	43.6%	The residual goodwill was never defined, although the rationale for the acquisition was reported
Hughes Communications	**telecommunications (satellite)**	$842	$816	$516	$2,175	38.7%	37.5%	23.7%	100.0%	38.7%	"The Hughes Acquisition significantly expands our ability to provide new video and data products and solutions."
Sofora	**telecommunications**	$117	$383	$232	$732	16.0%	52.3%	31.7%	100.0%	37.7%	The residual goodwill was never defined
MetroPCS	**telecommunications (wireless)**	($2,855)	$3,759	$1,260	$2,163	(132.0%)	173.7%	58.2%	100.0%	25.1%	"Goodwill is influenced by synergy effects arising from the merger of the two companies, especially as a result of cost savings in connection with the combination of networks, the added spectrum for the LTE roll-out, and the expanded customer base."
Iberia Líneas Aéreas de España	**airline**	$1,889	$1,462	$338	$3,689	51.2%	39.6%	9.2%	100.0%	18.8%	"Goodwill reflects the synergies that are expected to be achieved through the business combination."
First Republic Bank	**bank**	($108)	$170	$25	$87	(124.3%)	195.9%	28.4%	100.0%	12.7%	The residual goodwill was never defined
MAN	**automotive (trucks)**	$1,642	$5,825	$782	$8,248	19.9%	70.6%	9.5%	100.0%	11.8%	The residual goodwill was never defined
Sprint	**telecommunications**	($34,883)	$50,626	$6,434	$22,177	(157.3%)	228.3%	29.0%	100.0%	11.3%	The residual goodwill was never defined
Leap Wireless	**telecommunications (wireless)**	($2,860)	$3,860	$248	$1,248	(229.2%)	309.3%	19.9%	100.0%	6.0%	The residual goodwill was never defined
Total		$5,222	$166,394	$172,818	$344,434	1.5%	48.3%	50.2%	100.0%	50.9%	
34 valuations	Goodwill exceeding 50% of total IV	$24,166	$77,139	$138,636	$239,941	10.1%	32.1%	57.8%	100.0%	64.3%	
13 valuations	Goodwill less than 50% of total IV	($19,063)	$90,172	$29,882	$100,991	(18.9%)	89.3%	29.6%	100.0%	24.9%	

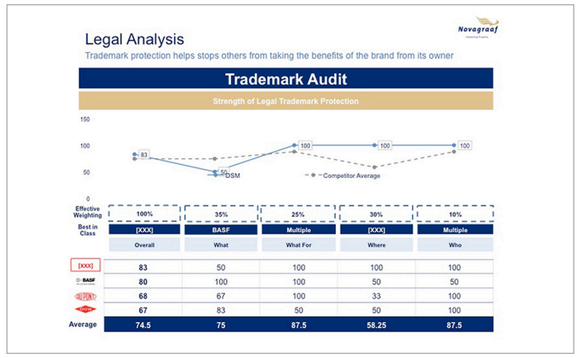
Appendix 3

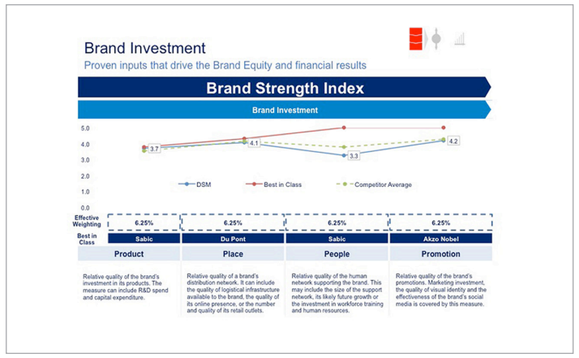
Acquired company	Sector	Tangible assets net of minority interest	Definition of goodwill (if provided)
PTCL	telecommunications	99.4%	"Any goodwill remaining is expected to be attributable to operating synergies between the Corporation [Emirates Telecommunications Corp] and the PTCL."
Global Crossing	telecommunications (global service provider)	91.3%	"The premium paid by Level 3 in this transaction is attributable to strategic benefits, including a significantly expanding IP/optical network with global reach including South America, Asia and the Pacific, improved credit profile and reduced financial leverage attribute to enhanced financial nd operational scale, and opportunity for investment and a network expansion. The combined business will have a comprehensive portfolio of voice, video, and data services, which will operate on a unique global services platform anchored by subsea and terrestrial fiber optic networks in North America, Europe, and Latin America."
Banca Antonveneta	bank	88.9%	"...the value of new [relationships] constitutes goodwill"
Banco Pastor	bank	87.7%	"Goodwill included those intangible assets that did not qualify for separate recognition, which included the expected synergies and other benefits resulting from the business combination, such as the work force."
Digitel	telecommunications	82.9%	[Goodwill represents] "expected synergies arising from the acquisition includes cost efficiencies attainable from elimination of redundant infrastructure and facilities between PLDT, Smart and Digitel, and expected increase in revenue from current market share of PLDT, Smart and Digitel due to enhanced connectivity and integrated products and services."
tw telecom	telecommunications (network services)	79.5%	"The premium paid by Level 3 in this transaction is attributable to strategic benefits, as the transaction further solidifies Level 3's position as a premier global communications provider to the enterprise, government and carrier market, combining tw telecom's extensive local operations and assets in North America with Level 3's global assets and capabilities. tw telecom's business model is directly aligned with Level3's initiatives for growth, which include building managed solutions to meet customer needs through an advanced IP/optical network."
Kabel Deutschland	telecommunications (broadband service provider)	75.4%	"The goodwill is attributable to the expected profitability of the acquired business and the synergies expected to arise after the Group's acquisition of KDG."
AWD	wealth consulting, insurance broker	75.2%	"[Goodwill] relates to the anticipated future business of AWD."
EMS Technologies	network connectivity products	72.5%	"[This] goodwill arises primarily from the avoidance of the time and costs which would be required (and the associated risks that would be encountered) to enhance our product offerings to the key target markets and serve as entry into new and profitable segments, and the expected cost synergies that will be realised through the consolidation of the acquired business into our Aerospace and Automation and Control Solutons segments. These cost synergies are expected to be realised principally in the areas of selling, general and administrative expenses, material sourcing and manufacturing."
St George Bank	bank	71.9%	"The goodwill balance is attributed to the skills and talent of the St.George workforce, the benefit of expected head office and operational synergies, revenue growth and future market developments. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be measured reliably or they are not capable of being separated from the Group and sold, transferred, licensed, rented or exchanged either individually or together with any related contracts."
NAVTEQ	software, digital maps	65.3%	"The goodwill is attributable to assembled workforce and the synergies expected to arise subsequent to the acquisition including acceleration of the Group's Internet services strategy."
Deutsche Postbank	bank	64.1%	"The goodwill largely reflects the value from revenue and cost synergies expected from the acquisition of Postbank."
TAM	airline	62.3%	"This value expresses the synergies that are expected to be achieved through the Business Combination."
Deltacom	telecommunications (broadband service provider)	59.0%	"Goodwill arising from the acquisition is attributable to the assembled workforce and expected synergies and economies of scale from combining the operations of EarthLink and ITC^DeltaCom."
SonyEricsson	mobile handsets	57.2%	"Goodwill represents unidentifiable intangible assets, sch as future growth from new revenue streams, increased market share particularly in emerging markets and the US, synergies with existing Sony assets and businesses and an assembled workforce."
TripAdvisor	internet travel	54.9%	"Goodwill recognized from acquisitions primarily relate to assembled workforces, website community and other intangible assets that do not qualify for separate recognition."
012 Smile Telecom	telecommunications	54.8%	"The goodwill represents assets and earnings that do not form separable identifiable assets under IFRS3, but are expected to contribute to the future results of the fixed-line segment: reduction in costs through synergies and economies of scale expected from combining the operations of 012 Smile and the Company; market knowledge; and highly skilled workforce."
Bulgari	luxury goods (jewelry)	49.8%	"Provisional goodwill [€1,522] corresponds to Bulgari's expertise, particularly in watches and jewelry, in addition to synergies with the Group's Watches and Jewelry network."
Merrill Lynch	bank	48.6%	"Goodwill represents the value expected from the synergies created from combining the Merrill Lynch wealth management and corporate and investment banking businesses with the Corporation's capabilities in consumer and commercial banking as well as the economies of scale expected from combining the operations of the two companies."
NBCUniversal	media and entertainment	45.0%	"Goodwill …represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, noncontractual relationships, and agreements between us [Comcast] and NBCUniversal"
Hughes Communications	telecommunications (satellite)	38.7%	"The Hughes Acquisition significantly expands our ability to provide new video and data products and solutions."
MetroPCS	telecommunications (wireless)	25.1%	"Goodwill is influenced by synergy effects arising from the merger of the two companies, especially as a result of cost savings in connection with the combination of networks, the added spectrum for the LTE roll-out, and the expanded customer base."
Iberia Líneas Aéreas de España	airline	18.8%	"Goodwill reflects the synergies that are expected to be achieved through the business combination."

Understand Your Brand's Value









A League Table Report provides a complete breakdown of the assumptions, data sources and calculations used to arrive at your brand's value. Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

A full report includes the following sections which can also be purchased individually.

Brand Valuation Summary

Overview of the brand valuation including executive summary, explanation of changes in brand value and historic and peer group comparisons.

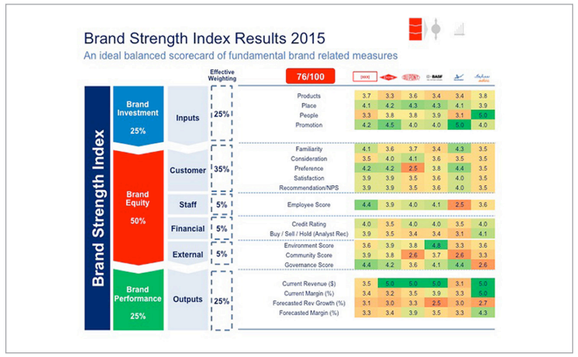
+ Internal understanding of brand
+ Brand value tracking
+ Competitor benchmarking
+ Historical brand value

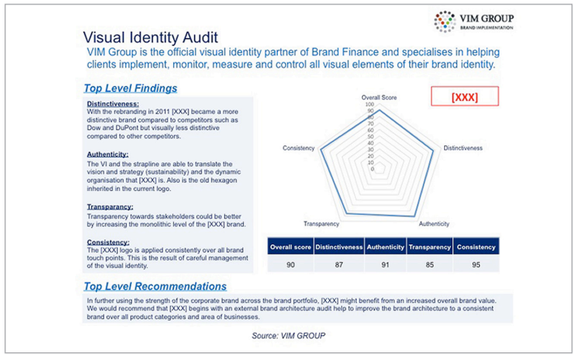
Brand Strength Index

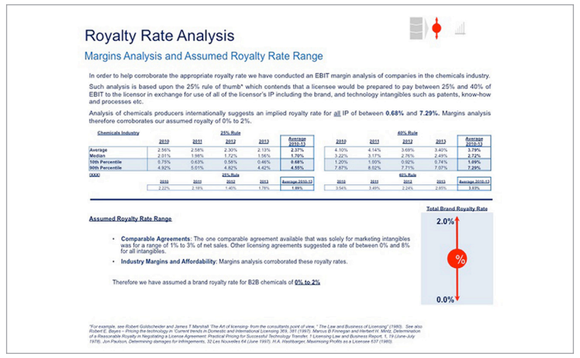
A breakdown of how the brand performed on various metrics of brand strength, benchmarked against competitor brands in a balanced scorecard framework.

+ Brand strength tracking
+ Brand strength analysis
+ Management KPI's
+ Competitor benchmarking

Understand Your Brand's Value







Royalty Rates

Analysis of competitor royalty rates, industry royalty rate ranges and margin analysis used to determine brand specific royalty rate.

+ Transfer pricing
+ Licensing/ franchising negotiation
+ International licensing
+ Competitor benchmarking

Cost of Capital

A breakdown of the cost of capital calculation, including risk free rates, brand debt risk premiums and the cost of equity through CAPM.

+ Independent view of cost of capital for internal valuations and project appraisal exercises

Trademark Audit

Analysis of the current level of protection for the brands word marks and trademark iconography highlighting areas where the marks are in need of protection.

+ Highlight unprotected marks
+ Spot potential infringement
+ Trademark registration strategy

For more information regarding our League Table Reports, please contact:

enquiries@brandfinance.com
+44 (0)207 389 9400

How we can help.

MARKETING

We help marketers to connect their brands to business performance by evaluating the financial impact of brand based decisions and strategies.

+ Brand Valuation
+ Brand Due Diligence
+ Profit Levers Analysis
+ Scenario Modelling
+ Market Research
+ Brand Identity & Customer Experience Audit
+ Brand Strength Analysis
+ Brand Equity Analysis
+ Perception Mapping
+ Conjoint & Brand/Price Trade-off Analysis
+ Return on Investment
+ Sponsorship Evaluation
+ Budget Setting
+ Brand Architecture & Portfolio Evaluation
+ Brand Positioning & Extension Evaluation
+ Brand Migration
+ Franchising & Licensing
+ BrandCo Strategy
+ Brand Governance Process
+ Brand Tracking
+ Management KPIs
+ Competitor Benchmarking

FINANCE

We provide financiers and auditors with an independent assessment on all forms of brand and intangible asset valuations.

+ Brand & Branded Business Valuation
+ Intangible Asset Valuation
+ Fair Value Exercise (IFRS 3 / FAS 141)
+ Intangible Asset Impairment Reviews (IAS 36 / FAS 142) Brand Due Diligence
+ Information Memoranda
+ Finance Raising
+ Insolvency & Administration
+ Market Research Design and Management
+ Return on Investment
+ Franchising & Licensing
+ BrandCo & IPCo Strategy
+ Scenario Modelling & Planning
+ Transfer Pricing Analysis
+ Management KPIs and Target-setting
+ Competitor Benchmarking

TAX

We help brand owners and fiscal authorities to understand the implications of different tax, transfer pricing and brand ownership arrangements.

+ Brand & Branded Business Valuation
+ Intangible Asset Valuation
+ Patent Valuation
+ Asset Transfer Valuations
+ Business & Share Valuations
+ Transfer Pricing Analysis
+ Royalty Rate Setting
+ Brand Franchising & Licensing
+ BrandCo & IPCo Strategy
+ Market Research Design and Management
+ Brand Tracking
+ Expert Witness Opinion

LEGAL

We help clients to enforce and exploit their intellectual property rights by providing independent expert advice in- and outside of the courtroom.

+ Brand & Branded Business Valuation
+ Intangible Asset Valuation
+ Patent Valuation
+ Business & Share Valuations
+ Loss of Profits Calculations
+ Account of Profits Calculations
+ Damages Assessment
+ Forensic Accounting
+ Royalty Rate Setting
+ Brand Franchising & Licensing
+ BrandCo & IPCo Strategy
+ Market Research Design and Management
+ Trademark Registration
+ Trademark watching service

Contact details.

Contact us.

For media enquiries, please contact:
Robert Haigh
Communications Director
Brand Finance
r.haigh@brandfinance.com

For all other enquiries, please contact:
enquiries@brandfinance.com
+44 (0)207 389 9400

linkedin.com/company/brand-finance

facebook.com/brandfinance

twitter.com/brandfinance

Our offices.

For further information on Brand Finance®'s services and valuation experience, please contact your local representative:

Country	Contact	Email address
Australia	Mark Crowe	m.crowe@brandfinance.com
Brazil	Geoffrey Hamilton-Jones	g.hamilton-jones@brandfinance.com
Canada	Bryn Anderson	b.anderson@brandfinance.com
Caribbean	Nigel Cooper	n.cooper@brandfinance.com
East Africa	Jawad Jaffer	j.jaffer@brandfinance.co.ke
France	Luc Bardin	l.bardin@brandfinance.com
Germany	Dr. Holger Mühlbauer	h.mühlbauer@brandfinance.com
Greece	Ioannis Lionis	i.lionis@brandfinance.com
Holland	Marc Cloosterman	m.cloosterman@brandfinance.com
India	Ajimon Francis	a.francis@brandfinance.com
Indonesia	Jimmy Halim	j.halim@brandfinance.com
Italy	Massimo Pizzo	m.pizzo@brandfinance.com
Middle East	Andrew Campbell	a.campbell@brandfinance.com
Nigeria	Babatunde Odumeru	t.odumera@brandfinance.com
Portugal	Pedro Taveres	p.taveres@brandfinance.com
Russia	Alexander Eremenko	a.eremenko@brandfinance.com
Singapore	Samir Dixit	s.dixit@brandfinance.com
South Africa	Oliver Schmitz	o.schmitz@brandfinance.com
Spain	Jaime Alvarez	j.alvarez@brandfinance.com
Sri Lanka	Ruchi Gunewardene	r.gunewardene@brandfinance.com
Turkey	Muhterem Ilgüner	m.ilguner@brandfinance.com
UK	Bryn Anderson	b.anderson@brandfinance.com
USA	Ken Runkel	k.runkel@brandfinance.com

Disclaimer.

Brand Finance®

Contact us.

The World's Leading Independent Brand Valuation and Strategy Consultancy
T: +44 (0)20 7389 9400
E: enquiries@brandfinance.com
www.brandfinance.com

BRAND·FINANCE®