An introduction to Brand Finance
The world’s leading brand valuation and strategy consultancy
July 2011
What makes us different?

Our proposition

• We are the world’s leading independent brand valuation and strategy consultancy

• We advise organisations on how to maximise shareholder value through effective brand management

• We are specialists with a unique combination of marketing, research, management and finance expertise

• We have extensive global experience of brand valuation, analytics, strategy and transactions

Bridging the gap between marketing and finance

Valuation  I  Analytics  I  Strategy  I  Transactions
Our services

At Brand Finance, we are entirely focussed on quantifying and leveraging intangible asset value. Our services compliment and support each other, resulting in robust valuation methodologies, which are underpinned by an in-depth understanding of revenue drivers and licensing practice.

### Valuation

We perform valuations for financial reporting, tax planning, M&A activities, joint ventures, IPOs and other transactions. We work closely with auditors, tax authorities and lawyers.

### Analytics

Our analytical services help clients to better understand the drivers of business and brand value. Understanding how value is created, where it is created and the relationship between brand value and business value is a vital input to strategic decision making.

- Brand equity drivers
- Brand strength analysis
- Brand risk analysis (BrandBeta®)
- Brand scorecards
- Marketing mix modelling
- Marketing ROI

### Strategy

We give marketers the framework to make effective economic decisions. Our value-based marketing service enables companies to focus on the best opportunities, allocate budgets to activities that have the most impact, measure the results and articulate the return on brand investment.

- Brand strategy
- Brand architecture
- Brand extension
- Budget setting and allocation
- Brand value added (BVA®)

### Transactions

We help private equity companies, venture capitalists and branded businesses to identify and assess the value opportunities through brand and market due diligence and brand licensing.

- Brand due diligence
- Brand licensing
- Fundraising

Financial reporting
Tax and transfer pricing
Litigation
Investor relations

Brand Finance overview
Our global footprint
With over 20 offices worldwide
Our approach to value-based marketing projects

- Brand Finance’s approach has been designed to allow clients to manage their brands more intelligently and deliver improved business results
- Each step in the process is tailored to the client’s specific needs and the level of sophistication required, from ‘high level’ to ‘highly granular’
What are the benefits of conducting a strategic brand valuation?
How brand valuation can enhance shareholder value

- Better understand the value of key customer segments (by geography, product, channel and customer type)
- Understand the relationship between brand equity and key value drivers in the business model
- Understand the strengths and weaknesses of the brand compared with key competitors
- Provide a planning framework for long term strategic marketing investment
- Create a framework for marketing mix modelling
- Create the framework for better reporting and managing brand performance (brand scorecard or dashboard)
- Create a body of information about brand performance for use in investor and banking presentations
<table>
<thead>
<tr>
<th>Services</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Discovery &amp; Value</td>
<td>• What is legal &amp; economic status of the brand?</td>
</tr>
<tr>
<td>Value Drivers</td>
<td>• What are key drivers of brand equity?</td>
</tr>
<tr>
<td>Brand Equity Measurement</td>
<td>• What is the value of my brand and what does it contribute to business value?</td>
</tr>
<tr>
<td>Strategic Brand</td>
<td>• What is the optimal marketing mix to maximise short term sales?</td>
</tr>
<tr>
<td>Valuation</td>
<td>• What is the return on my promotional marketing spend?</td>
</tr>
<tr>
<td>Marketing Mix Optimisation</td>
<td>• Can we connect marketing investments, drivers, &amp; health indicators to financial KPI's and shareholder value?</td>
</tr>
<tr>
<td>Brand Scorecard</td>
<td>• Which markets, customers, brands and channels will generate the highest return and maximise shareholder value?</td>
</tr>
<tr>
<td>Dynamic Valuation Model</td>
<td>• What value is at risk if we fail to adequately support the brand?</td>
</tr>
<tr>
<td></td>
<td>• What is the impact on customer behaviour and financial performance of improved customer perception on key drivers?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Brand Insight report</td>
</tr>
<tr>
<td></td>
<td>- Marketing communication review</td>
</tr>
<tr>
<td></td>
<td>- Market Attractiveness Index</td>
</tr>
<tr>
<td></td>
<td>- Market research review</td>
</tr>
<tr>
<td></td>
<td>- Data gap analysis</td>
</tr>
<tr>
<td></td>
<td>- Brand Equity Driver analysis</td>
</tr>
<tr>
<td></td>
<td>- Brand Strength analysis (BrandBeta® Index)</td>
</tr>
<tr>
<td></td>
<td>- Competitor benchmarking</td>
</tr>
<tr>
<td></td>
<td>- Business and brand valuation framework</td>
</tr>
<tr>
<td></td>
<td>- Brand Valued Added®</td>
</tr>
<tr>
<td></td>
<td>- Portfolio analysis</td>
</tr>
<tr>
<td></td>
<td>- Budget setting</td>
</tr>
<tr>
<td></td>
<td>- Resource allocation matrix</td>
</tr>
<tr>
<td></td>
<td>- Demand Driver analysis</td>
</tr>
<tr>
<td></td>
<td>- Econometric modelling</td>
</tr>
<tr>
<td></td>
<td>- Marketing ROI</td>
</tr>
<tr>
<td></td>
<td>- Brand Dashboard (high level snapshot for management)</td>
</tr>
<tr>
<td></td>
<td>- Brand Scorecard (in depth diagnostic tool for marketers)</td>
</tr>
<tr>
<td></td>
<td>- Strategy selection</td>
</tr>
<tr>
<td></td>
<td>- Portfolio management</td>
</tr>
<tr>
<td></td>
<td>- Brand architecture</td>
</tr>
<tr>
<td></td>
<td>- Resource allocation</td>
</tr>
<tr>
<td></td>
<td>- ‘Value at risk’ analysis</td>
</tr>
<tr>
<td></td>
<td>- Scenario modelling</td>
</tr>
</tbody>
</table>
Our clients

Blue chip clients

Brand Finance works for a wide range of clients conducting national and international brand valuation and brand strategy assignments. Here is a small selection of the clients we have worked with.
Technical recognition

Our work is frequently peer-reviewed by independent audit practices and our approach has been accepted by regulatory bodies worldwide.
In December 2010, Brand Finance became one of the very few companies in the world to be accredited with the **ISO 10668** global standard for brand valuations.

ISO 10668 is the international norm that sets minimum standard requirements for the procedures and methods used to determine the monetary value of brands.

David Haigh, CEO Brand Finance, was the UK representative on the ISO working party and chaired drafting meetings over a 2 year period to shape ISO 10668 – *Brand valuation – Basic requirements for methods of monetary brand valuation*.

The certification program was developed in collaboration with the *Austrian Standards plus Certification*, which has attested that Brand Finance conducts its brand valuations in accordance with the new standard, which requires three key phases of work:

- IP audit and review (legal review)
- Behavioural analysis (market research review)
- Valuation (financial review)
Global recognition

Global press coverage:

- FT.com
- The Economist
- The Economic Times
- The Wall Street Journal

Publications:

- The Banker
- Marketing Week
- Gulf Marketing Review
- totaltelecom
- Brand building: The winners and losers in 2009
- Kellogg on Branding
- MARCA: Valor do Intangível

Media commentators:

- BBC World News
- Sky News
- CNBC
- Al Jazeera
Global recognition
Investor Relations

The results of our studies are used by leading global brands as a performance benchmark – many including the results in annual financial and sustainability reporting to shareholders and other stakeholders.
Thought Leadership

Global Brand Studies

Every year Brand Finance produces Global Brand Studies, which provide an opinion on the point-in-time value of the strongest and most valuable brands in the world.

Over the years Brand Finance has teamed up with all the major publications to publish the results. Studies include:

- BrandFinance® Global 500
- BrandFinance® Global Intangible Finance Tracker (GIFT™)
- BrandFinance® Nation Brands
- Sector specific studies (e.g. Banking, Telecoms and Insurance)

Our studies illustrate the value of brands and the financial impact of a brand on its respective business. Additionally, the studies illustrate how our methodology, findings and value-based marketing techniques can be used for decision-making and to determine the impact of brand equity on business performance.

in association with:
Thought Leadership

Brand Finance Forums

Brand Finance is committed to the development of theoretical and practical issues surrounding brands. As part of this process, we organise a series of events and forums around the world where leading practitioners in the area of brand strategy, brand building and brand valuation come together to share their experiences and to better understand the process by which valuable brands are created.

The Brand Finance Forum has progressively become one of the definitive events in the area of brand valuation and should not be missed by anyone who is serious about maximising the value of their brands and intangible assets.

“Understanding the role of the brand in the generation of profit is vital to all businesses. The Brand Finance Forum helped to create a breakthrough for my company.”

Raoul Pinnell, Ex-Chairman Shell Brands International, Switzerland

Visit www.brandfinanceforum.com
Performance of the brand

Google is a multinational computing and internet search technologies corporation that hosts and develops a number of Internet-based services and products. Google’s brand value has risen by 21%. Despite analysts forecasting slower growth, the company’s benchmarking score has broken the $100 billion barrier and the royalty rate applied has risen by 1.5%. The world’s most popular search engine brand takes this year’s second place. Its reputation for innovation continues to grow with the launch of its Chrome Operating System and, capitalising on its growing brand for mobile telephony, the introduction of the Android phone and Google Apps. Google Chrome, a web browsing system, had a very successful year in which it captured 15% of the global market. In telephony, Android OS is already predicted to become the second most popular smartphone platform by 2012.

League tables

Google appears in the following brand league tables:

Brandirectory user rating:

Visit www.brandirectory.com
Thank you

David Haigh
CEO – Brand Finance plc
d.haigh@brandfinance.com
+44 (0) 207 389 9400
+44 (0) 7855 153 725

Muhterem İlgüner
MD – Brand Finance Turkey
m.ilguner@brandfinance.com
+90 (0) 212 323 6810
+90 (0) 533 265 1365

Brand Finance works for a wide range of clients conducting national and international brand valuation and brand strategy assignments. Brand Finance has a global footprint over 20 offices worldwide. For more information please refer to our website: www.brandfinance.com