



Sri Lanka 100 2018

The annual report on Sri Lanka's most valuable and strongest brands

April 2018

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Foreword.



David Haigh
CEO, Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be 'to make money'.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance's research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The Annual Review of Sri Lanka's Brands.



Ruchi Gunewardene
Managing Director,
Brand Finance Lanka

Brand Finance Lanka has been publishing Sri Lanka's brand league table consisting of the most valuable brands for 15 consecutive years. Over the years, we have added and enhanced this so as to provide our readers with a well researched and definitive annual guide to the most valuable and strongest brands that are operating in Sri Lanka.

Doing so requires data for a fact-based analysis and we use two sources. One is the financial data available from listed companies on the Colombo Stock Exchange (CSE) and the other is the exclusive market research study that is conducted for Brand Finance Lanka. This data is provided through face to face interviews conducted in the last quarter of 2017. Whilst the financial information from annual reports helps us in computing brand value, the market research data enables us to assess the consumer brand equity, both of which are key in our valuation model.

The landscape of businesses in Sri Lanka is changing, along with the need to understand how brands are impacting the lives of everyday Sri Lankans. Companies need to define their strategies which are aligned closely with the message they would like to communicate through their brand. The need to understand how your brand is performing against your competitors is as important as ever, considering the current crop of Sri Lanka's younger demography who hold brands that resonate with their inner beliefs in very high esteem. Gone are the days where brands only focused on price - consumers are now looking for much more.

In addition to the consumer-facing brands, we have this year valued the conglomerate brands to commemorate our 15th year of publishing the Sri Lanka league table. Since these businesses dominate the Colombo Stock Exchange and account for a major share of value whilst also topping the revenue rankings, this sector warranted a closer review regarding how they are leveraging their corporate brands. Further, to provide a better independent analysis of the brands operating in the country, we have used our market research to list Sri Lanka's most loved brands, and the strongest brands in the following categories: corporate exporters, multinational corporates and the still nascent but emerging e-commerce brands. This information is available upon request.

About Brand Finance.

Brand Finance is the world's leading independent branded business valuation and strategy consultancy.

We are a specialist consultancy dedicated to the better understanding of marketing finances, offering a highly professional approach to marketing accountability and brand evaluation. Brand Finance has developed transparent and accessible brand evaluation methodologies grounded in marketing and investment practice. The work we do often enables both marketing and finance departments to come together to discuss issues, analyse opportunities and to envisage future scenarios together, at the same table. Hence, we help to bridge the gap between marketing and finance.



For more than 20 years we have helped companies to connect their brands to the bottom line, building robust business cases for brand decisions, strategies and investments. In so doing, we have helped finance people to evaluate marketing programmes and marketing people to present their case in the Board Room. We have worked with companies of all shapes and sizes, from blue-chip internationals such as Vodafone and Shell, to small iconic brands such as Asprey and Ministry of Sound. We also work with tax authorities, IP lawyers and private equity firms.

Every year Brand Finance values over 3,500 brands – across all sectors and geographies. The results are tabulated and published in the media, with partners such as The Banker, to raise awareness of brands as valuable business assets, which must be managed and invested in. Other Brand Finance studies include the Nation Brands 100, the Football 50 and the Global Intangible Finance Tracker (GIFT).

Sri Lanka's most valuable brands are published in The Brands Annual through Media Services / LMD.

For more information, please visit our website:
www.brandfinance.com

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Consulting Services.

1. Valuation: What are my intangible assets worth?

Valuations may be conducted for technical purposes and to set a baseline against which potential strategic brand scenarios can be evaluated.

- + Branded Business Valuation
- + Trademark Valuation
- + Intangible Asset Valuation
- + Brand Contribution

2. Analytics: How can I improve marketing effectiveness?

Analytical services help to uncover drivers of demand and insights. Identifying the factors which drive consumer behaviour allows an understanding of how brands create bottom-line impact.

- Market Research Analytics +
- Return on Marketing Investment +
- Brand Audits +
- Brand Scorecard Tracking +

4. Transactions: Is it a good deal? Can I leverage my intangible assets?

Transaction services help buyers, sellers, and owners of branded businesses get a better deal by leveraging the value of their intangibles.

- + M&A Due Diligence
- + Franchising & Licensing
- + Tax & Transfer Pricing
- + Expert Witness

3. Strategy: How can I increase the value of my branded business?

Strategic marketing services enable brands to be leveraged to grow businesses. Scenario modelling will identify the best opportunities, ensuring resources are allocated to those activities which have the most impact on brand and business value.

- Brand Governance +
- Brand Architecture & Portfolio Management +
- Brand Transition +
- Brand Positioning & Extension +



MARKETING

We help marketers to connect their brands to business performance by evaluating the return on investment (ROI) of brand-based decisions and strategies.

FINANCE

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

TAX

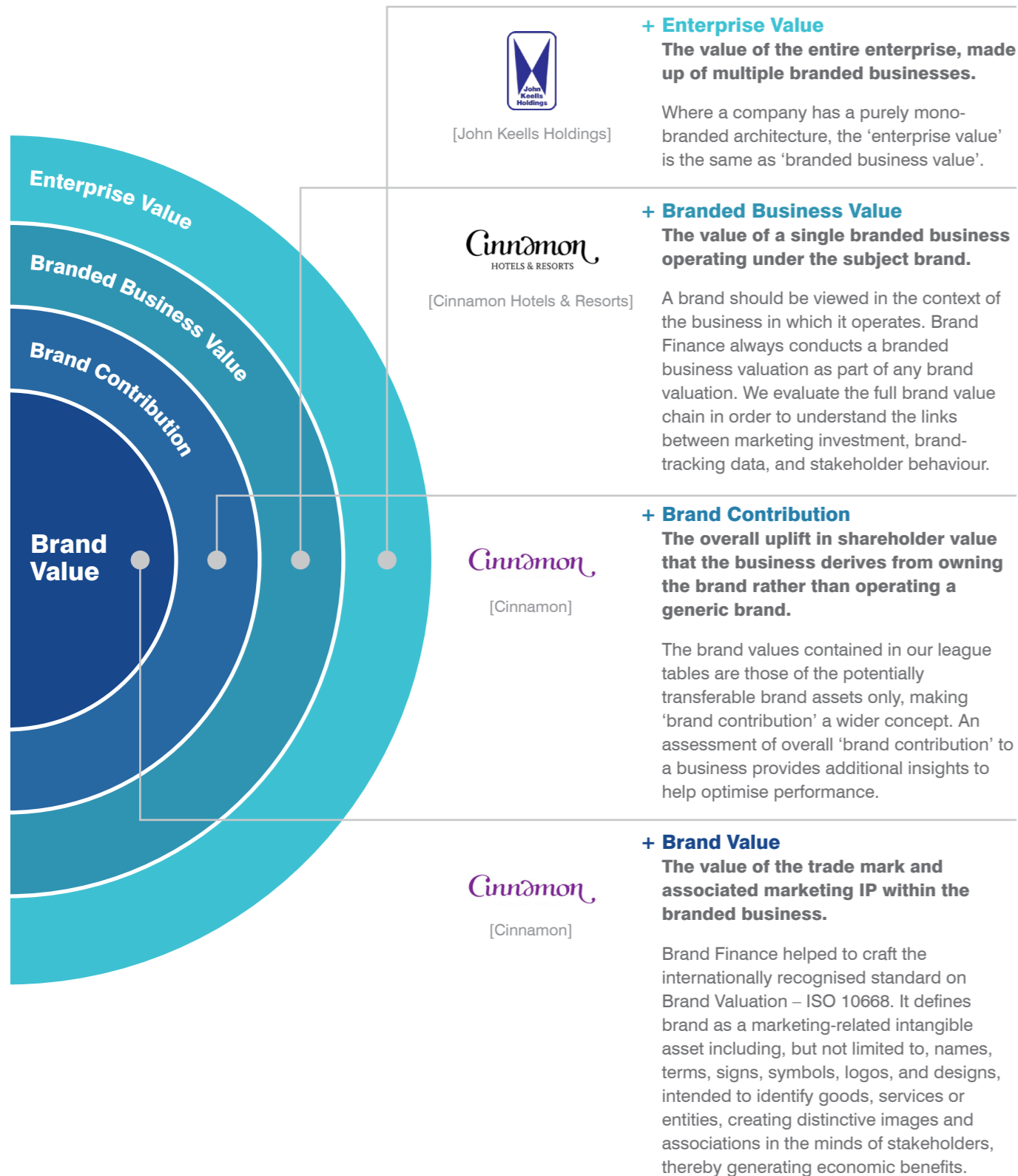
We help brand owners and fiscal authorities to understand the implications of different tax, transfer pricing, and brand ownership arrangements.

LEGAL

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

Definitions.

Brand Value



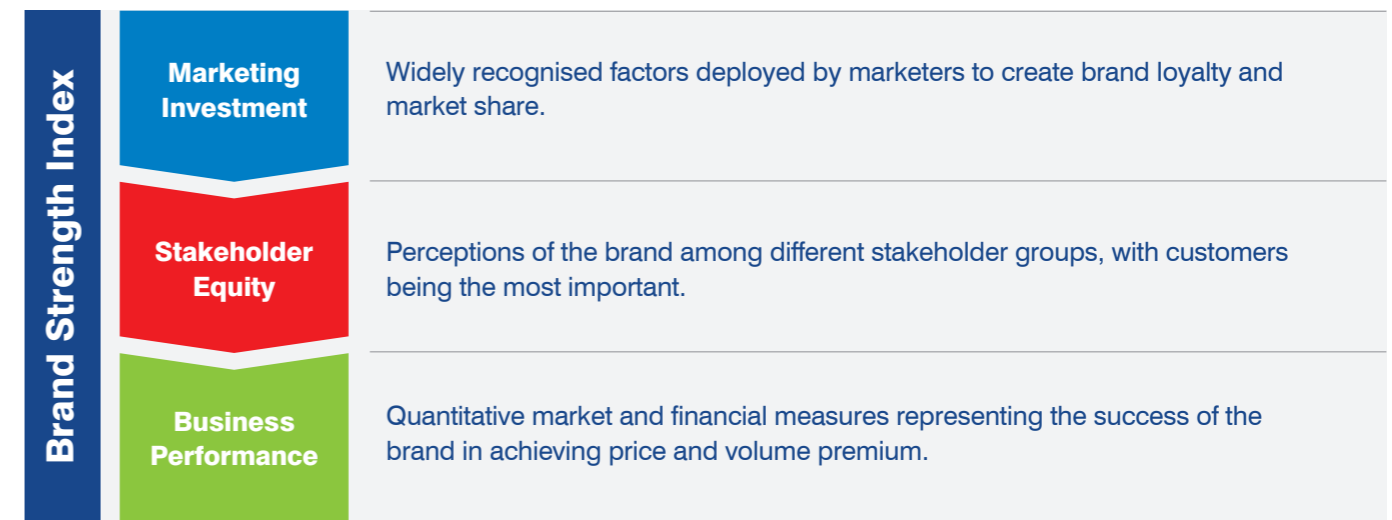
Brand Strength

Brand Strength is the efficacy of a brand's performance on intangible measures, relative to its competitors.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

In order to determine the strength of a brand, we look at Marketing Investment, Stakeholder Equity, and the impact of those on Business Performance.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.



Executive Summary.



The total value of Sri Lanka's most valuable consumer brands increased by 14% in 2018 over 2017, whilst reaching a landmark combined brand value of a half a trillion rupees.

This upward swing is taking place in the context of a relatively volatile economic backdrop with the Central Bank predicting a relatively low growth rate of 2.5% in 2017, but which is expected to increase in 2018. Whilst the prolonged drought had an impact on the slow growth, a major draw back for the economy is the anemic foreign direct investment. Sri Lanka has been unable to draw significant investments by reputed and recognized corporates. The uncertainties in policy consistency is a deterrent here. Policy reversals due to the tug of war between the President and the Government does not provide a sense of confidence and the weakening of it further following the local election polls does not auger well for the future either.

At the top of our table, as per the trend for the last five years, BOC is still the most valuable consumer brand in Sri Lanka at Rs. 43 Billion rupees, an increase of 5.6% of its brand value from last year.

Similar to last year, Dialog made significant inroads edging towards leading the table by growing its brand value by 12%. The brand is the only triple A rating in the Sri Lanka 100, which is a testament to its robust brand management system and is the evidence for the trust placed by consumers for its quality products and services. The Dialog brand is represented in all their

product portfolios such as mobile, fixed telephony, broadband and television operations.

In our view Dialog is setting the trend similar to the companies in the Brand Finance Global 500 rankings on which technology brands took the top five spots in 2018 for the very first time. This indicates that for a business to be sustainable in the new digital age, it needs to evolve and embrace technology as these brands are rapidly overtaking the old legacy brands and changing the business and brand landscape.

Another significant factor in our table is that banking brands dominate the top six of the ten brands in Sri Lanka with a combined brand value of Rs. 177 billion rupees, which is 35% of the overall brand value.

Just the top 10 brands contribute 54% of the total brand value while the bottom 50 brands contribute just 6%. This shows the lop sided nature of our brand lanscape. Apart from brand value, there is a notably lower brand strength index as well amongst those at the bottom of the table.

This indicates that many of the brands in the bottom half have much work to do on their brand. A common misconception is this means they need to invest in marketing and advertising, which is not the case. There is much that a company can do to make the brand an integral part of its decision making processes in the business (and not merely relegate it to the marketing department) which can positively impact the actions of the company and its performance.

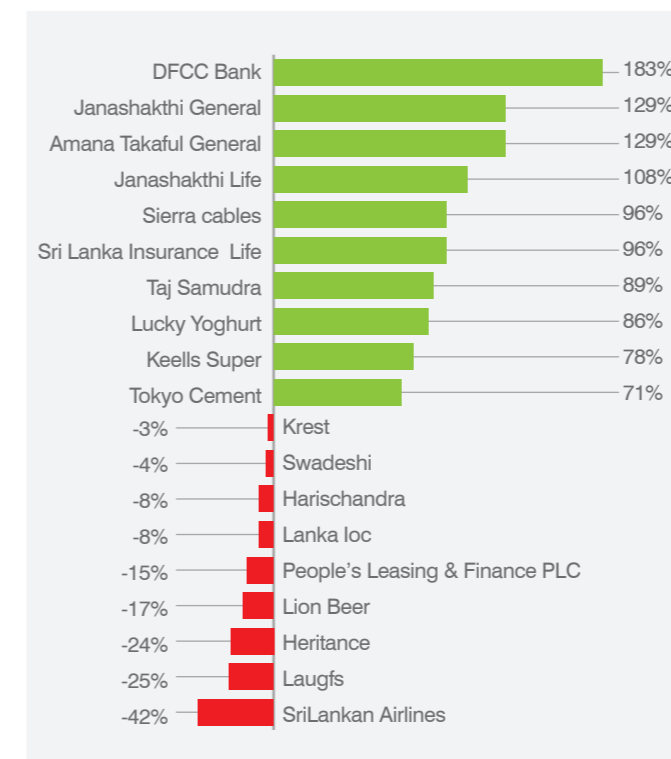
The Decline of SriLankan Airlines

One of the biggest declines in brand value on our table this year is SriLankan Airlines which has dropped from a high of 7th position last year to 13th in our rankings with a value decline of 42%. This is due to the impact of poor mismanagement and financial performance that has hampered the airline continuously over the last 6 to 7 years.











Whilst the controversy of SriLankan Airlines has publicly raged on for several years now, the question that has been asked of us is, if the airline is not profitable and is in a severe debt crisis, how can the brand command any value at all ?

The simple fact is that the airline continues to secure a steady stream of revenue of Rs.136 billion on an annual basis. This makes SriLankan Airlines one of the highest revenue generating companies in Sri Lanka. The ability to attract significant revenue for the business has to be recognised and is achieved through a variety of means. These include having a monopoly which it enjoys in the country, the international landing rights it has secured,

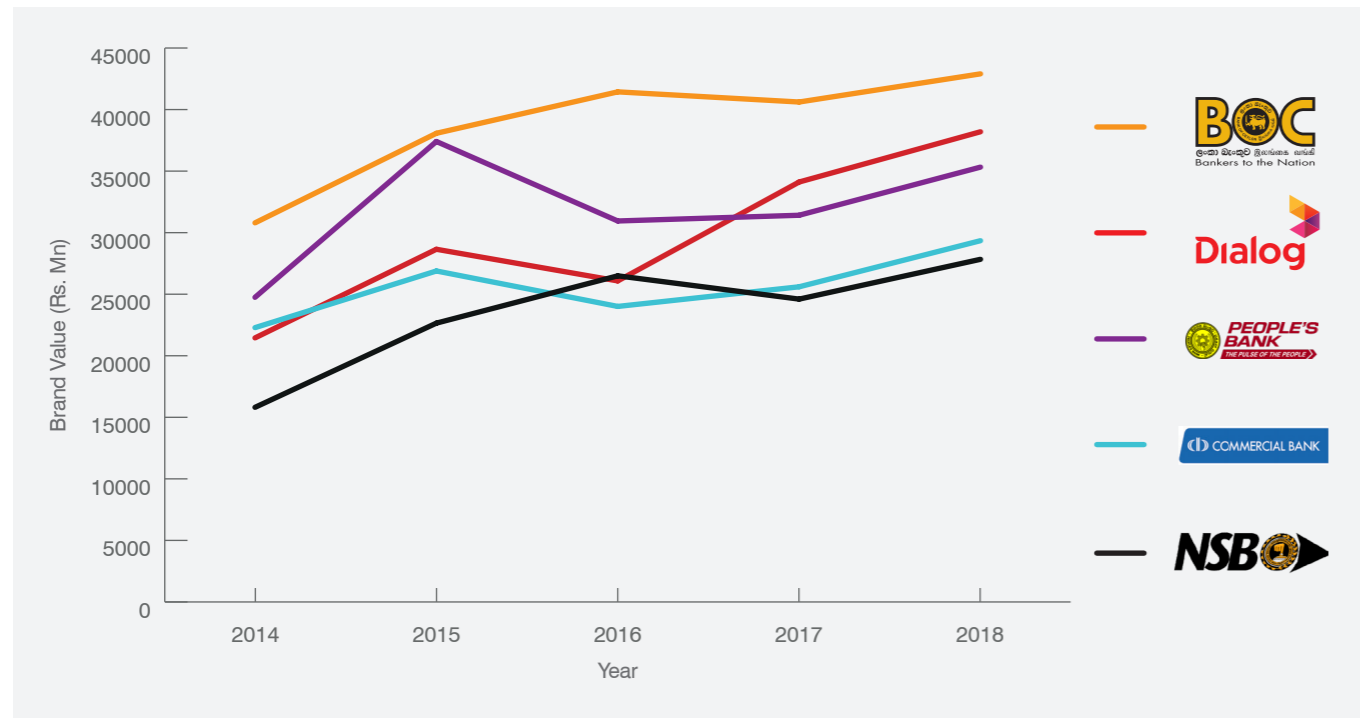
Brand Value Change 2017-2018 (%)



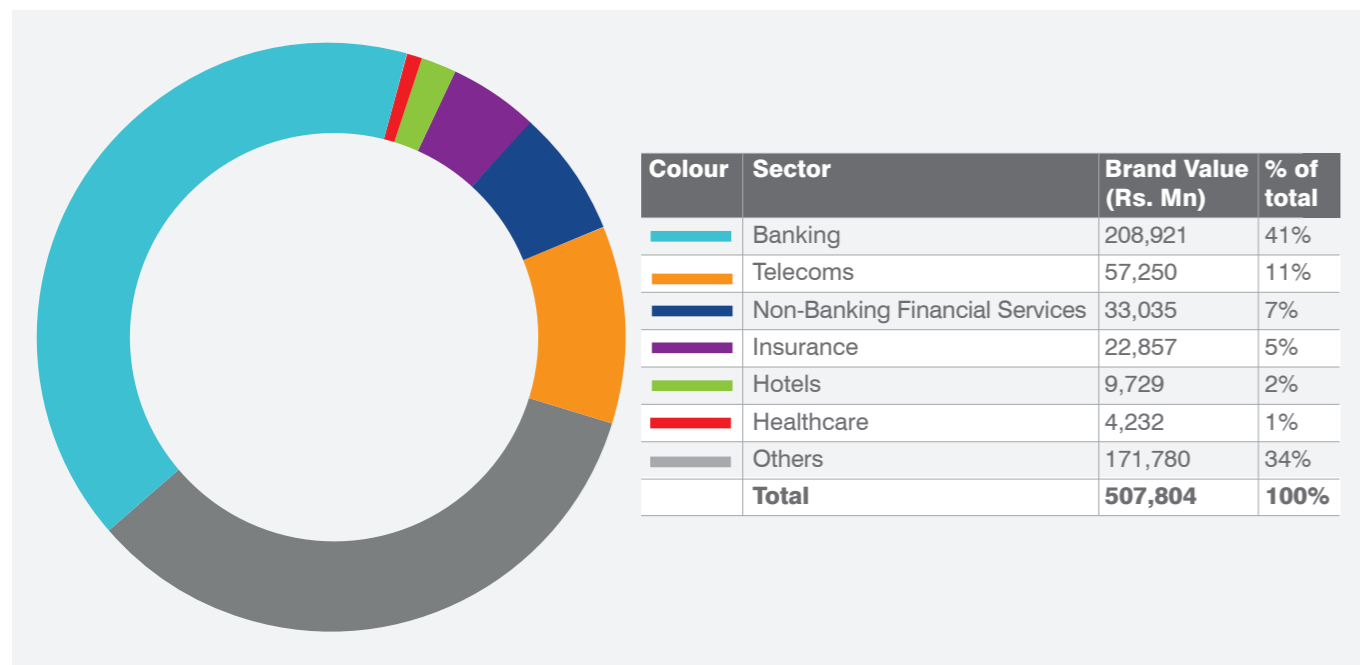
Top 10 Most Valuable Brands

	1	Rank 2018: 1 2017: 1 → BV 2018: 42,874m BV 2017: 40,598m +5.6% Brand Rating: AA
	2	Rank 2018: 2 2017: 2 → BV 2018: 38,168m BV 2017: 34,101m +11.9% Brand Rating: AAA-
	3	Rank 2018: 3 2017: 3 → BV 2018: 35,306m BV 2017: 31,416m +12.4% Brand Rating: AA
	4	Rank 2018: 4 2017: 4 → BV 2018: 29,315m BV 2017: 25,606m +14.5% Brand Rating: AA
	5	Rank 2018: 5 2017: 5 → BV 2018: 27,802m BV 2017: 24,586m +13.1% Brand Rating: AA-
	6	Rank 2018: 6 2017: 10 ↑ BV 2018: 22,142m BV 2017: 20,075m +10.3% Brand Rating: AA-
	7	Rank 2018: 7 2017: 8 ↑ BV 2018: 21,649m BV 2017: 20,229m +7% Brand Rating: AA+
	8	Rank 2018: 8 2017: 11 ↑ BV 2018: 19,372m BV 2017: 15,048m +28.7% Brand Rating: AA+
	9	Rank 2018: 9 2017: 6 ↓ BV 2018: 18,064m BV 2017: 21,651m -16.6% Brand Rating: AA-
	10	Rank 2018: 10 2017: 9 ↓ BV 2018: 17,947m BV 2017: 16,078m +11.6% Brand Rating: AA+

Brand Value Over Time



Brand Value by Sector



the strategic location of the country in relation to global travel, and the brand affinity that customers have and enjoy. For all these, a value can be assigned.

As investors look at SriLankan as a possible investment opportunity they will be determining the cost of restructuring the airline into being a profitable entity, so they can have the benefit of the revenue that it continues to generate through a much lower cost base. There is an intrinsic value within the business (one of which is brand, which we have estimated) which investors can leverage in the future. The questions are how much will it cost for the acquisition (ie. the stake in the company), the cost of restructuring and finally will they have a free hand devoid of Government interference to do what has to be done to right size SriLankan?

Highest Movers

The biggest gainers in terms of performance on our table are Softlogic Life and DFCC bank. The Softlogic Group acquired Asian Alliance's Life insurance business and has very quickly and successfully integrated it into their business portfolio whilst significantly growing the business.

DFCC Bank merged their consumer banking division Vardhana Bank with the parent company, thereby providing a seamless service for both their corporate and consumer businesses which has significantly increased the total value of the business and the brand.

Keells Super too has made a significant leap in this year's table. The supermarket chain has experienced healthy growth, achieving revenue and bottom line growth of 32%, because of higher footfall and incremental revenue generated from newly opened outlets. The Nexus Mobile loyalty program membership reached a landmark of 650,000 customers, making it one of the most successful loyalty programmes in the country. As a significant proportion of the Keells Super customers are Nexus members, the sector continued to leverage on its data analytics to better understand consumption patterns and target promotions and offers which will specifically benefit its customer base. Keells Super is also primed to grow in the current year through a major rebranding initiative and we could expect them to begin to seriously challenge the market leader Cargills Food City in the near future.

Alcoholic Beverages Shuffle

DCSL saw a significant increase in their brand value primarily driven by the favourable excise taxes for hard liquor in comparison to soft liquor products. This resulted in a major shift in consumption patterns as customers sought products with the best value for money. In the 2018 budget, the Government reduced excise taxes on beer by 33% and raised that on hard liquor by 2% and barring further changes, Fitch expects the beer market share to report an increase to around 24%-25% in the medium term and expect hard liquor sales volumes to contract 2%, reversing some of the market share gains it made in 2017.

Brand Valuation Benefits

The primary use of our brand value table is to ascertain the performance of the brand over time and its future value-creating potential. The challenge for those in the top 50 is to ensure they maintain that single-minded focus on growth by strengthening the brand. This needs to happen through understanding how each stakeholder impacts its brand and by defining or redefining the brand where relevant, and through constant differentiation through innovation.

The bottom 50 brands, on the other hand, have much work to do to establish themselves in their respective markets and work towards a strategic approach to long-term brand building.

The process of identifying Sri Lanka's most valuable brands begins by reviewing the consumer-facing companies which are listed on the Colombo Stock Exchange (CSE) and by companies that are interested to list their brands in our rankings to understand where they stand against their competitors. By analysing both the financial and marketing performances of these brands, we can determine which of them are generating the highest brand value.

The data we have enables us to provide Brand Valuation Reports which enable companies to understand how their brands are performing against its competitors locally and internationally. This provides insight as to how the brand is performing against its key competitors, set global benchmarks and identify the drivers of strength and brand value.

Consumer Brands.

Top 100 most valuable brands 1-50

RANK 2018	RANK 2017	BRAND NAME	PARENT COMPANY	INDUSTRY	2018 BRAND VALUE	2018 BRAND RATING	2018 ENTERPRISE VALUE (RS. M)	2018 BV/EV
1	1	BOC	Bank of Ceylon	Banking	42,874	AA	-	0.0%
2	2	Dialog	Dialog Axiata	Telecommunications	38,168	AAA-	128,064	29.8%
3	3	People's Bank	Peoples Bank	Banking	35,306	AA	-	0.0%
4	4	Commercial Bank	Commercial Bank of Ceylon	Banking	29,315	AA	131,910	22.2%
5	5	NSB	National Savings Bank	Banking	27,802	AA-	-	0.0%
6	9	HNB	Hatton National Bank	Banking	22,142	AA-	115,283	19.2%
7	8	Nestlé	Nestlé Lanka	Food & Beverage	21,649	AA+	108,982	19.9%
8	11	Sampath Bank	Sampath Bank	Banking	19,372	AA+	53,232	36.4%
9	6	Lion Beer	Lion Brewery (Ceylon)	Food & Beverage	18,064	AA-	41,257	43.8%
10	10	Cargills Food City	Cargills (Ceylon)	Supermarkets (Retail)	17,947	AA+	59,681	30.1%
11	13	DCSL	Distilleries Company of Sri Lanka	Food & Beverage	17,092	A+	-	0.0%
12	12	Singer	Singer (Sri Lanka)	Retail	16,497	AA	38,793	42.5%
13	7	SriLankan Airlines	SriLankan Airlines	Airlines	12,023	A+	-	0.0%
14	20	Keells Super	JayKay Marketing Services	Supermarkets (Retail)	11,552	AA+	81,267	14.2%
15	15	Elephant House	Ceylon Cold Stores	Food & Beverage	10,908	AA+	81,267	13.4%
16	14	SLT	Sri Lanka Telecom	Telecommunications	9,936	A+	47,506	20.9%
17	17	Mobitel	Sri Lanka Telecom	Telecommunications	8,857	AA-	39,563	22.4%
18	19	Seylan Bank	Seylan Bank	Banking	8,416	A+	25,764	32.7%
19	18	NDB Bank	National Development Bank	Banking	8,155	A+	24,694	33.0%
20	16	PLC	People's Leasing & Finance	Financial services	6,486	AA-	28,280	22.9%
21	21	Cinnamon	John Keells Holdings	Hospitality	6,454	AA	27,170	23.8%
22	22	Arpico Supercentre	Richard Pieris	Supermarkets (Retail)	6,424	A+	36,064	17.8%
23	28	Tokyo Cement	Tokyo Cement Company	Building materials	6,050	AA	36,252	16.7%
24	23	LOLC Finance	LOLC Finance	Financial services	5,021	A+	9,667	51.9%
25	24	Rocell	Royal Ceramics Lanka	Building materials	4,962	AAA-	33,129	15.0%
26	25	Commercial Credit	Commercial Credit & Finance	Financial services	4,802	AA-	22,506	21.3%
27	39	DFCC Bank	DFCC Bank	Banking	4,706	A+	34,198	13.8%
28	26	LB Finance	LB Finance	Financial services	4,236	AA-	102,043	4.2%
29	31	Dilmah	Dilmah Ceylon Tea Company	Food & Beverage	4,161	AA-	9,459	44.0%
30	30	Nations Trust Bank	Nations Trust Bank	Banking	4,051	A	18,564	21.8%
31	29	Central Finance	Central Finance Company	Financial services	3,910	A	28,059	13.9%
32	34	Ceylinco Life	Ceylinco Life Insurance	Insurance	3,680	AA	19,828	18.6%
33	32	Sri Lanka Insurance General	Sri Lanka Insurance Corporation	Insurance	3,630	AA	-	0.0%
34	27	Lanka IOC	Lanka IOC	Oil and gas	3,321	A	9,885	33.6%
35	35	Sri Lanka Insurance Life	Sri Lanka Insurance Corporation	Insurance	3,239	AA	-	0.0%
36	33	Ceylinco General Insurance	Ceylinco General Insurance	Insurance	3,206	AA-	21,265	15.1%
37	46	Janashakthi General	Janashakthi General Insurance	Insurance	2,828	AA	9,046	31.3%
38	38	Asiri Health	Asiri Hospital Holdings	Healthcare	2,289	AA-	38,036	6.0%
39	37	Pan Asia Bank	Pan Asia Banking Corporation	Banking	2,281	A+	9,264	24.6%
40	36	Prima	Ceylon Grain Elevators	Food & Beverage	2,237	AA-	3,058	73.2%
41	45	ODEL	ODEL	Retail	2,022	AA	9,490	21.3%
42	40	RDB	Regional Development Bank	Banking	1,957	A	-	0.0%
43	47	Union Assurance	Union Assurance	Insurance	1,803	AA-	8,650	20.8%
44	42	Mitsubishi	United Motors Lanka	Motor	1,631	AA-	11,530	14.1%
45	41	ACL	ACL Cables	Building materials	1,586	A+	8,041	19.7%
46	44	Commercial Leasing	Commercial Leasing & Finance	Financial services	1,330	A-	64,108	2.1%
47	43	Krest (Formerly Keells Foods)	Keells Food Products	Food & Beverage	1,304	A+	3,537	36.9%
48	61	Softlogic Life	Softlogic Life Insurance	Insurance	1,250	A	8,524	14.7%
49	66	Taj Samudra	TAL Lanka Hotels	Hospitality	1,138	AA-	5,009	22.7%
50	48	Kelani Cables	Kelani Cables	Building materials	1,110	AA-	2,353	47.2%

Top 100 most valuable brands 51-100

RANK 2018	RANK 2017	BRAND NAME	PARENT COMPANY	INDUSTRY	2018 BRAND VALUE (RS. M)	2018 BRAND RATING	2018 ENTERPRISE VALUE (RS. M)	2018 BV/EV
51	New	CEAT	CEAT Kelani Holdings	Motor	1,089	A+	-	0.0%
52	53	AIA Insurance	AIA Insurance Lanka	Insurance	1,078	A-	9,381	11.5%
53	55	Caltex	Chevron Lubricants Lanka	Oil and gas	1,076	AA-	37,930	2.8%
54	54	CDB	Citizen Development Business	Financial services	1,047	A	14,759	7.1%
55	New	The Kingsbury	The Kingsbury	Hospitality	981	A	4,243	23.1%
56	50	Harischandra	Harischandra Mills	Food & Beverage	978	A	2,947	33.2%
57	52	Mercantile Investments	Mercantile Investments and Finance	Financial services	935	A-	7,756	12.0%
58	51	HDFC Bank	HDFC Bank of Sri Lanka	Banking	927	A-	2,744	33.8%
59	57	Alliance Finance	Alliance Finance	Financial services	889	A-	2,258	39.4%
60	64	Abans	Abans Electricals	Retail	861	A+	1,192	72.2%
61	56	Bairaha	Bairaha Farms	Food & Beverage	849	A+	2,809	30.2%
62	63	Nawaloka Hospitals	Nawaloka Hospitals	Healthcare	835	A+	12,146	6.9%
63	62	Senkadagala Finance	Senkadagala Finance	Financial services	821	A-	17,153	4.8%
64	49	LAUGFS Gas	LAUGFS Gas	Oil and gas	815	AA	28,285	2.9%
65	59	Union Bank	Union Bank of Colombo	Banking	791	A	16,480	4.8%
66	58	MBSL	Merchant Bank of Sri Lanka &	Financial services	784	A	2,469	31.8%
67	65	Lankem	Lankem Ceylon	Chemicals	708	A	10,831	6.5%
68	70	Ashok Leyland	Lanka Ashok Leyland	Motor	670	BBB	6,237	10.7%
69	71	Morison	Morison	Healthcare	657	A	2,715	24.2%
70	84	Janashakthi Insurance	Janashakthi Insurance	Insurance	655	AA	2,487	26.3%
71	67	Vallibel Finance	Vallibel Finance	Financial services	625	A-	2,813	22.2%
72	68	TFC	The Finance Company	Financial services	617	A	5,136	12.0%
73	69	Lanka Hospitals	Lanka Hospitals Corporation	Healthcare	588	A	14,524	4.0%
74	75	Lanka Soy	Convenience Foods Lanka	Food & Beverage	576	A+	605	95.2%
75	82	HNB Assurance	HNB Assurance	Insurance	573	A+	1,495	38.3%
76	81	Isuzu	Sathosa Motors	Motor	564	A+	2,696	20.9%
77	72	Softlogic Finance	Softlogic Finance	Financial services	545	A-	3,378	16.1%
78	74	Kotmale	Kotmale Holdings	Food & Beverage	541	A	6,625	8.2%
79	87	Sierra Cables	Sierra Cables	Building materials	524	A-	1,961	26.7%
80	79	Durdans	Ceylon Hospitals	Healthcare	520	A	4,795	10.8%
81	85	HNB General Insurance	HNB General Insurance	Insurance	506	A+	1,322	38.3%
82	76	Amaya	Amaya Leisure	Hospitality	490	AA-	4,732	10.3%
83	88	Lucky Yoghurt	Lucky Lanka Milk Processing	Food & Beverage	482	A	877	55.0%
84	73	Swadeshi	Swadeshi Industrial Works	Personal care	466	BB	2,249	20.7%
85	77	SMIB	State Mortgage & Investment Bank	Banking	443	B	-	0.0%
86	78	Singer Finance	Singer Finance (Lanka)	Financial services	418	BBB	8,205	5.1%
87	83	Amana Bank	Amana Bank	Banking	385	A-	4,503	8.5%
88	80	Lakspray	Lanka Milk Foods	Food & Beverage	384	A-	5,457	7.0%
89	91	Citrus	Citrus Leisure	Hospitality	313	A+	4,920	6.4%
90	92	Heladiv	HVA Foods	Food & Beverage	311	BBB	887	35.0%
91	86	Lanka Bell	Melstacorp	Telecommunications	289	A+	-	0.0%
92	98	Amana Takaful General	Amana Takaful Insurance	Insurance	280	A	1,293	21.7%
93	New	Abans Finance	Abans Finance	Financial services	253	BBB	1,241	20.4%
94	89	Jetwing Lighthouse	The Lighthouse Hotel	Hospitality	253	AA	2,291	11.1%
95	94	Arpico Finance	Arpico Finance	Financial services	171	A-	5,425	3.1%
96	95	Dankotuwa	Dankotuwa Porcelain	Retail	153	A	1,562	9.8%
97	97	Sinhaputhra Finance	Sinhaputhra Finance	Financial services	146	BBB	263	55.5%
98	99	Amana Takaful Life	Amana Takaful Life	Insurance	129	A	598	21.5%
99	96	Heritage Ahungalla	Aitken Spence Hotel Holdings	Hospitality	100	A-	-	0.0%
100	New	Kelsey Homes	Kelsey Developments	Housing development	95	BB	1,545	6.1%

Understand Your Brand's Value.

A Brand Value 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.

What is a Brand Value Report?

Brand Valuation Summary

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

Brand Strength Index

- + Brand strength tracking
- + Brand strength analysis
- + Management KPIs
- + Competitor benchmarking

Royalty Rates

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

Cost of Capital

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

Customer Research

- + Utilities
- + Insurance
- + Banks
- + Telecoms

For more information regarding our Brand Value Reports, please contact:

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Mawatha, Colombo 5

What are the benefits of a Brand Value Report?



Insight

Provide insight as to how the brand is performing vs. key competitors on underlying measures and drivers of brand value and brand strength.



Strategy

Understand where brand value is being generated by region and channel in order to identify areas of opportunity that warrant further investigation.



Benchmarking

Track year-on-year changes to brand value and set long-term objectives against which high-level brand performance can be benchmarked.



Education

Provide a platform of understanding which the company can use to educate employees on the importance of the brand.



Communication

Communicate your brand's success to shareholders, customers, and other strategically selected audiences.



Understanding

Understand and appreciate the value of your brand as an asset of the business.

Methodology.

Brand Finance calculates the values of the brands in its league tables using the Royalty Relief approach – a brand valuation method compliant with the industry standards set in ISO 10668.

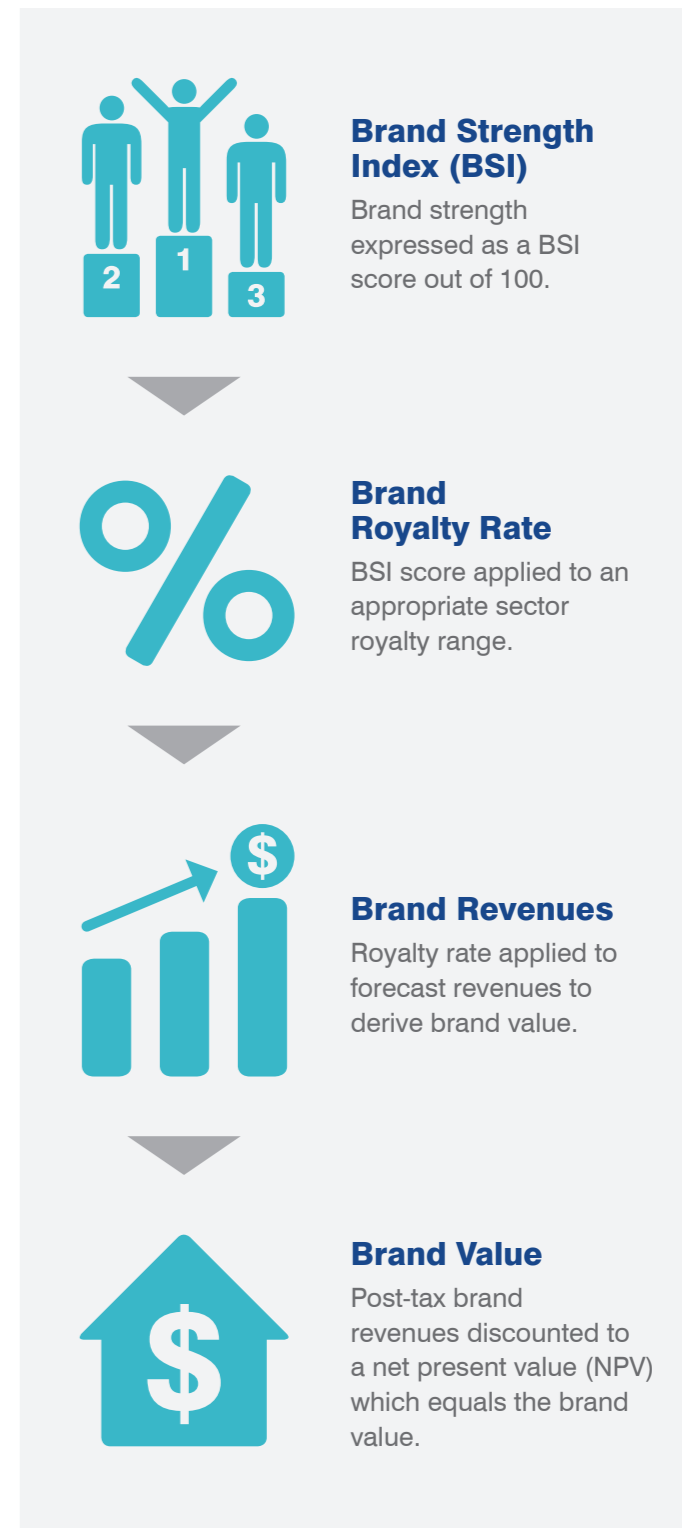
This involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a 'brand value' understood as a net economic benefit that a licensor would achieve by licensing the brand in the open market.

The steps in this process are as follows:

- 1 Calculate brand strength using a balanced scorecard of metrics assessing Marketing Investment, Stakeholder Equity, and Business Performance. Brand strength is expressed as a Brand Strength Index (BSI) score on a scale of 0 to 100.
- 2 Determine royalty range for each industry, reflecting the importance of brand to purchasing decisions. In luxury, the maximum percentage is high, in extractive industry, where goods are often commoditised, it is lower. This is done by reviewing comparable licensing agreements sourced from Brand Finance's extensive database.
- 3 Calculate royalty rate. The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand-specific revenues by estimating a proportion of parent company revenues attributable to a brand.
- 5 Determine forecast revenues using a function of historic revenues, equity analyst forecasts, and economic growth rates.
- 6 Apply the royalty rate to the forecast revenues to derive brand revenues.
- 7 Brand revenues are discounted post-tax to a net present value which equals the brand value.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.











Our Clients.



Our Services in Sri Lanka.

- + Branded business valuations for the purpose of scenario analysis to evaluate strategic marketing options, which have enabled brands to determine the optimum route forward through greater efficiencies in resource allocation.
- + Building brand dashboards for performance tracking and monitoring purposes for Board and management meetings, which when used in conjunction with financial performance can be useful measures of management performance and accountability.
- + Brand valuations to reallocate the brand assets to other entities for business and marketing efficiencies.
- + Brand valuations for the purpose of setting up special purpose vehicles or entities (SPV/SPE) ensuring better brand management and marketing and budgeting efficiencies.
- + Brand valuations for the purpose of informing current shareholders and potential shareholders of the possible uplift in value that the brand can contribute to the business.
- + Strategic marketing analysis to explore and agree on brand positioning options in a competitive context to define the brand, leading to greater focus across future investments.
- + Through a clear and concise definition of the brand, enable long term strategic planning to ensure budget efficiencies and management accountability.
- + Internalizing the brand beliefs through relevant employee related initiatives to be able to optimize the brand experience for the customer.
- + Revamping the brand identity and design system to align the brand with the brand position so as to maximize the benefit of this valuable asset.
- + Brand league report (from the league table) so management understands the current standing and competitive threats to be able to take proactive action and also to be a source of information for future planning purposes.
- + Brand valuations for the purpose of negotiation and transaction purposes during the sale and acquisition of the business.
- + Brand valuations for post acquisition impairment purposes and balance sheet reporting.
- + Fact based market analysis to identify strategic brand entry options to maximize the chances of success and to ensure better utilization of resources.
- + Customer profiling and market segmentation to optimize the marketing strategies saving costs to the business.

Our People.

 <p>Sharmila Cassim- Captain Consultant</p>	 <p>Sue Evans Consultant</p>	 <p>Aliakber Alihussain Valuation Manager</p>	 <p>Dhanushika Shanmuganathan Analyst</p>
 <p>Menuka Waduge Analyst</p>	 <p>Amadi Wijayapala Analyst</p>	 <p>Yanuharshini Yamunanathan Analyst</p>	 <p>Ibrahim Shakir Trainee Analyst</p>

Brand Finance Lanka consists of a group of highly experienced marketers and well qualified analysts on the other. This blend of marketers and analysts are able to provide the core Brand Finance offering of strategic solutions that bridge the gap between marketing and finance.

Our people are able to extract, analyse and interpret data to develop marketing and brand strategies and predicting a financial or other measurable outcome, thereby providing a sound basis for the CEO to make fact based decisions. Further by tracking financial and other key indicators, marketing and brand strategies could be changed in a timely manner, ensuring return on investment.



Contact us.

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