In partnership with

South Africa 50 2017

The annual report on the most valuable South African brands

July 2017

Foreword.

Dr. KLM Makhubela, PhD
CEO, Brand South Africa

Brand South Africa as the official marketing agency of South Africa, is mandated with building the country's brand reputation, in order to improve its global appeal and competitiveness. The aim is to get the country's citizens to stand behind the Nation Brand with pride which in turn promotes patriotism and contributes towards social cohesion.

In executing this mandate, it is important for Brand South Africa to recognize and acknowledge the role commercial brands play in the country's reputation. A recent study conducted by the Reputation House shows, that South Africa's reputation ranking has improved from 49 in 2016 to 45 out of a possible hundred in 2017. The Reptrak study measures South Africa's reputation from both an internal and external perspective, meaning that the survey is conducted in South Africa, as well as in "G8" countries. This year's results show an improvement both in terms of how respondents in the G8 countries, and South Africans perceive the country in terms of its reputation.

South African commercial brands help to fly the country's flag high – domestically and internationally. In today's market, it is crucial that we stand apart from the crowd. The competition is no longer only on a local stage, organisations now compete on the global stage.

Brand South Africa is pleased to once again, partner with Brand Finance, in honouring the top 50 most valuable brands in the country. We celebrate these commercial brands for their contribution to South Africa's global competitiveness. The value and quality of these brands is therefore recognized as reflected through this important event.

We thank you for playing your part and look forward to honouring you amongst the Top 50 most valuable brands for years to come.

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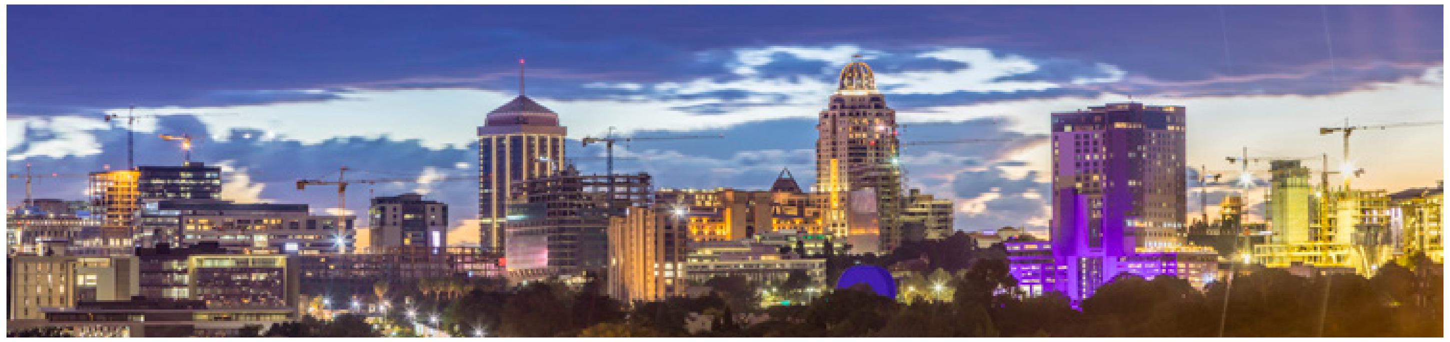
brand AFRICA

Executive Summary

By Jeremy Sampson
Director, Brand Finance Africa

SOUTH AFRICAN BRANDS OUTPERFORM THE ECONOMY



Today 'emerging markets' (EM's) receive much coverage in the global financial media. But the debate has moved on from the BRICS (Brasil, Russia, India, China and South Africa), beyond the CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa) as countries prospects and acronyms come and go. Many prefer to invest in the FANG's*

South Africa is part of the global investment community, and markets require consistancy and reassurance, weighing up risk vs reward. A key aspect of EM's is political stability, something not always guarenteed nor understood if viewed from New York, London, Frankfurt, Beijing or Tokyo. Around the world the ratings agencies are the point of reference, and if warning signs are flashing then its time to move to safer opportunities elsewhere. Currently we have many challenges largely of a political nature that impacts negatively and undermines business confidence.

That said investment opportunities in the so called firstworld are extremely limited as many economies remain flat. As reported in the June 2017 McKinsey Global Survey, Economic Conditions Snapshot: 'Emerging market respondents now report a brighter view on trade levels – and a more optimistic outlook – than their developed market peers". So funds will flow to those parts of the world where it is percieved there is money to be made, and the risk is manageable.

Many EM's have economies that are commodity based, the opposite end of the spectrum of a brand, and invariably the major companies are from either mining, banks and financial or telco sectors. These sectors are crucial to ongoing stability in the economy, not to me meddled with. So it is hard to fathom some recent government initiatives. Simply the recent introduction of a revised ill thought out Mining Charter is said to have resulted in the writing off of over R50 billion of share value as well as deterring potential international investors, Investment that would feed the fiscus, create jobs and promote growth.

*FANG's: Facebook, Amazon, Netflix, Google (now Alphabet)

We know that countries that 'own' brands will perform better than those that don't, both financially and emotionally. Just look at the impact Nokia had on Finland, Samsung has on Korea, Lego on Denmark etc. And then we have Silicon Valley. Whilst the impact of Chinese brands grows by the day, especially in banking.

In the last year South African brands have outperfomed the economy, growing 3% by value.

Top 50 Findings:

- **Total brand value** increased by 3% from R 384bn in 2016 to R 395bn in 2017
- **Most Valuable Sectors** – Banks (R 100bn – 25%); Telecoms (R 73bn – 19%), Retail (R 49bn – 12%)
- **Most brands per sector** – Banks & Retail (9 brands each), Insurance (6 brands), Apparel (5 brands)
- **4 new brands** – EOH (Technology), Sasko (Food), HiFi Corp (Retail), OUTsurance (Insurance)
- **4 brands dropped out** – SABMiller (Beverages), Imperial (Holding company), Nampak (Packaging), Game (Retail)
- **Strongest brands** – Woolworths, FNB, Capitec (All rated AAA-)
- **Biggest increases in brand value** – Capitec (25%), Foschini (25%), Growthpoint (17%)
- **Biggest decline in brand value** – SAA (-24%), Mediclinic (-22%), Bidvest (-20%)
- **Biggest increase in rank** – Capitec (+5), Netcare (+3), 8 other brands increasing 2 places each
- **Biggest decrease in rank** – Mediclinic (-6), Life Healthcare (-5), SAA (-4), Momentum (-4)

South African brands have much to be proud of. Despite recessionary times and socio political headwinds they remain strong. But this is not a time to be cutting marketing budgets, as there remain opportunites out there. Look no further than Capitec that has muscled its way into an already highly competitive sector.

Commentary

Goodwill hunting

By Michael Avery
Anchor, Classic FM Business

In a world of rising populism where business is increasingly viewed with distrust, company executives are looking at ways to better articulate their long-term value creation for a range of stakeholders beyond just shareholders. The answer may just lie in the aptly named, yet poorly understood or disclosed, asset class of intangibles.

A company's reputation, often measured by goodwill and brand recognition, is also considered an intangible asset. Brand identities are pivotal in helping companies stay ahead of competitors, and simply put, a positive brand promotes sales, builds trust, and inspires customer loyalty.

According to Morningstar equity research, nearly 60% of its domestic and international moat-rated companies have achieved this recognition because of intangible assets and strong brands.

A strong brand is even more critical in this age of the fourth industrial revolution. Gone are the days of growth being founded on brick and mortar assets, the plant and machinery of the new capitalism are making their way to the cloud of shared services and IT infrastructure, of asset-lite start-ups-cum-unicorns, such as Air BnB, Uber and WeChat. And that has necessitated a rethink in the way we measure and report on the value inherent in these businesses.

Accounting for the value in intangible assets such as brand, intellectual property, training, social license to operate and the like has for some time now been cause for robust debate.

Accountants find comfort in the historical cost convention and writing down intangibles to avoid the pitfalls of so-called creative accounting. But the problem with that approach in an age where, for example, many mid-market fintech companies have substantial EBITDA and profitability, while having the bulk of their assets as intangibles, produces accounting nonsense and misleading investor information.

Jesse Josse, who has spent the past spent twenty-five years plus working as an executive in some of the world's leading financial institutions, including Schroders, Citigroup, and N M Rothschild, put it succinctly writing for the Street on July 6th.

"When many banks and financiers looked at [the fintech businesses I was advising], they wanted to write-down the intangible assets to get to a tangible asset figure. Well, in doing so, you often ended up with negative tangible assets and therefore, on this basis, the ROE was negative."

The problem, as Josse correctly points out, is that this is not an isolated incident as we enter the tech age were IP is becoming the most dominant item on many company balance sheets. In effect, we are dealing with the valuation of innovation, one of the key drivers of value today and into the future.

And the question of intangibles is even broader than that.

The chief executives of more than 20 companies and investment funds, representing a combined $20tn under management, including Unilever, PepsiCo and Nestlé, and the asset managers Vanguard, Fidelity and Schroders, are currently involved in a project led by the not-for-profit business group, Coalition for Inclusive Capitalism, and professional services firm EY, to discuss a set of consistent metrics that would allow fund managers to compare companies' "intangible assets", which range from intellectual property to more ephemeral aspects like company culture or brand value.

Lady Lynn Forester de Rothschild, who founded the coalition, was quoted in the FT recently saying that this is "the first step" to allow companies to prove their long-term value, rather than being judged solely on their immediate financial performance.

Value, brands and intangible assets are three concepts that are set to transform the way we as consumers, investors, entrepreneurs and architects of the unfolding fourth industrial revolution, redefine the rules of capitalism and reassert the primacy of business as a positive social force.

Why intangibles and especially brands are important

By Zeona Jacobs, Director Marketing & Corporate Affairs, Johannesburg Stock Exchange (JSE)

I recently read renowned author Yuval Noah Harari, Sapiens: a brief history of humankind where he says that brands live in our minds. He refers to the notion that even if the French car brand Peugeot's cars were all burnt and all the employees did not exist, that the brand would continue to exist as an intangible but leading brand.

This is a powerful example and rings true to the value of a brand and the goodwill that brands build. This intangible asset is the cornerstone of what make makes and keeps customers buying and investors investing.

I turn now to the JSE, a trusted brand that is as much a part of the creation of Johannesburg as the gold rush of 1887, a true symbol of growth and prosperity during this new boom.

Fast forward to where we are today, an era where the digital evolution has surpassed and disrupted anything we could have imagined 30 years ago and brands having not escaped the impact of digitisation and its disruption.

The pace of change in which all brands are operating continues to accelerate at an alarming rate.

Brands have been created and destroyed in this digital era. According to a recent report by the Chief Marketing Officer Council in partnership with Hybris says that customer experience is more critical than ever in this new world. But we all knew that.

What struck me rather is the importance of understanding the real expectations of today's connected customer. With this level of disruption that digitisation brings, the quality of brand engagement and the speed at which they respond can be the make or break of a brand.

From a JSE perspective, gone are the days of the 'outcry' on the trading floor where we could touch, see and engage face-to-face with our customers. Our engagements today are purely electronic with majority of market activity stemming from algorithmic trading. Technological developments (processing power and networks) over the last decades have made it possible for financial markets to take advantage of advances in artificial intelligence which has led to the substantial trade volumes that we have seen across exchanges.

Whilst we celebrate our 130th year anniversary this year, and continue to have a central and crucial role to play in the economy of our country, we need to remain relevant in the hearts and minds of our stakeholders. We need to use technology and the platforms it provides to not only operate a trusted market but to engage, learn and co-create with our customers and partners, taking this goodwill to greater heights. It is about creating a JSE that is fit for the future. And that future is now.

Brands and Intangibles

By Chris Gilmour, Chairman, Investment Analysts Society of South Africa

When I arrived in South Africa in 1982, I rapidly discovered the value of brands, especially among the black consumers of this country. There were so-called "American" shops on many street corners in central Johannesburg, which sold Stetson hats and Florsheim shoes among many other US brands. Coming from the UK, I had never heard of these brands, nor had I encountered the curious habit of paying for them over an extended period of time via the so-called "lay bye" mechanism. These were expensive items and the only way that these relatively impoverished consumers could purchase them was to avail themselves of the terms that the shops offered. But so powerful were the brands that they had to have them.

Many years later, a former marketing director of SAB told me that around 30% of the consumers who bought premium beer brands in SA couldn't really afford them but such was the aspirational appeal of these brands that they made a plan to consume (and more importantly been seen to be consuming) them.

In a relatively poor country like SA, poor people gain a large degree of comfort by associating with brands; with very little money to go round, they want to know that what they are buying will last or alternatively will make them look good in front of their peers.

This is perhaps one of the reasons why no-name brands, or "private label" brands have hardly taken off in this country. In a typical supermarket, private label brands will account for around 15% of total sales, while in the US, Europe or the UK, that figure is often above 50%. When money is scarce, people naturally associate with and buy brands and eschew their generic counterparts, no matter how close they happen to be to the quality to the branded product.

And at a more esoteric level, it can be shown that branded products command higher ratings in equity markets than non-branded products. This is an important consideration for portfolio managers, for example, when making decisions as to where to invest client funds.

When calculating return on equity (RoE), many analysts tend to strip out the value of intangibles from equity calculations, mainly for comparative purposes. This has the effect of reducing equity and thus greatly increasing the resultant RoE. A case in point is Famous Brands, which has a very high normalized RoE is comparison with many other companies that don't have such a high brand content.

Bottom line is that brands and brand values are hugely important in consumer decision making and in many other facets of life as well.


The true value of a brand

co authored by Lindie Englebrecht - Executive Director and
Willi Coates Senior Executive: Brand from SAICA

“Brand is just a perception, and perception will match reality over time. Sometimes it will be ahead, other times it will be behind. But brand is simply a collective impression some have about a product” - Elon Musk

More and more companies are realising that brands represent past, current and future income generating capacity. The brand value is essentially an intangible asset from which the company can derive future economic benefit. In fact, the value of the brand in many companies is the most significant ‘asset’. Companies like Uber and AirBnb have virtually no ‘bricks and mortar’ or tangilble assets, the value of the company vests in a powerful brand.

Unfortunately this is a risky business. If the value of the company is so heavily linked to the brand, reputational damage poses a potentially catastrophic risk. A lifetime to build and an instant to destroy.

Brands like many other intangible assets such as research, trademarks, computer software, among others, are identifiable if it is capable of being sold, transferred, licensed, rented or exchanged for economic value.

Financial reporting standards only allow companies to record brands or recognize the value of brands in accounting terms when the financial benefit is attributed to that brand through the sale of either the organisation itself or the applicable intellectual property to a willing buyer thereby producing a fair market value for the intangible asset.

However, the fact that a company may not be able to record the value, does not mean the value should not be measured. Measuring the value of brands is important to determine and grow the future value of the company, by growing the elements which drive the value of such brands to drive future economic benefit for the company.

continued

In a brand valuation performed by Brand Finance on SAICA as at 31 December 2016, Brand Finance identified the value of the CA (SA) brand as some R54 to R58 million with the estimated SAICA branded business value of R291 million. Although the value of the SAICA brand/s are not recorded in the SAICA integrated report, SAICA and its brands can be “sold “in the market place for at least R291 million to a willing buyer.

A brand valuation not only allows a company to identify and direct the growth of the future economic value of the company, but also helps to identify the levers that contribute and detract from the value of the brand. Understanding these levers allows the board and management to focus its attention on the activities that truly drive brand value, and avoiding wasting resources on activities that have little or no impact on the value of the brand.

Seth Godin wrote, “A brand’s value is merely the sum total of how much extra people will pay, or how often they choose, the expectations, memories, stories and relationships of one brand over the alternatives.” Understanding the value of your brand will help balance the equation.

South Africa’s Winners and Losers

Rank 2017	Rank 2016	Brand	Sector	BV 2017 (ZAR m)	BV Change	Brand Rating 2017	EV 2017 (ZAR m)	BV/ EV	BV 2016 (ZAR m)	Brand Rating 2016
BIGGEST GAINERS										
28	33	**Capitec**	Banks	5 040	25%	AAA-	79 204	6%	4 023	AA
42	44	**Foschini**	Apparel	2 409	25%	A+	11 931	20%	1 920	A+
49	46	**Growthpoint**	Real Estate	1 721	17%	A+	108 284	2%	1 467	AA-
9	11	**MultiChoice**	Media	13 519	16%	AA-	482 986	3%	11 605	A+
13	15	**Spar**	Retail	10 353	15%	AA-	38 952	27%	8 995	AA-
44	45	**Huletts**	Food	2 063	15%	AA	25 810	8%	1 793	AA
34	35	**RMB**	Banks	3 613	12%	AA-	59 449	6%	3 213	AA
17	17	**Old Mutual**	Insurance	8 849	11%	AA-	151 104	6%	7 966	AA-
2	2	**Vodacom**	Telecoms	24 259	10%	AA	263 495	9%	21 970	AA
1	1	**MTN**	Telecoms	40 846	10%	AA+	288 625	14%	37 002	AA+
BIGGEST LOSERS										
46	42	**SAA**	Airlines	1 893	-24%	A-			2 484	A
16	10	**Mediclinic**	Healthcare	9 051	-22%	A+	120 310	8%	11 653	AA
33	30	**Bidvest**	Retail	3 784	-20%	A	62 459	6%	4 727	A+
41	37	**Momentum**	Insurance	2 452	-19%	A	12 981	19%	3 012	AA-
43	40	**Rainbow**	Food	2 194	-16%	AA-	14 808	15%	2 615	AA-
48	43	**Life Healthcare**	Healthcare	1 843	-16%	A	41 596	4%	2 195	A+
32	31	**Country Road**	Apparel	3 942	-15%	AA	13 340	30%	4 642	
19	18	**Pick'n Pay**	Retail	6 795	-11%	AA-	31 798	21%	7 617	A+
21	20	**Discovery**	Insurance	6 135	-9%	AA-	72 148	9%	6 725	AA
23	21	**Hansa Pilsner**	Beverages	5 967	-8%	AA-	52 593	11%	6 473	AA-

BV - Brand Value EV - Enterprise Value

Methodology

League Table Valuation Methodology

Brand Finance calculates the values of the brands in its league tables using the 'Royalty Relief approach'. This approach involves estimating the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand, i.e. what the owner would have to pay for the use of the brand—assuming it were not already owned.

The steps in this process are as follows:

1 Calculate brand strength on a scale of 0 to 100 based on a number of attributes such as emotional connection, financial performance and sustainability, among others. This score is known as the Brand Strength Index, and is calculated using brand data from the BrandAsset® Valuator database, the world's largest database of brands, which measures brand equity, consideration and emotional imagery attributes to assess brand personality in a category agnostic manner.

2 Determine the royalty rate range for the respective brand sectors. This is done by reviewing comparable licensing agreements sourced from Brand Finance's extensive database of license agreements and other online databases.

3 Calculate royalty rate. The brand strength score is applied to the royalty rate range to arrive at a royalty rate. For example, if the royalty rate range in a brand's sector is 0-5% and a brand has a brand strength score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4.0%.

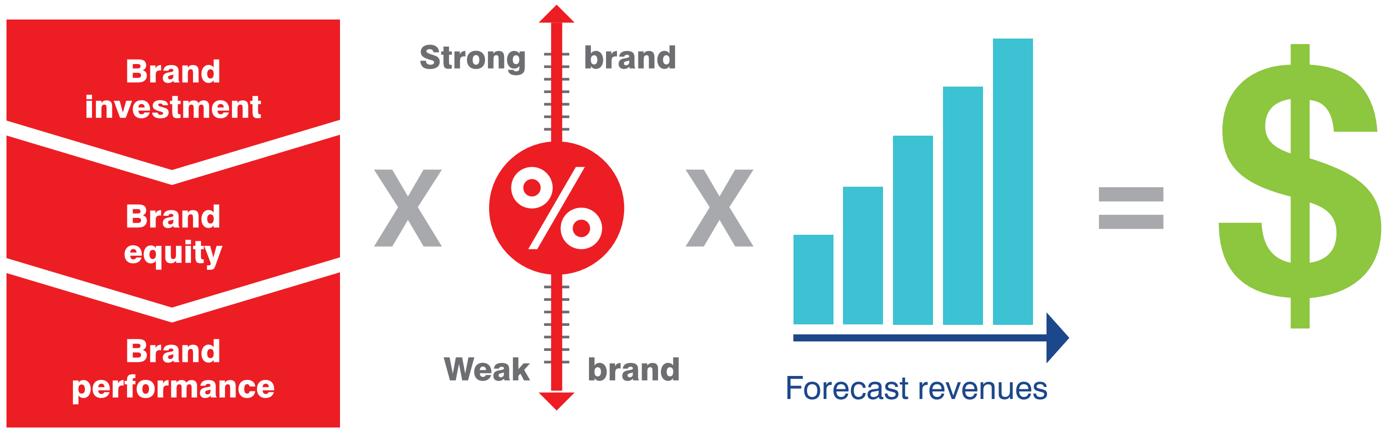
4 Determine brand specific revenues estimating a proportion of parent company revenues attributable to a specific brand.

5 Determine forecast brand specific 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.

Brand strength index (BSI) | **Brand 'Royalty rate'** | **Brand revenues** | **Brand value**



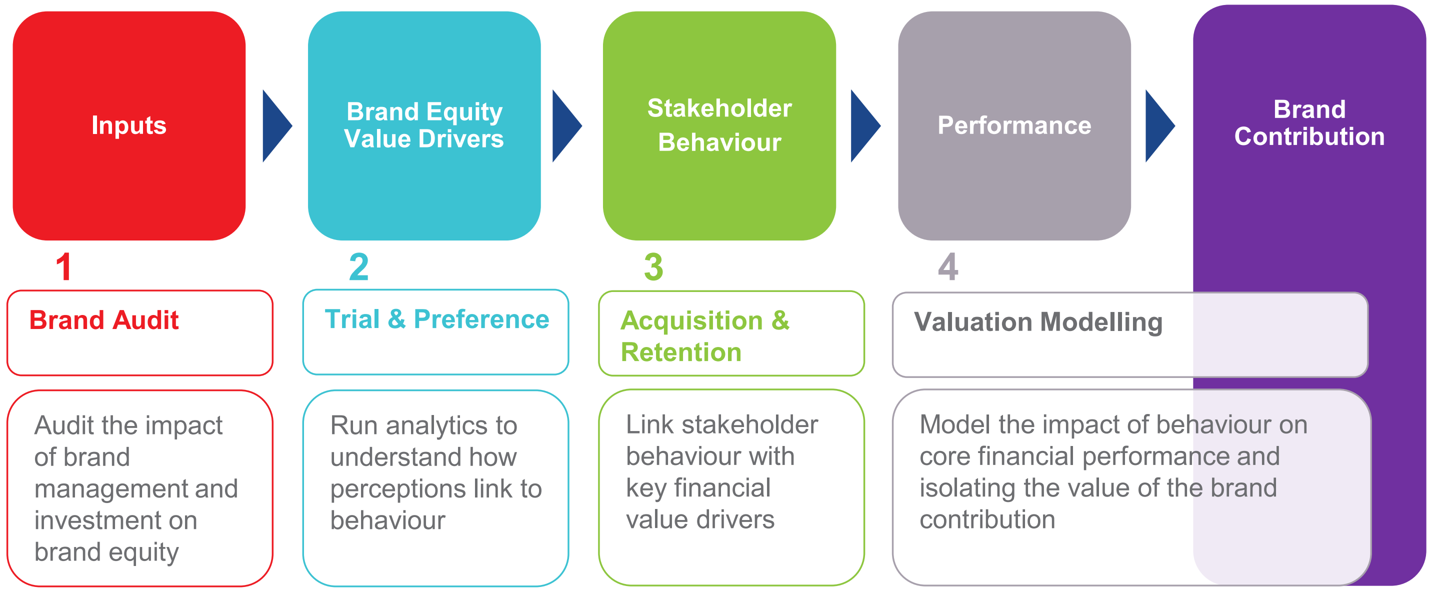
Brand strength expressed as a BSI score out of 100.

BSI score applied to an appropriate sector royalty rate range.

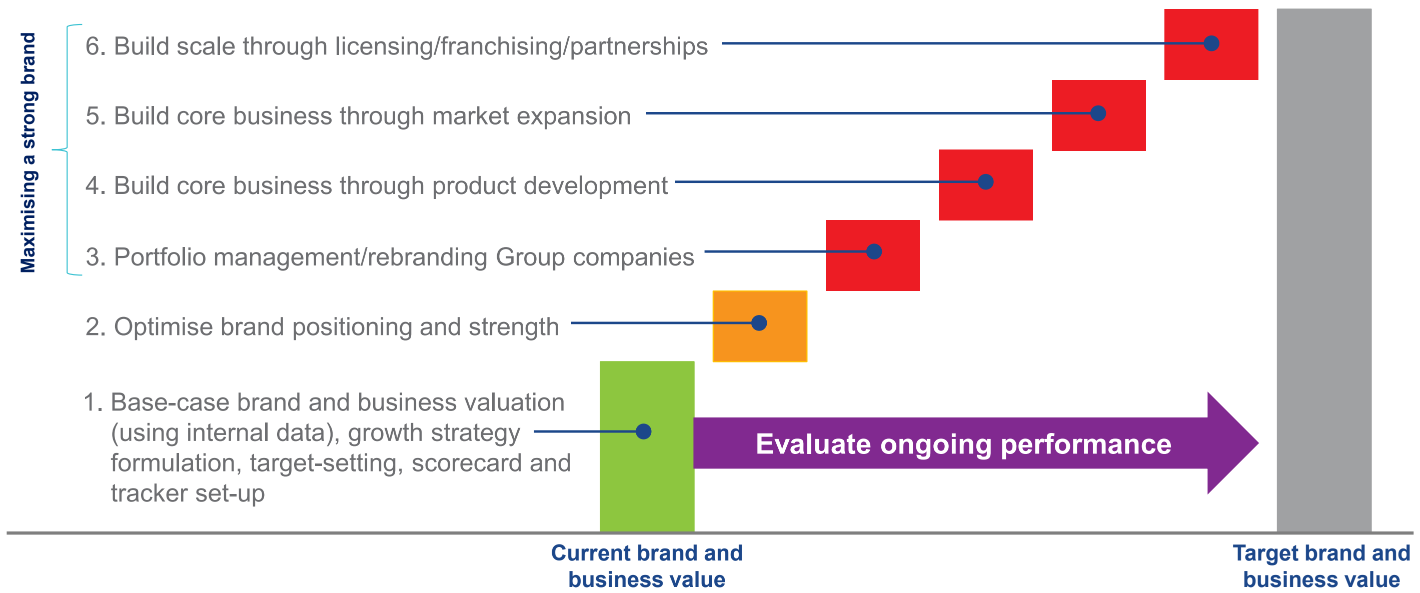
Royalty rate applied to forecast revenues to derive brand values.

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

Brand Finance Typical Project Approach



How We Help to Maximise Value



South Africa's Top 50 Most Valuable Brands

Rank 2017	Rank 2016	Brand	Parent Company	Sector	BV 2017 (ZAR m)	BV Change	Brand Rating 2017	EV 2017 (ZAR m)	BV/ EV	BV 2016 (ZAR m)	Brand Rating 2016
1	1	**MTN**	MTN GROUP LTD	Telecoms	40 846	10%	AA+	288 625	14%	37 002	AA+
2	2	**Vodacom**	VODACOM GROUP LTD	Telecoms	24 259	10%	AA	263 495	9%	21 970	AA
3	5	**Standard Bank**	STANDARD BANK GROUP LTD	Banks	20 757	10%	AA+	119 347	17%	18 922	AA-
4	3	**Sasol**	SASOL LTD	Oil & Gas	19 009	-4%	AA-	279 917	7%	19 761	AA
5	6	**Woolworths**	WOOLWORTHS HOLDINGS LTD	Apparel	18 360	6%	AAA-	51 849	35%	17 386	AAA-
6	4	**Absa**	BARCLAYS AFRICA GROUP LTD	Banks	18 328	-6%	AA	108 751	17%	19 437	AA+
7	7	**FNB**	FIRSTRAND LTD	Banks	15 923	6%	AAA-	174 006	9%	15 069	AAA-
8	9	**Investec**	INVESTEC PLC	Banks	13 781	7%	AA	84 052	16%	12 910	AA-
9	11	**MultiChoice**	NASPERS LTD	Media	13 519	16%	AA-	482 986	3%	11 605	A+
10	8	**Nedbank**	NEDBANK GROUP LTD	Banks	12 820	-4%	AA+	107 443	12%	13 393	AA-
11	13	**Castle**	ANHEUSER-BUSCH INBEV	Beverages	11 362	9%	AA-	85 634	13%	10 463	AA+
12	12	**Shoprite**	SHOPRITE HOLDINGS LTD	Retail	11 063	2%	AA-	61 229	18%	10 870	A+
13	15	**Spar**	SPAR GROUP LIMITED	Retail	10 353	15%	AA-	38 952	27%	8 995	AA-
14	14	**Mondi**	MONDI LTD	Chemicals	9 768	7%	AA-	168 800	6%	9 149	A+
15	16	**Carling Black Label**	ANHEUSER-BUSCH INBEV	Beverages	9 504	8%	AA	68 548	14%	8 818	AA
16	10	**Mediclinic**	MEDICLINIC INTERNATIONAL LTD	Healthcare	9 051	-22%	A+	120 310	8%	11 653	AA
17	17	**Old Mutual**	OLD MUTUAL PLC	Insurance	8 849	11%	AA-	151 104	6%	7 966	AA-
18	19	**Sanlam**	SANLAM LTD	Insurance	7 247	4%	AA	137 297	5%	6 996	AA
19	18	**Pick'n Pay**	PICK N PAY STORES LTD	Retail	6 795	-11%	AA-	31 798	21%	7 617	A+
20	22	**Mr Price**	MR PRICE GROUP LTD	Apparel	6 265	3%	AA	46 329	14%	6 072	AA-
21	20	**Discovery**	DISCOVERY LTD	Insurance	6 135	-9%	AA-	72 148	9%	6 725	AA
22	25	**Netcare**	NETCARE LTD	Healthcare	6 125	8%	AA-	52 697	12%	5 652	A+
23	21	**Hansa Pilsner**	ANHEUSER-BUSCH INBEV	Beverages	5 967	-8%	AA-	52 593	11%	6 473	AA-
24	23	**Telkom**	TELKOM SA SOC LTD	Telecoms	5 766	-2%	A+	38 541	15%	5 896	AA
25	24	**Sappi**	SAPPI LIMITED	Chemicals	5 617	-3%	AA-	65 953	9%	5 787	A
26	28	**Liberty**	LIBERTY HOLDINGS LTD	Banks	5 318	7%	A+	31 394	17%	4 951	A
27	27	**Checkers**	SHOPRITE HOLDINGS LTD	Retail	5 175	2%	AA-	37 851	14%	5 049	A+
28	33	**Capitec**	CAPITEC HOLDINGS LTD	Banks	5 040	25%	AAA-	79 204	6%	4 023	AA
29	26	**Media24**	NASPERS LTD	Media	4 877	-3%	A+	190 468	3%	5 051	AA-
30	29	**Truworths**	TRUWORTHS INTERNATIONAL LTD	Apparel	4 587	-3%	A+	37 209	12%	4 737	A+
31	32	**Wesbank**	FIRSTRAND LTD	Banks	4 080	-4%	AA+	59 449	7%	4 232	AA-
32	31	**Country Road**	WOOLWORTHS HOLDINGS LTD	Apparel	3 942	-15%	AA	13 340	30%	4 642	
33	30	**Bidvest**	BIDVEST GROUP LTD	Retail	3 784	-20%	A	62 459	6%	4 727	A+
34	35	**RMB**	FIRSTRAND LTD	Banks	3 613	12%	AA-	59 449	6%	3 213	AA
35	34	**Steinhoff**	STEINHOFF INTERNATIONAL	Retail	3 450	4%	AA	395 660	1%	3 322	A+
36	36	**Clicks**	CLICKS GROUP LTD	Retail	3 415	7%	A	28 453	12%	3 206	AA-
37	New	**EOH**	EOH HOLDINGS LTD	Technology	2 905		A+	26 439	11%	-	-
38	38	**Makro**	MASSMART HOLDINGS LTD	Retail	2 715	-1%	AA-	9 116	30%	2 753	A
39	41	**Santam**	SANTAM LTD	Insurance	2 675	6%	A	28 146	10%	2 520	A+
40	39	**Cell C**	SAUDI OGER	Telecoms	2 546	-3%	A-	29 746	9%	2 625	A-
41	37	**Momentum**	MMI HOLDINGS LTD	Insurance	2 452	-19%	A	12 981	19%	3 012	AA-
42	44	**Foschini**	THE FOSCHINI GROUP LTD	Apparel	2 409	25%	A+	11 931	20%	1 920	A+
43	40	**Rainbow**	RCL FOODS LTD	Food	2 194	-16%	AA-	14 808	15%	2 615	AA-
44	45	**Huletts**	TONGAAT HULETT LTD	Food	2 063	15%	AA	25 810	8%	1 793	AA
45	New	**Sasko**	PIONEER FOODS GROUP LTD	Food	1 920		AA-	12 263	16%		
46	42	**SAA**	SOUTH AFRICAN AIRWAYS	Airlines	1 893	-24%	A-		0%	2 484	A
47	New	**HiFi Corp**	STEINHOFF INTERNATIONAL	Retail	1 845		A	18 748	10%		
48	43	**Life Healthcare**	LIFE HEALTHCARE GROUP	Healthcare	1 843	-16%	A	41 596	4%	2 195	A+
49	46	**Growthpoint**	GROWTHPOINT PROPERTIES LTD	Real Estate	1 721	17%	A+	108 284	2%	1 467	AA-
50	New	**OUTsurance**	RMI HOLDINGS	Insurance	1 645		AA-	57 348	3%		

BV - Brand Value EV - Enterprise Value

About Brand Finance

Brand Finance is an independent global business focused on advising strongly branded organisations on how to maximize value through the effective management of their brands and intangible assets.

Since it was founded in 1996, Brand Finance has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars.

Brand Finance's services support a variety of business needs:

- Technical valuations for accounting, tax and legal purposes
- Valuations in support of commercial transactions (acquisitions, divestitures, licensing and joint ventures) involving different forms of intellectual property
- Valuations as part of a wider mandate to deliver value-based marketing strategy and tracking, thereby bridging the gap between marketing and finance.

Our clients include international brand owners, tax authorities, IP lawyers and investment banks. Our work is frequently peer-reviewed by the big four audit practices and our reports have also been accepted by various regulatory bodies, including the UK Takeover Panel.

Brand Finance is headquartered in London and has a network of international offices in Amsterdam, Bangalore, Barcelona, Cape Town, Colombo, Dubai, Geneva, Helsinki, Hong Kong, Istanbul, Johannesburg, Lisbon, Madrid, Moscow, New York, Paris, Sao Paulo, Sydney, Singapore, Toronto and Zagreb.

www.brandfinance.com

Our Services

At Brand Finance, we are entirely focused 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.
Intangible assets values include, copyright, confidential information, customer relationship, design rights, databases, distribution rights, formulations, good will, liscenses technology trade marks, patents and URLS's.

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.

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.

Transactions

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

Glossary

Brand
Trademarks and trademark licenses together with associated goodwill.

BrandBeta®
Brand Finance®'s proprietary method for determining the strength, risk and future potential of a brand relative to its competitor set.

Branded Business
The whole business trading under a particular brand or portfolio of brands, the associated goodwill and all the intangible elements at work within the business.

Brand Rating
A summary opinion, similar to a credit rating, on a brand based on its strength as measured by Brand Finance®'s 'Brand Strength Index'.

Brand Value
The net present value of the estimated future cash flows attributable to the brand (see Methodology section for more detail).

Discounted Cash Flow (DCF)
A method of evaluating an asset value by estimating future cash flows and taking into consideration the time value of money and risk attributed to the future cash flows.

Discount Rate
The interest rate used in discounting future cash flows.

Enterprise Value
The combined market value of the equity and debt of a business less cash and cash equivalents.

Fair Market Value (FMV)
The price at which a business or assets would change hands between a willing buyer and a willing seller, neither of whom are under compulsion to buy or sell and both having reasonable knowledge of all relevant facts at the time.

Holding Company
A company controlling management and operations in another company or group of other companies.

Intangible Asset
An identifiable non-monetary asset without physical substance.

Net Present Value (NPV)
The present value of an asset's net cash flows (minus any initial investment).

Tangible Value
The fair market value of the monetary and physical assets of a business.

Weighted Average Cost of Capital (WACC)
An average representing the expected return on all of a company's securities. Each source of capital, such as stocks, bonds, and other debts, is assigned a required rate of return, and then these required rates of return are weighted in proportion to the share each source of capital contributes to the company's capital structure.

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Disclaimer

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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.

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Bridging the gap between marketing and finance