



How can your brand achieve EVE?

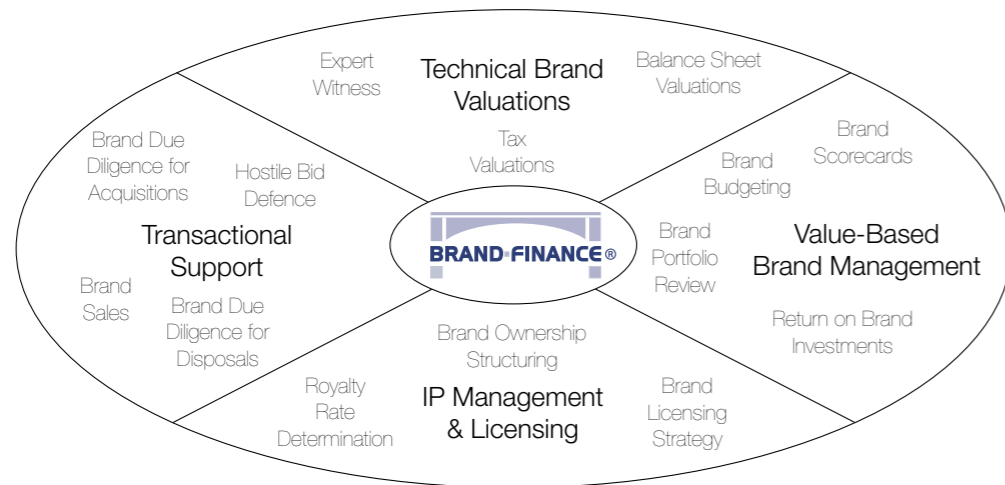
Background of Brand Finance

Brand Finance is an independent, professional firm founded in the UK. Since its foundation in 1996 Brand Finance has focused entirely on trademark and associated intellectual property valuations, branded business valuations, brand due diligence and value based brand management, including trademark licensing. David Haigh, the founder and Chief Executive, is one of the most experienced, widely published and respected trademark and IP valuers in the world. Brand Finance's ambition is to be recognised as the global

analysis for tax, accounting and financial compliance. Valuations commissioned for commercial and marketing objectives have the purpose to track value, built brand scorecards and/or provision of strategic advice on licensing the trademarks.

Brand Finance Methodology Standards

We have developed transparent and accessible methodologies for trademark and branded business valuations. These methods have been approved by the UK Take Over panel, the fiscal authorities in the UK and in the USA, Advertising Institutes



technical leader in the field of branded business and trademark valuation. We currently have subsidiaries in the US, Canada, Holland, Brazil, India, Singapore and Australia. We also have joint venture partners, trading as Brand Finance, in Spain and Hong Kong. We have conducted valuations in all of these jurisdictions and many others.

world-wide and by the European Commission. We have conducted many technical valuations for tax, accounting and legal purposes. Such valuations have been completed for use in different jurisdictions and for different reasons. We work closely with tax advisers, auditors, market researchers, reporting accountants and lawyers to ensure that our valuations are technically acceptable for the specific use in the specific territory.

Brand Finance Services

Brand Finance has worked on over 300 individual brand valuations with combined branded business and trademark values running to hundreds of billions of dollars. Most of these trademark valuations have been based on 'economic use' approach using either the 'relief from royalty' or 'profit split' method. Such valuations were commissioned for a wide variety of technical, commercial and marketing purposes. In the case of technical valuations, we have often supported



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Economic Value Enhancement



Sometimes you're faced with a devilish dilemma. . .

Should you invest in your brand or not? To invest seems wise, but how much and for how long?

In the short term, not investing will perhaps result in higher profits. But won't that mean that both sales and brand value will decline?

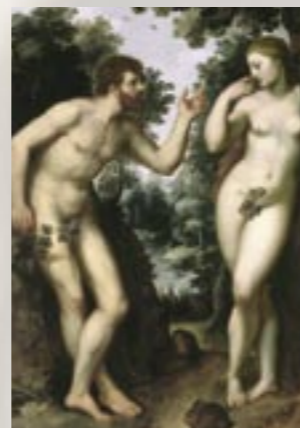
Good entrepreneurship is about creating value.

About *Economic Value Enhancement*, or EVE. So, the question is: How can your brand achieve EVE?

A well balanced brand portfolio is extremely important.

Brand Finance is a brand valuation and strategy consultancy.

We specialise in brand portfolio management. If you would like to learn more about Brand Finance or are interested in a professional assessment of your brand portfolio, please call us on 00 31 (0)20 670 21 65.



P.P. Rubens, Adam and Eve, before 1600
© Photo: Collection Management,
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Creating brand value: a question of time and money

Establishing brands costs time and money. Similarly, keeping your brands healthy requires vast annual expenditure. A brand operation must therefore be justified by satisfactory financial returns. At the very least, total revenues should exceed total expenditure! The problem here is that money spent on building up the brands is spread over a number of years. How do you keep this spending under control and measure the results? The ideal way to manage brand investments is to measure the financial value on an annual basis. This enables you to see whether your brand policy enhances economic value (or EVE).

The Brand Finance Budget & Valuation model

Valuing brands is not just about financial results. The Brand Finance valuation model combines the marketing and financial data of a brand operation. During the last decade, Brand Finance has been developing and testing this model in co-operation with the economic faculties of both the Erasmus University (Rotterdam) and the London School of Economics. The Brand Finance valuation model consists of various marketing and financial modules which can be combined in a range of flexible applications. Whether it is used to determine the brand budget, brand portfolio management, merger & acquisition strategy, or to establish transfer pricing, or loss through brand infringement, Brand Finance can apply its model to reach a valuation in practically every situation without overly expensive analysis.

Bridging the gap between Marketing and Finance™

Brand Finance offers both in-depth knowledge of the financial value of brands as well as marketing know-how. This is crucial when establishing the value of a brand. Our experience in marketing and in the world of advertising is second to none and fundamental in accurately determining the role the brand plays. The quality values attributed to the brand by target groups is particularly important, as it is precisely these values which ensure you achieve a favoured position with your clients and realise higher margins in comparison to non-branded products or services.

By linking the communicative values of a brand with insight into the financial results from a brand operation we create a bridge between marketing and finance. We accurately map out the grey area in which, up until now, these two elements have been categorised as acquired or own goodwill.

Brand Budget & Valuation projects

A brand valuation project takes 4 to 12 weeks, depending on the complexity of the brand operation and the availability of data. During this time Brand Finance will work closely with the client team. For the brand valuation project to be successful, a proper approach to the valuation process is essential. Everything revolves around the way in which the various departments work together towards the end result (particularly marketing and finance). Consequently Brand Finance concentrates on bringing the brand policy to life within your organisation. Action plans are mapped out and a detailed proposal with specific milestones are agreed in advance.

