

Best Brazilian Brands 2010

Creating and managing
brand value™

Interbrand



Brazilian brands: a universe in expansion

Over the past two years, Brazil and the world has seen intense economic instability. This year's ranking of Interbrand's Most Valuable Brazilian Brands reflects the changes that have resulted from this turmoil.

Although the crisis has been gentler on Brazil than most mature international markets, its impact on certain segments of our economy has been intense—especially on those categories that are more dependent on the growth of the international economy, like commodities and mining. At the same time, many of Brazil's industries proved to be well-equipped to resist the peak of the crisis (the beginning of 2009), and have benefited from the stability of the domestic context.

As we continue to observe Brazilian brands through the lens of international marketing, it is clear that many of them have already overcome geographic boundaries and are strongly positioned to seize opportunities beyond their original territory. The digital and social media boom means that brands can travel without visa requirements, transporting their values and identities throughout the world. This will only multiply as the Brazilian economy grows and brands encounter more opportunities to relevantly compete with important markets worldwide.

As this study reveals, Brazilian brands are well-positioned for the future. The first five brands in this ranking could be among the 100 most valuable brands of the world, listed annually in our September Best Global Brands report. While they lack the greater visibility, recognition and international presence to be truly global, it is only a matter of time before we see them on the list.



Alejandro Pinedo
Managing Director of
Interbrand Brasil

Regards,

A stylized, handwritten signature in black ink, consisting of a large, fluid 'M' followed by a period.



The Interbrand method for Brand Assessment

To start, Interbrand compiles a list of Brazilian brands from our marketing database based on more than 25 years of valuing brands and nearly four decades of consulting with organizations in Brazil and around the world.

We then narrow the candidates based on the following criteria for consideration:

1. The brand's country of origin must be Brazil.

That means foreign brands with operations in Brazil (e.g. Santander) are not eligible. Brands created in Brazil, even when currently controlled by foreign capital, (e.g. Vivo), are eligible.

2. There must be substantial publicly available financial data.

The company to which the brand belongs to must either be listed in the Stock Exchange or publish an annual report providing the necessary accounting and financial information.

3. The brand must have a broad public profile and awareness or the brand must be positioned to play a significant role in consumers' purchase decisions.

The company must provide enough information to the market to enable us to determine the individual financial results of each of its brands. That means that companies with several brands, whose consolidated financial data cannot be listed by brand, are not taken into consideration for the ranking (e.g. BR Foods).

4. The Economic Value Added (EVA) must be positive, showing that there is revenue above the company's operating and financing costs.

Companies with negative EVA due to either operational reasons or because they use high cost capital are not considered for the ranking.

Financial Analysis

We begin by forecasting the current and future revenue specifically attributable to the branded products. We subtract operating costs from this revenue to calculate branded operating profit. We then apply a charge to the branded profit that is based on the capital a business spends, versus the money it makes. This gives us a business's economic earnings.

All financial analysis is based on publicly available company information. An estimate for financial reporting is established from a wide range of analysts' reports.

Role of Brand Analysis

This is a measurement of how the brand influences customer demand at the point of purchase. This is applied to the economic earnings to arrive at the revenue that the brand alone generates (Branded Earnings). We use in-house market research to establish individual brand scores against our industry benchmarks to help us define the role a brand plays within the category. For example, we know that Role of Brand is traditionally much higher in the luxury category than in the energy and utilities sector. The brand, not the business, is unarguably the principle reason why consumers choose these goods and services.

Brand Strength Score

This is the measurement of the ability of a brand to ensure both demand and earnings throughout time. Capturing the consumer's preference means ensuring loyalty, purchase and retention to support future profits. Our method locates a discount factor to adjust the expected brand profits to the risks, based on the demand levels this brand is able to ensure.

The news this year is that Interbrand has updated the methodology to assess Brand Strength.

What has changed?

Now ten factors are considered for the new Brand Strength: Authenticity, Clarity, Commitment, Protection, Ability to Respond, Consistency, Differentiation, Relevance, Presence, Understanding.

Why has it changed?

The introduction of new factors in the Brand Strength Score answers the need to adjust the prior brand assessment methodology. Today we also consider components associated to changes in the social and economical environments, such as social responsibility, product design and social media. Also, it is necessary to consider the increasing pressure for ROI in the corporate world.

Brand Value

A brand's value is a financial representation of a business's earnings due to the superior demand created for its products and services through the strength of its brand.

Brand value is the absolute financial worth of the brand as it stands today. Accordingly, the brand's value can be compared to the total value of the business. For example, as it would be assessed on the stock exchange.

Brand value can also be compared to other tangible and intangible assets owned by the business. We adjust the business's earnings based on future risk to the strength of the brand (i.e., a net present value or dollar value in today's money). In doing so, brand value becomes a key performance indicator for brand strategy and serves as the overall performance measure for all branding activity and investments.

Brand Revenue

- Operational costs
- Taxes
- Costs of capital

Economic earnings



Brand Earnings

The revenue that the brand alone generates



Brand profits

Revenue exclusively generated by the brand.



Best Brazilian Brands 2010

Values in millions of Reais



01

Itaú
R\$ 20.651
Setor: Financial services



02

Bradesco
R\$ 12.381
Setor: Financial services



03

Petrobras
R\$ 10.805
Setor: Energy



04

Banco do Brasil
R\$ 10.497
Setor: Financial services



05

Skol
R\$ 6.593
Setor: Food and Beverage



06

Natura
R\$ 4.652
Setor: Cosmetics



07

Brahma
R\$ 3.607
Setor: Food and Beverage



08

Antarctica
R\$ 1.753
Setor: Food and Beverage



09

Vivo
R\$ 1.468
Setor: Telecommunications



10

Renner
R\$ 780
Setor: Retail



11

Embratel
R\$ 730
Setor: Telecommunications



12

Banrisul
R\$ 645
Setor: Financial services

LOJAS AMERICANAS



13 Lojas Americanas
R\$ 601
Setor: Retail

14 Cyrela
R\$ 545
Setor: Real State

15 Oi
R\$ 472
Setor: Telecommunications



16 Braskem
R\$ 449
Setor: Petrochemical

17 TAM
R\$ 347
Setor: Airlines

18 Net
R\$ 294
Setor: Telecommunications



19 Marisa
R\$ 196
Setor: Retail

20 Hering
R\$ 144
Setor: Apparel

21 Gafisa
R\$ 129
Setor: Real State



22 Havaianas
R\$ 113
Setor: Apparel

23 Gol
R\$ 108
Setor: Airlines

24 Positivo
R\$ 103
Setor: Technology



25 Lopes
R\$ 87
Setor: Real State

01

R\$ 20.651



Itaú

In its post merger year, Itaú Unibanco S.A. has proved its resilience and ability for achievement. In less than six months record time, it integrated new merged divisions that include corporate banking, investments banking, brokering, asset management, vehicles loan, private banking and the treasury department. It also began migrating checking accounts and branches, a task involving 4.9 thousand branches and banking support points besides over 30 thousand ATMs – all that, without leaving aside its expansion strategy and results. The bank revenue increased 36 percent in 2009 and it also partnered with the country's car insurance leader, Porto Seguro, and has taken over the leading position for the credit card segment in the country.

Due to its size and results, the bank has been getting international attention, and in 2009 it was the Brazilian leader for several rankings of the segment: *Latin Finance*, *The Banker*, *Global Finance* and *Euromoney*.

Due to the merger and migration process of the Unibanco brand to Itaú, we did not consider the profit generated by the Unibanco brand in the assessment of the Itaú brand value.

03

R\$ 10.805



Petrobras

Petrobras' presence in the imagination and life history of most Brazilians makes its brand role more relevant than many global brands in this same category.

The world economic crisis did not impact the investment potential of the fourth biggest energy market company in the world. In 2009, it increased the domestic production of oil by six percent and has furthered its position as one of the world's leaders.

Petrobras has stood out as an innovative company. It has proved its technological capacity in the exploration of oil in deep waters and captured the world's attention in regards to pre-salt. It has also restated its position as a brand that presents sustainable solutions through alternative sources of energy, such as biodiesel, aeolic and solar power.

02

R\$ 12.381



Bradesco

Despite the difficult world financial crisis, the bank became stronger and managed to improve its results, with a revenue increase of nine percent. With over 20 million account holders, its support network reached 100 percent of Brazilian municipalities in 2009. Such achievement contributes to delivering the concept of "a present bank", which is used in its communication.

Bradesco's activities in the last years have allowed it to take part in the Dow Jones Sustainability World Index. This demonstrates the company's leadership in monitoring and reducing environmental impacts caused by its activities.

04

R\$ 10.497



Banco do Brasil

For most of the world, 2009 was a year to recover from the world financial crisis. For Banco do Brasil it marked a year of growth. The company had a revenue increase of 15 percent. It also completed the acquisition of Banco Nossa Caixa, reaching 17,900 points of support throughout the national territory and 52.7 million customers.

BB continues to pursue its mission to become a bank that contributes to the development of Brazil, and its presence beyond boundaries proves this objective: It is physically present in 23 countries and in over 1,300 correspondent banks in 144 countries. Its mission to get align more closely with the national identity contributes to leveraging the brand image.

05

R\$ 6.593



Skol

Present in about 20 countries, Skol is the fourth most consumed beer in the world and the first in Brazil.

Recognized as an innovative brand, it was the first canned beer and a pioneer in long neck bottles. It continues to innovate, adapt and grow in the market. Another territory occupied by the brand, aligned with its position, is its presence in events that have become cultural manifestations, such as the Skol Beats and the Skol Sensation.

06

R\$ 4.652



Natura

Natura is the leading brand in Brazil in cosmetics, fragrances, and personal care, as well as in the direct sales segment. In 2009 the company's revenue was 19 percent higher than that of the previous year. Its international operations continue to grow and are responsible for about seven percent of this revenue.

Its unique sales strategy via interpersonal relations has stayed consistent and allowed Natura to reach the mark of one million consultants worldwide, all who significantly contribute as brand ambassadors to its value increase. Its continued development of innovative products that deliver the company's sustainability platform differentiate this brand from competitors.

07

R\$ 3.607



Brahma

Present in over 30 countries, Brahma is one of the most popular beer brands in the world and the second most consumed in Brazil. It has a strong presence in Brazilian territory: Brahma is available in over one million points of sale spread throughout the country. It also counts on 310 franchises all over the domestic territory.

The brand Brahma was the first brand to sponsor the FIFA World Cup and the Brazilian national team – brand expressions that are consistent with the product and its target audiences.

08

R\$ 1.753



Antarctica

Antarctica beer is currently the third most consumed beer in the country. It has been manufactured since 1885 and is present in over 10 countries. With a vast products portfolio, the brand stands out in comparison to competitors. Its visual identity – the penguins on its labels – is one of the biggest equities it has built throughout the history of its brand.

Additionally, Antarctica is always looking for something new and original to introduce to consumers, which has served it well. The positive results it has seen through its line extensions Original, and more recently Antarctica Sub Zero, are testament to this.

09

R\$ 1.468



Vivo

Vivo has been the leader of the mobile telecommunication market in Brazil since 2003. In April 2009 the company had captured 30 percent of the market and ended the year with a three percent increase in its net revenue.

In a segment where companies get a lot of criticism, Vivo has managed to stay consistent and to stand out in the brand management and identity, which also ensures it a place in the ranking of the most valuable Brazilian brands.

10

R\$ 780



Renner

Renner has been a staple for Brazilians since 1912. It currently relies on 123 stores in 65 Brazilian cities. It is the number one Brazilian brand among garment retailers in the country and pioneered the concept of developing collections and organizing stores.

In 2009 it worked to consolidate its presence in the market by launching ten new stores in different locations. It has also improved the management of its chain of suppliers, introduced three new brands to the stores, and developed an electronic commerce outlet. With that, Renner obtained an eight percent net revenue increase as compared to 2008.

11

R\$ 730



Embratel

Embratel has been highly influential in the evolution of Brazil's telecommunications, which explains its wide domination in the segment. Today, thanks to its good financial health, it is able to work around the strong competition and the instabilities of the segment. In 2009 its total net revenue increased 8.4 percent, along with the growth of the local services and data communication market.

The company holds the biggest internet infrastructure in Latin America, both for reach – more than 300 locations all over the country – and data transmission circuits capacity, domestically and internationally.

12

R\$ 645



Banrisul

With 82 years of history, Banrisul is present in ten Brazilian states through approximately 400 branches. Focusing on the lower classes and on small and medium sized companies, it is recognized for being an accelerator of regional socio-economic development.

It is a brand that is continuously investing in social responsibility. Last year alone it invested over R\$ 300 million. Proving the growth potential of their brand, Banrisul ended 2009 with a 10 percent higher revenue than in the previous year.

13

R\$ 601

LOJAS AMERICANAS

Lojas Americanas

Lojas Americanas is currently the biggest player in the Latin American e-commerce market. In the last seven years the company has had a net revenue increase of 27 percent.

In 2009, year when the brand celebrated its 80th anniversary, 14 new stores were opened in Brazil. They currently count on over 470 stores all over the country.

One of the distinguishing points of Lojas Americanas is their support structure. Besides the physical chain of stores, it also offers a wide variety of products and services to clients, traded via internet, telephone, catalogues, TV and booths.

14

R\$ 545

CYRELA
BRAZIL REALTY

Cyrela

Cyrela is one of the leading companies in the civil construction segment of the country. It has 50 years of history, 37 thousand clients and over 35 million m² of constructed area. The company currently operates in 16 states and 64 cities in Brazil, and it is also present in Buenos Aires, Argentina, and in Montevideo, Uruguay.

In 2009, with the public offering of its shares, it acquired 54 new pieces of land with huge sales potential and they restated its position as undertakers of residential real estate in Brazil.

Its debut in the ranking is due to its superlative figures, and also to its clear and consistent brand strategy.

15

R\$ 472



Oi

The year of 2009 was a challenge for Oi. The telecommunications operator was present all over the country, reaching the mark of over 62 million users.

With the greatest transmission coverage of Brazil and as the first operator to provide an integrated offer for fixed telephone, mobile telephone, wide bandwidth and cable TV, the brand stands out for its authenticity and challenging position, breaking paradigms in a market that responds slowly to consumer demands.

16

R\$ 449

Braskem

Braskem

In 2009, with the recovery of the domestic market and with the opportunities that appeared in the external market, Braskem plants carried on operating with high production rates throughout the year.

Currently Braskem is the eighth biggest petrochemical company of the world for the manufacturing of plastic resins and the biggest one in the Americas. It has become a global leader for the production of polipropylene, with capacity to manufacture 2.9 million tons a year.

Braskem is the world pioneer in the production of green plastic, made of renewable raw materials. When the Braskem brand introduced this product to the market, besides gaining visibility, it also established a closer dialogue its customers.

17

R\$ 347



TAM

Founded in 1961, TAM is the biggest and oldest airline company of Brazil. It is the domestic and international market leader, flying to 42 cities in the country and 18 destinations abroad, using their own aircrafts.

Pioneer in the launching of a loyalty program in Brazil, TAM currently has 4.7 million members and has already distributed millions of tickets via this channel.

The promise "Passion for Flying and Serving" is a commitment made by the company founder which has been consistent throughout the years.

18

R\$ 294



NET

NET watched the growth of their business and of their brand in 2009. The company, which is present in 93 Brazilian cities, has conquered 50 percent of the clients' market for cable TV and 38 percent of the clients' market for wide bandwidth internet.

NET constantly invests in research and also stands out for being the pioneer in high definition transmissions. It is the biggest cable multi-services company of Latin America and the one that grows the most in wide bandwidth, cable TV and fixed telephones in the Brazilian market.

19

R\$ 196



Marisa

Marisa is among the five biggest garment retailers in the country. It has a chain of over 215 stores all over Brazil, 100 of them in shopping malls. In 2009 alone, 12 stores were opened. An average of 45 million people go to its stores annually, consuming over 95 million garment pieces and accessories.

Every three seconds, a piece of underwear is sold at one of its chain stores.

20

R\$ 144



Hering

Hering is one of the biggest and best known retail and garment design brands in Brazil. It has 244 stores in the country and it is also present in Latin America, Middle-East, Asia and Europe. Its business model, which combines its own production and the outsourcing of some production phases is what makes it distinctive in the market.

It is a brand that has been enjoying several achievements and the success of its business strategy: in the first half of 2009 alone, sales grew by 53.4 percent when compared to the same period in the previous year.

21

R\$ 129



Gafisa

Gafisa has become a Brazilian real estate giant due to its nationwide presence and diverse offerings. With 54 years of history, it has already completed over 985 undertakings. It is present in 18 Brazilian states and is currently one of the leading companies in the Brazilian construction market, focusing on the residential segment. It benefitted from the consistency of its brand manifestations and from the delivery of its products and services, in a category that had seen its image stained by the poor performance of several big players in the recent past.

22

R\$ 113



Havaianas

Founded in 1958, Havaianas are synonymous with style and innovation, with 80 percent participation in the Brazilian market. It is always cited as an example due to its original and flexible brand.

It is present in over 80 countries, and can be found in over 200 thousand points of sale. The external market represents 13 percent of its manufactured product volume. In Brazil, it continues to grow: 55 new franchises were opened in 2009.

Two out of three Brazilians consume one pair of Havaianas a year.

23

R\$ 108



Gol

Founded in 2001, Gol is recognized as the brand that made air transportation popular in Latin America. It operates a low cost, low rate concept and has an airline structure that offers about 860 daily flights to 61 destinations: 50 are domestic and 11 international. Gol faced a huge challenge after the brand Varig joined the company portfolio and it sought to define a clearer portfolio strategy. Still, it has demonstrated savvy with the internet, hoisting it into the position of one of the biggest e-commerce companies in Brazil.

24

R\$ 103



Positivo

Positivo, which debuts on the ranking, is the biggest computer manufacturer in Brazil. In 2009 the brand consolidated itself as a leader in the educational technology segment with 16 percent of the total computers' market, becoming better known – and recognized – in the country.

Through its focus to support the growing demand for computers in Brazil, mainly among classes C and D, it has broken its own record for units sold. It has proven to be a brand with a great capacity to integrate innovation and its product lines are in constant renewal.

25

R\$ 87



Lopes

With over 70 years of existence, Lopes is positioned as the biggest real estate intermediary and consulting business in Brazil.

Present in the main states of the country, the company has reached the mark of R\$ 9.3 billion in its sales contracted for 2009, overtaking its target. It has one of the greatest sales forces of the market, with over seven thousand real estate agents in about 550 points of sale.

Heated economy and brands that stand out

The 2010 ranking of the most valuable Brazilian brands reveals learnings, not only about market behavior, but also about the social and economic development of the country.

Banks on the front row

The financial brands occupy several positions at the top of the Brazilian ranking. These brands owe their ranks to solidity, good financial performance and trust. They've also attracted plenty of foreign investments to our economy. Out of the total sum up of all values assigned to the brands in this ranking, bank brands are responsible for 56 percent.

Many brands are in the ranking for the first time

It was possible to include these brands thanks to newly publicly available information. And these "debuts" can be interpreted as a clear signal that the market is developing and becoming more experienced very quickly. Some segments have become stronger and better represented – aside from presenting excellent financial results. Beverages, garments, airlines, technology and telecommunications are some of them.

Beers: the news

It should come as no surprise that many of the debuting brands are in the beer market. In Brazil, role of brand is particularly high for beer – what brand you drink is a matter of loyalty. It is a drink that is extremely connected to the national identity, along with soccer and the carnival. We have three very strong and well constructed brands, which also benefit from a huge sales volume and the small competition with imported products.

Lower presence of B2B brands

B2B brands continue to make an appearance, but there are some noticeable absences. For example, Vale, Usiminas and Gerdau. These absences are not a coincidence. They are a result of the world crisis which has had a direct impact on exports and commodities.



The telecommunications boom

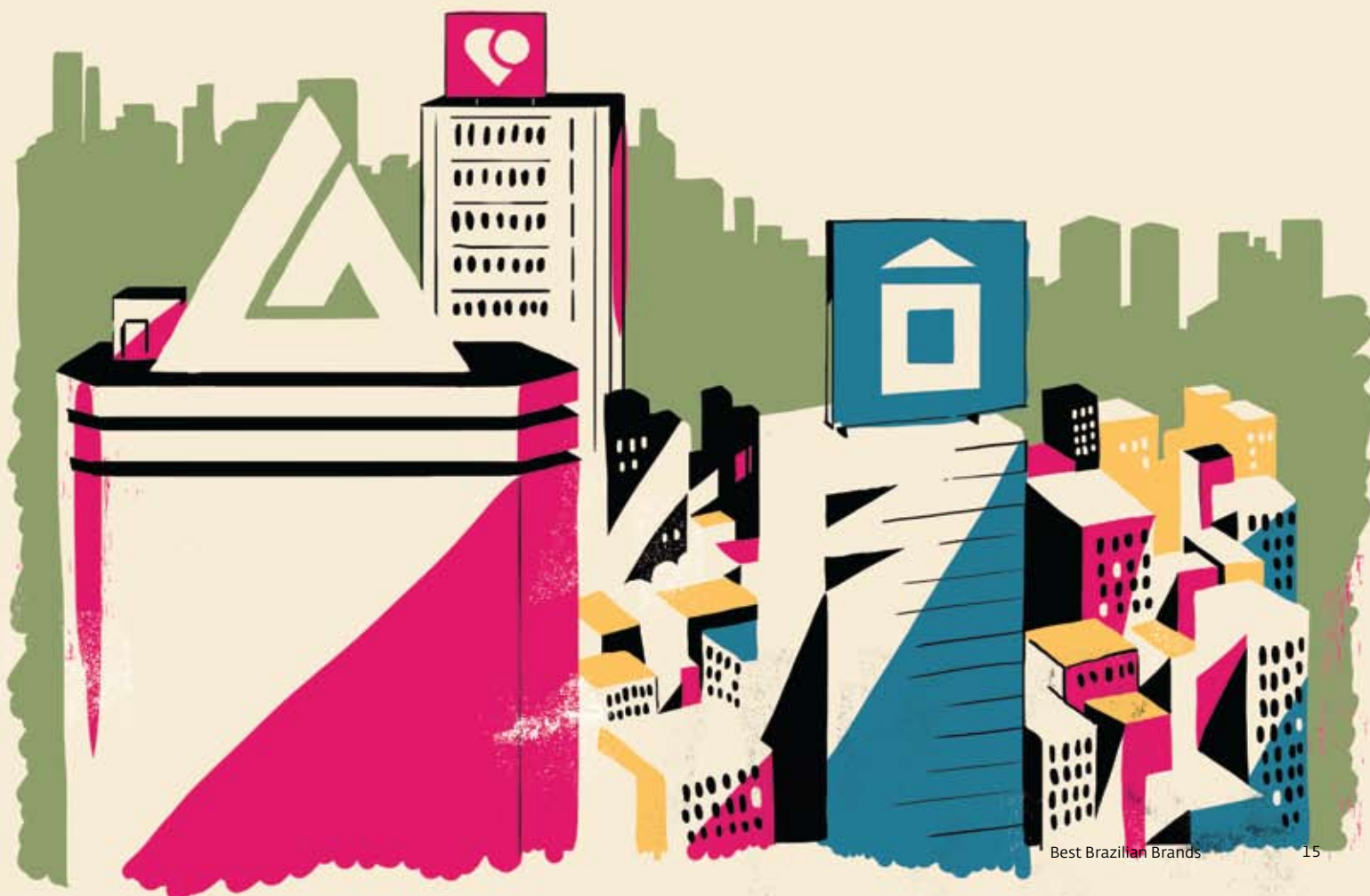
Brazil, a vast developing market, has seen a telecommunications boom. This has contributed to a significant brand value increase in the country. The convergence of means – mobile and fixed telephones, internet – have enhanced such offers and have generated value for companies. Due to basic need, Brazil has recently achieved its target of one cell phone per Brazilian.

The strength of the real estate market

The building firms and companies from the real estate category that are present here are the positive result of a segment that is resetting the minimum requirements for success—such as quality, seriousness, transparency, long term commitment and reliability. Again, access to credit, investments from abroad, and a diversification of offers have boosted these brands.

Potential for Growth

The lack of tourism businesses in the ranking seems a little strange, as we are a country with plenty of destinations and leisure options. There is potential for these brands, but socio-economic factors and a market that is not yet well developed have contributed to a slow evolution of tourism brands. The category is still working without a defined strategy and identity. Their approaches tends to be highly regional and inconsistent. Externally, events such as the World Cup and the Olympic Games will contribute to the realignment of the sector, working to make Brazil a popular and world-recognized destination. The brands that will meet this challenge are likely to be strong candidates for the next ranking.



Interbrand

About Interbrand

Interbrand began in 1974 when the world still thought of brands as just another word for logo. We have changed the dialogue, redefined the meaning of brand management, and continue to lead the debate on understanding brands as valuable business assets.

We now have nearly 40 offices and are the world's largest brand consultancy. Our practice brings together a diverse range of insightful right-and left-brain thinkers making our business both rigorously analytical and highly creative. Our work creates and manages brand value for clients by making the brand central to the business's strategic goals.

We're not interested in simply being the world's biggest brand consultancy. We want to be the most valued.

Activity areas

Brand Strategy

Strategy is the fine art of keeping every activity and factor in place.

By working closely with our clients, our Brand Strategy team defines and puts in place the actions needed to deliver an agreed result. This will be in line with the overall business strategy behind the brand creation, and ensure the long-term, consistent implementation and management of the brand.

Corporate Design

Visually, a brand must do more than just capture attention, it must capture your brand strategy and bring it to life.

Our Corporate Design teams create identity systems that give a visual language to analytical knowledge and strategic thinking. That way, we understand how the brand will be seen and interacted with, as well as the business context in which it must function. We identify and utilize every brand touchpoint – from print to environments – so that we can create a lasting and coherent brand identity system.

Brand Valuation

We pioneered brand valuation in 1984, understanding the importance of an accurate measure of a brand's worth in business strategy.

As the first company to publicly put a value on a brand, we have seen the worth of the brand itself, far outstrip its physical assets. This makes our valuation process a uniquely valuable strategy and validation tool – recognized by businesses, academic and regulatory bodies, and accountancy and legal practices. For our clients, it is essential for any form of investment and marketing decisions.

To date we've conducted several thousand valuations, giving us unrivaled breadth and depth of sector knowledge. So, an Interbrand valuation carries ultimate market credibility.

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