WPP

BRANDZ™ TOP 50 MOST VALUABLE LATIN AMERICAN BRANDS 2012

Methodology by
MillwardBrown Optimor

Valuations & Analysis by
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WELCOME

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Welcome to this first BrandZ™ Top 50 Most Valuable Latin American Brands report and analysis.

This inaugural Latin America report focuses on the five leading Latam economies—Argentina, Brazil, Chile, Colombia and Mexico. These nations together represent GDP of about $5 trillion, the equivalent of the world's fourth largest economy after Japan.

Because of the size of Brazil, the "B" in BRIC, we expanded our Brazil coverage into a Special Section that includes profiles of the country's Top 50 Most Valuable Brands as well as extensive analysis.

Many of the trends in Brazil and the other four markets covered in this report pertain as well to other strong Latam economies, such as Peru and Venezuela. We will examine these and additional Latam markets in future.

BrandAnalytics, a leading brand valuation and strategy consultancy in Brazil, conducted the brand valuation in collaboration with Millward Brown Optimor and using the Millward Brown Optimor methodology.

EXTENSIVE INTELLIGENCE, CLEARLY PRESENTED

To make this extensive intelligence easy to find and useful we organized the core of the report into three sections: the Introduction, the Top 50 Overview and the Country Reports, which are followed by the Brazil Special Section.

Introduction: We set the context for brand development in Latin America with a brief history of the region and some key economic and geographic facts. Then we examine key trends that impact brand opportunity, including the growth of the middle class and the exploding interest in digital communication and social media.

Top 50 Overview: We present Latam's Top 50 Most Valuable Brands in a ranking that includes country of origin, brand value and other metrics. Additional charts examine what categories are most present, how the categories vary by country, and the critical role of Brand Contribution.

Country Reports: We explore each county in depth, accompanying a brand ranking with a synopsis of key trends shaping the market and driving brand value. Profiles of each brand reveal relevant history and positioning. WPP company country experts provide insights about brand awareness, media investment, digital engagement and other topics that distill the fundamentals for brand success.

WPP'S UNMATCHED LATIN AMERICAN MARKET EXPERTISE

To help you sort the tremendous amount of intelligence contained in these almost 200 pages, we've included Take Aways on page 8. Here are just three interesting Latam market factoids just to get started:

• Latam's middle class grew 26 percent over the past five years.

• Brazilians are the most loyal; 65 percent say they stick with brands they like.

• Colombian Internet users spend eight hours a week on social networks.

The information comes from TGI and TNS Digital Life. I present it here because it represents the broad and deep WPP Latin American market expertise contained in this report to which more than 20 WPP Latin American companies contributed, including: Burson-Marsteller, Ecto, F.biz, Goldfarb Consultants, Grey, Group M, Hill+Knowlton Strategies, JWT, Kantar Media, Kantar Worldpanel, Mediacom, Millward Brown, Millward Brown Optimor, Mindshare, 9ine, Ogilvy& Mather, Ogilvy Action, The Futures Company, TGI, TNS, and Y&R.

THE EXCLUSIVE WPP BRANDZ™ ADVANTAGE

BrandZ™ Top 50 Most Valuable Latin American Brands becomes part of our rapidly growing library of in-depth and practical WPP BrandZ™ reports for building and sustaining valuable brands. These titles include BrandZ™ Top 100 Most Valuable Global Brands and BrandZ™ Top 50 Most Valuable Chinese Brands; as well as Trust-R: Engaging Consumers in the Post-Recession World; and Value-D: Balancing Desire and Price for Brand Success.

The Trust-R and Value-D reports can be customized by brand and are available to WPP clients through WPP companies. Powered by BrandZ™, the reports are based on the world's largest brand analytics and equity database containing data gathered from more than two million consumer interviews about over 7,000 brands in 40-plus countries.

DOWNLOAD SPECIAL APPS

To download apps for BrandZ™ Most Valuable Latin American Brands, and for other reports in the BrandZ™ Most Valuable Brands series, please go to www.brandz.com/mobile or see page 188, where you also will find information about a special iPad magazine version with unique content and functionality.

Our WPP companies are eager to put at your disposal our expertise in insights, advertising, digital, design, PR, promotion, marketing, media, retail and shopper marketing—the knowledge necessary to build and sustain brand value in Latin America and beyond. For more information about WPP agencies, please see page 184. Or contact me directly.

LATIN AMERICA

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INSIGHTS FOR BUILDING VALUABLE BRANDS IN LATIN AMERICA

OPPORTUNITIES

1 **Scale** Latin America is a big opportunity. The region, including the Caribbean, is home to almost 600 million people living in more than 30 countries that together produce a GDP of around $5 trillion, which would rank the area fourth worldwide, after Japan, in national output.

2 **Diversity** Latin America is many opportunities—and challenges. It extends from the southern edge of the US to the northern edge of Antarctica. The area experienced a complex history and brand marketers need to be aware not just of national differences but also of regional differences within nations.

3 **Markets** Brazil, the "B" in BRIC, accounts for more than one-third of the value of BrandZ™ Top 50 Most Valuable Latin American Brands. And while Brazil is the region's largest market, it's not the only one. Chile, a relatively small nation of only 17 million people, accounts for one-fifth of the Top 50 brand value.

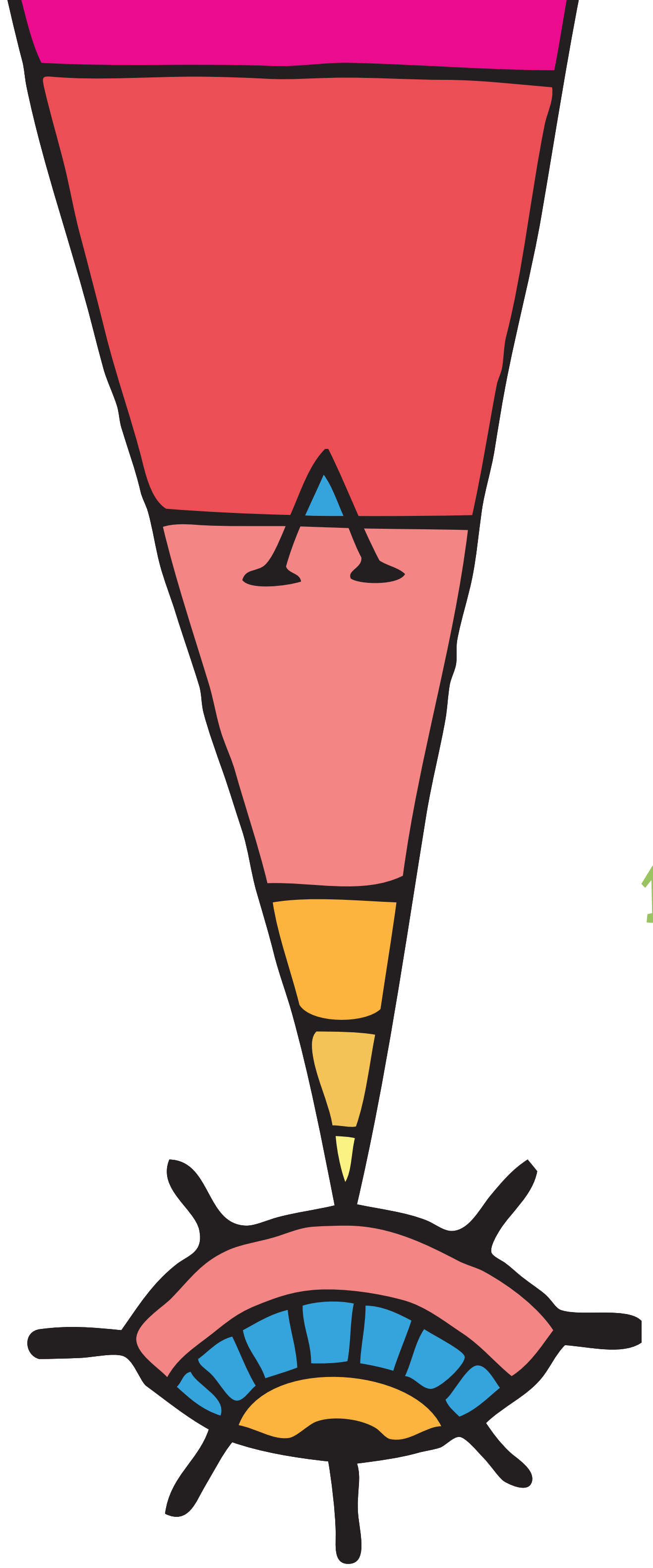
CONSUMERS

4 **Middle Class** The market potential in Latin America is not static. The middle class is expanding throughout the region, although at somewhat different rates. The number of people now officially considered middle class improved by over 25 percent since 2006.

5 **Confidence** Not surprisingly, wealthier people feel more confident about the future—but not by much. Among the middle class, 77 percent feel optimistic. That figure increases a few points to 79 percent for the wealthy and drops for the lower income groups, but only to 67 percent.

6 **Price** It remains important, which isn't surprising considering that much of the population has contended with poverty and even the wealthy worry about radical fluctuations in inflation. As a long-term trend, however, more individuals report that their purchasing decisions aren't always driven by special offers.

7 **Credit** Credit is becoming more available as banks attempt to add new customers, opening in areas underserved until recently. Retailers continue to be key sources for credit, particularly in Chile.



TAKE AWAYS

MEDIA

8 **TV** The medium generally receives the highest level of investment, but it's been leveling. TV is expensive and digital is growing rapidly throughout Latin America because of consumer interest and in some cases, like Argentina, government encouragement.

9 **Digital** Internet investment is still relatively low but growing sharply. PCs and laptops still dominate for accessing the Internet. That's because of some spotty 3G coverage and the high cost of data plans.

10 **Mobile** Mobile Internet access is increasing. It's highest in Mexico where 19 percent of the online users saying they've accessed the Internet via mobile in the past four weeks.

11 **Social** Latin Americans are social. And social media is a good place for brands to find potential customers. Brazilians have an average of 481 friends. In Colombia, Internet users spend about eight hours weekly on social networks, compared with a global average of 4.8 hours.

BRANDS

12 **Choice** Consumers generally like choice but it varies in Latin America. Argentine economic policy and other factors have produced relatively limited brand choice, while proximity to the US exposes Mexicans to wide brand possibilities. And Chilean consumers can choose the most luxurious European status cars or the least expensive Indian or Chinese imports.

13 **Brand Presence** Latin Americans generally think famous brands are better. That's true of half the population in Colombia, and also in Brazil and Argentina where people are most brand conscious.

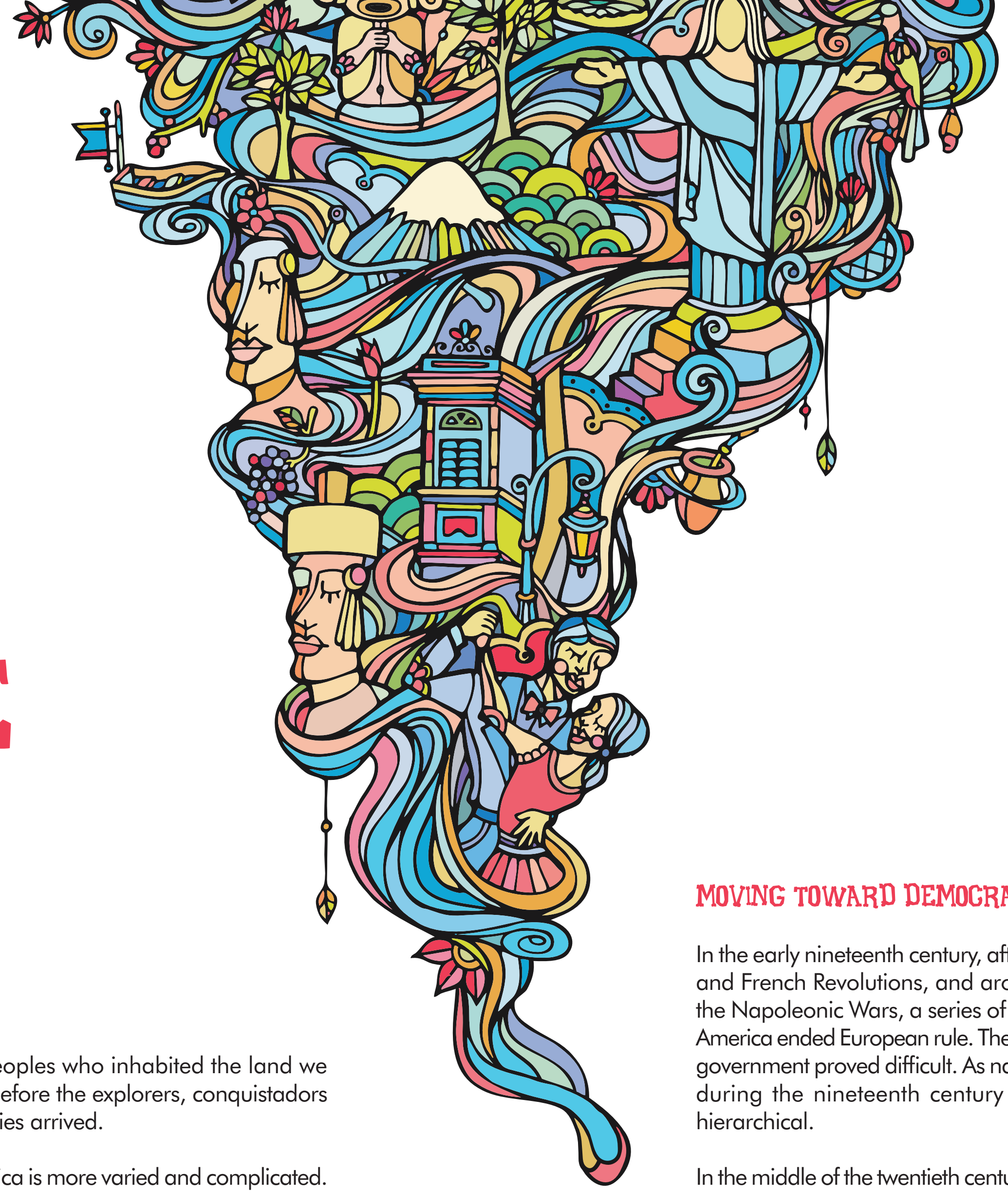
14 **Brand Contribution** Retail and beer receive the highest scores for Brand Contribution, which measures the impact of brand alone on future earnings. Beers often receive high marks, retail brands not as often. The result reflects a close bond between customers and retail brands that have played a role in providing credit to people denied bank credit until recently.

15 **Loyalty** Latin Americans overall say that when they find a brand they like, they stick with it. Mexico measures somewhat lower in loyalty, which may be because in Mexico brand choice is somewhat wider.

16 **Growth Categories** Luxury brands are discovering Colombia. In Mexico, the growing middle class is tiring of the multi-tasking life and looking for products that save time and enhance personal health. The most represented brands in the BrandZ™ Latin America Top 50 are retail and financial institutions, which comprise about half of the ranking.

17 **Social Responsibility** All nations are works in progress. But that notion applies most acutely to Latin America. Although more people are entering the middle class, a wide gap remains in income and education levels. Building a brand in Latin America is about investing in the future of a region.

INTRODUCTION



BRANDS RISE IN VALUE AND IMPORTANCE

A context for sustained success

Throughout Latin America brands are rising in value and importance.

High-value brands are present across most categories. Some are government owned or controlled, as often is the case in fast growing markets. Many result from entrepreneurial vision, risk and energy.

Latam's largest markets, Brazil and Mexico, produce the greatest number of high-value brands, but smaller economies also are well represented. Latin American brands often serve multiple local country markets. A few operate globally.

This vitality did not happen easily or quickly. Centuries of economic and political tribulations proceeded this relatively stable period when more people share in the region's prosperity and enjoy access to merchandise and brands.

To successfully market brands and grow brand value in Latam today it helps to appreciate some of this context.

VARIED AND COMPLICATED

The term Latin America—or the acronym Latam—is easy shorthand for describing an area of the Western Hemisphere that comprises 8.13 million square miles (21.07 million square kilometers) stretching over two continents and many islands with more than 30 countries and almost 600 million people.

Latam compresses into just two syllables a historical dichotomy of this region: that it's a mix of two cultures, the Latin from European societies—primarily Spain and Portugal but also France—and indigenous peoples who inhabited the land we call America before the explorers, conquistadors and missionaries arrived.

But Latin America is more varied and complicated. Other Europeans settled. The importation of African slaves and emigration from Asia and the Middle East added diversity. And the indigenous population comprised many different peoples along with the Aztec, Mayan and Inca.

Culture, geography, natural resources and climate vary tremendously in a region that stretches more than 5,000 miles (8,000 kilometers) from the northern border of Mexico to the tip of Chilean Patagonia. History varies as well, although several common themes prevail.

MOVING TOWARD DEMOCRACY

In the early nineteenth century, after the American and French Revolutions, and around the time of the Napoleonic Wars, a series of conflicts in Latin America ended European rule. The transition to self-government proved difficult. As nations developed during the nineteenth century they remained hierarchical.

In the middle of the twentieth century, governments adopted assorted political ideologies, all promising to deliver varying combinations of prosperity, equality and stability. Too often these attempts were accompanied by the brutal repression of the regime, the violence of the resistance or both.

By 2000, democracy flourished in most of Latin America. Economies fluctuated, but were linked globally and regionally as exemplified by NAFTA (the North American Free Trade Agreement) and Mercosur (Mercado Común del Sur) the common market of Argentina, Brazil, Paraguay and Uruguay.

LATIN AMERICA KEY FACTS

LAND AREA

21.07 million Km²
8.13 million Mi²

GDP

2010 US$5.1 trillion
2000 US$2.1 trillion
Change +140 percent

POPULATION

2010 583 million
2000 514 million
Change +13 percent

GDP PER CAPITA

2010 US$8,698
2000 US$4,109
Change +112 percent

MEDIAN AGE

2010 27.6 years
2000 24.5 years

FOREIGN DIRECT INVESTMENT

2010 US$113 billion
2000 US$86 billion
Change +31 percent

Sources: CIA World Fact Book, United Nations, World Bank

DRAMATIC IMPROVEMENTS

Each of the five countries examined in this report illustrates both the dramatic economic and social improvements happening in Latam and the challenges ahead.

Argentina: The country recovered from the collapse of its economy a decade ago. But the trauma of economic devastation and hyperinflation continues to impact the Argentina's efforts to expand the economy and lift the population.

Brazil: The "B" in BRIC experienced extraordinary economic growth with an economy that surpassed $2 trillion in GDP in 2010. But as the growth rate slows, Brazil faces the need to improve infrastructure and education levels.

Chile: A successful free market economy makes Chilean brands among the most widely recognized in Latam. But economic improvements have raised expectations, especially for better and more affordable education.

Colombia: Life is more normal with the reduction of drug-related violence that intimidated Colombians and discouraged international investment just a few years ago. But sustaining that normality is key.

Mexico: Brands have flourished in Mexico in part because of the close links between Mexico and the US. But brand growth would be even greater with less drug violence and more economic equality.

SUSTAINING GROWTH

Is the progress inexorable? It never is, certainly not in Latin America. And not in an interdependent world economy when weakness in the Eurozone, North America or Asia can reduce demand for Latin American commodities, for example.

Sustaining the health of Latin America's economies depends on steadily growing and sharing prosperity. Assuring this future is an important responsibility of government, but not of government alone. It requires the participation of all segments of society. The best way for a brand to profit from the transformation of Latin America is to be part of it.

Latin America: A Short History
PATHS TOWARD PROSPERITY AND EQUALITY

The history of Latin America is a synthesis of unique national stories informed by a common timeline beginning with indigenous civilizations and including European conquest, liberation and the struggle toward free, prosperous and equitable societies.

INDIGENOUS CIVILIZATIONS

Since well before recorded history, diverse indigenous peoples populated the land. By around 8,000 years ago they already were engaged in relatively sophisticated agriculture. Eventually, the Aztecs and the Mayan controlled much of the area that is now Central American and Mexico. Much of the Andean region became Inca domain.

1492

The landing of Christopher Columbus in the Americas in 1492 changed everything. His discovery prompted Spain and Portugal to send expeditions to the New World to gain natural resources, build trade networks and convert the population to Christianity. With the Treaty of Tordesillas, in 1494, Spain and Portugal established their respective claims to the new land with a line of demarcation.

CONQUEST

The conquest began with the arrival of Hernándo Cortés on the coast of Yucatán in the spring of 1519. Supported by local alliances, Cortes defeated the Aztecs in 1521, renaming their capital, Tenochtitlán, Mexico City. A campaign against the Maya followed, and by 1526 Spain controlled most of Central America. Francisco Pizarro defeated the Incas in Peru in 1533 and soon established the city of Lima. Battles between the Spanish and the Incas continued for decades in the rugged Andes, ending with the ultimate defeat of the Inca Empire in 1572.

SPANISH AND PORTUGUESE SETTLEMENT

The Spanish initially focused on the Pacific territory, mining silver and shipping it to customers in China, in one of the earliest examples of global trade. As European demand for crops and leather increased, attention shifted to the Atlantic coast and Buenos Aires developed as a commercial center. The Portuguese established a formal government in Brazil in 1548. By the end of the century, the economic importance of sugar production led to the importation of Africans as slaves and the growth of São Paulo.

INDEPENDENCE

Events in Europe led to the independence of the Spanish and Portuguese colonies. Long disenchanted with Spanish rule, the colonialists felt emboldened by the weakened power of Spanish king during the Napoleonic Wars. The first independent nation was established in Haiti, in 1804. Independence movements led by Simón Bolívar and José de San Martin liberated South America of Spanish rule by 1826. Mexico separated from Spain in 1821. Brazil severed from Portugal without significant armed struggle in 1822.

NATION BUILDING

Following Independence Brazil remained in tact but the Spanish holdings fractured into separate countries and most struggled in the transition from monarchical rule to self-governance. Conflicts over national borders and civil wars ensued. Instability created power vacuums sometimes filled by military leaders. By the second half of the nineteenth century, Great Britain, the US, France and Germany exerted powerful economic influence in the region. Rising commodity exports linked Latin America into the global economy. Wealth and political power remained concentrated among the elite.

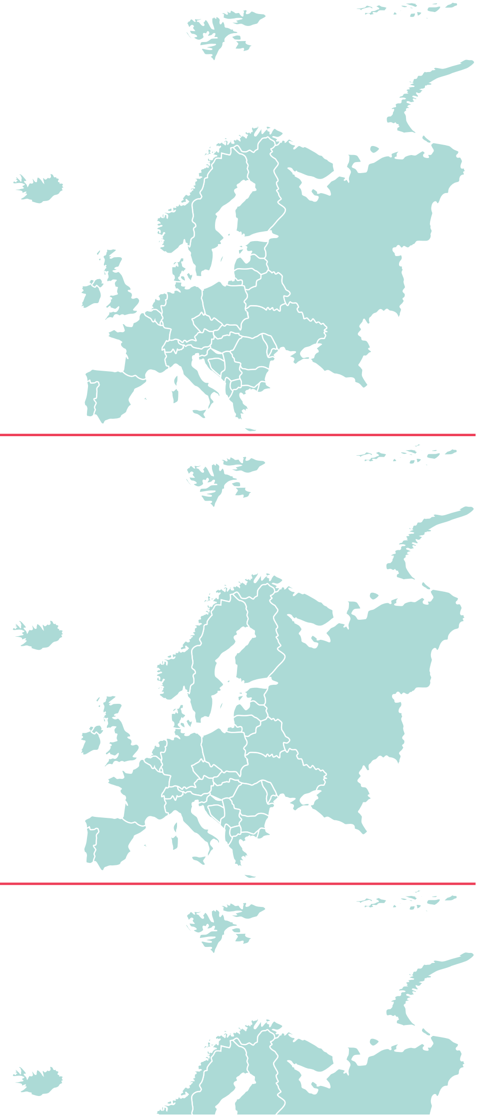
TWENTIETH CENTURY

The Mexican Revolution ended in defeat but with a constitution and eventually with the installation of the Institutional Revolutionary Party (PRI) that ruled from 1929 to 2000. However stability eluded most of Latin America. Governments experimented with many of the "isms"—communism, socialism and populism—and with military dictatorship. The region suffered through periods of brutal political repression and revolutionary violence. By the end of the century democracy emerged in most countries.

THE NEW MILLENNIUM

In 2000, Mexicans defeated the PRI after 71 years of uninterrupted rule. Argentine leadership implemented policies to rebuild the collapsed economy. Colombian governments reduced violence from drug trafficking and guerrilla warfare. Brazil pursued parallel efforts to grow the economy and narrow social inequality. Under both liberal and conservative administrations Chile's economy continued to expand. The region seemed on the path to greater and more widely shared prosperity.

LATIN AMERICA IS MORE THAN TWICE THE LAND AREA SIZE OF EUROPE.



BRAZIL	LATIN AMERICA	EUROPE
8.46 million Km^2 3.28 million Mi^2	20.32 million Km^2 8.13 million Mi^2	10.18 million Km^2 3.93 million Mi^2

JIMENA URQUIJO
Vice President Business Development
Kantar Media – TGI Latin America

MIDDLE CLASS GROWTH AND CONFIDENCE

Drive interest in brands across categories

With the expansion of the middle class across much of Latin America, international brands are flourishing and local brands are emerging.

Brazil, with a GDP of over $2 trillion, is leading the region's development as a favorable place for brands to invest. The mid-size Colombian economy is enjoying sustained growth for the first time in decades. Smaller nations, such as Bolivia and Peru, are taking their place in a growing regional economy. Economic uncertainty in the Eurozone and the US makes these developments even more notable.

At a time when US politics is dominated by debate about the top 1 percent and everyone else, the middle class in Latin America has expanded dramatically. During the past five years, the middle class grew by over 25 percent and the lowest income groups declined by 23 percent in eight major Latin American markets—Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

The reasons for this social and economic improvement vary somewhat by country, but generally include government programs to reduce poverty and social inequality; a sharp increase in global demand for Latin America's commodities; flexible exchange rates that help moderate inflation; wider availability of credit, and trade policies to encourage investment.

MIDDLE CLASS GROWTH IN LATIN AMERICA

In the five years between 2006 and 2011, the middle class grew 26 percent and the lowest economic classes declined 23 percent.

Source: TGI Latina 2011- Syndicated survey of urban centers in Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

SOCIO-ECONOMIC CLASSIFICATIONS

All Latin American countries use the same classifications to signify socio-economic status: wealthier individuals are designated AB; poorer, DE; those in the middle class are C. Methodologies for assigning individuals to the three classifications vary by country. Argentina uses a point system to weigh factors such as income and occupation, for example, while Colombia correlates the socio-economic classification with area of residence.

ECONOMIC GROWTH VARIES BY COUNTRY AND POLICIES

Most countries have implemented programs to improve the lives of their citizens. Brazil's national social welfare program, Bolsa Família, provides financial support for people in need in the form of a government ID that acts like a debit card. In Argentina, the Universal Child Allowance distributes money to the unemployed or underemployed.

Government economic policies aided the expansion. Brazil imposes high taxes on certain imported products in order to protect Brazilian businesses and international companies that manufacture in Brazil. By taxing imported Chinese cars, for example, Brazil attempts to aid the US and European carmakers whose operations create employment and support local industries.

Similarly, foreign investment has helped to sustain high employment levels and increased income in Chile, Mexico, Peru and Uruguay. Other nations, such as Argentina and Venezuela, have attempted to widen the middle class with less emphasis on attracting foreign investment. Economic growth in these nations is more dependent on high commodity prices.

Overall, employment has remained high and general economic stability has moderated the debt and currency devaluations that periodically troubled the region in the past. Over the past few years, Latin America's economy grew by around 4-or-5 percent annually.

PEOPLE AT ALL ECONOMIC LEVELS FEEL CONFIDENT

Latin American consumers feel confident about their economic situation. More than three-quarters of middle class Latin Americans believe that their financial situation will be better a year from now, compared with 14 percent who believe the situation will remain unchanged and only 6 percent who expect it to get worse. The level of optimism has increased significantly over the past five years among people in all economic groups.

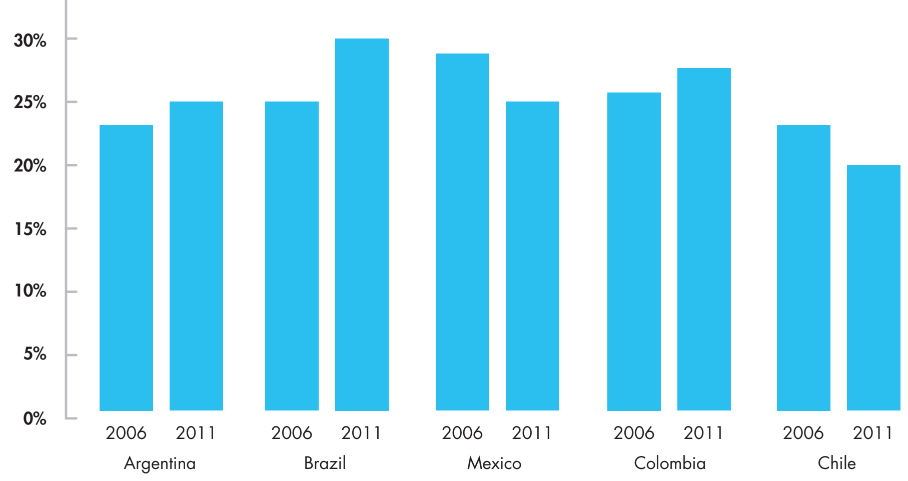
CONSUMERS FEEL CONFIDENT

	Total	AB	C	DE
Better 1 year from now	74%	79%	77%	67%
Worse 1 year from now	7%	4%	6%	11%
Same 1 year from now	16%	14%	14%	18%

While wealthier people are somewhat more optimistic than the population overall, people in all income levels feel that their economic situation is improving.

Source: TGI syndicated survey of urban centers in Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

PEOPLE FEEL FINANCIALLY SECURE



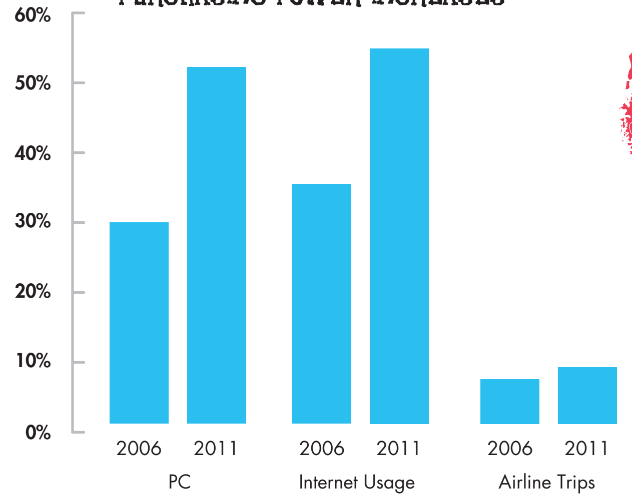
People feel financially secure, especially in Brazil where more than 30 percent of the population reports feeling secure compared with 25 percent five years ago.

Source: TGI syndicated survey of urban centers in Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

Not surprisingly, people feel most financially secure in Brazil, the country that has enjoyed the greatest economic growth. The sense of financial security also has improved, if more moderately, in Argentina and Colombia. Mexico is an exception, probably because its strong ties to the US economy exposed the country to the financial crisis, and drug-related violence discouraged investment and tourism. In Chile financial security went down slightly. Chile's private pension system suffered an estimated 20 percent loss to the global financial crisis thereby contributing to a lower sense of financial security.

With an improved sense of financial wellbeing, the middle class spends more. Internet usage has increased sharply. Over half of the population now owns PCs. The rise in disposable income and confidence is also illustrated by the increase in airline trips.

PURCHASING POWER INCREASES



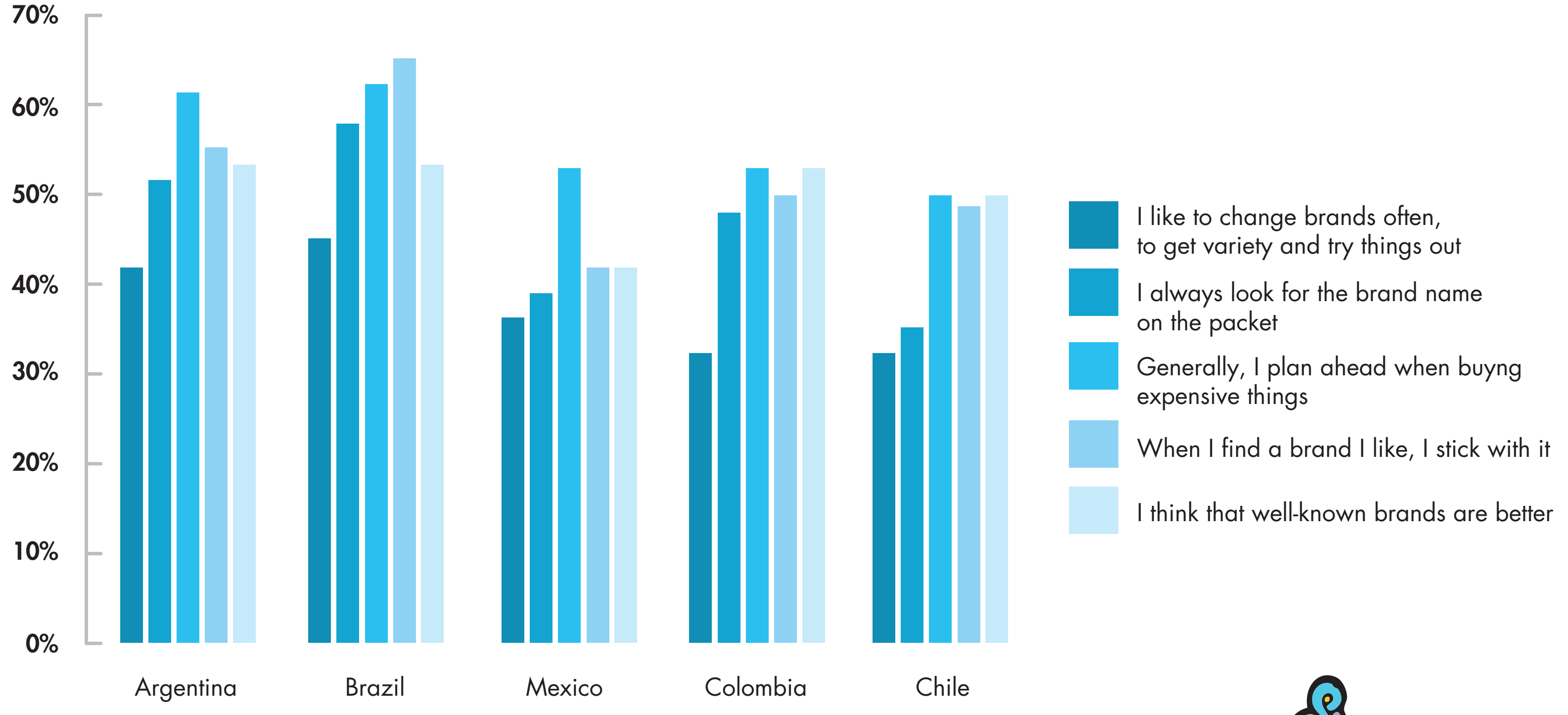
Reflecting the rise of the middle class, PC ownership increased dramatically to over 50 percent of the population in 2011 from 30 percent in 2006.

Source: TGI syndicated survey of urban centers in Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

BRANDS FACTOR INTO PURCHASING DECISIONS

The rise in purchasing power is accompanied by a growing concern with brands. More than half of consumers in Argentina, Brazil and Colombia think that well-known brands are better. And more than half of all consumers in Argentina and Brazil look for a brand name when purchasing. Brazilians are the most loyal customers. About 65 percent say that when they find a brand they like, they stick with it. Mexico again is an exception. While the level of brand interest and loyalty is high in Mexico, it's relatively lower than in the other countries. One explanation for this anomaly is that Mexican consumers have been exposed to international brands for a long time because of the nation's proximity to the US.

BRAND CONSCIOUSNESS EXPANDS

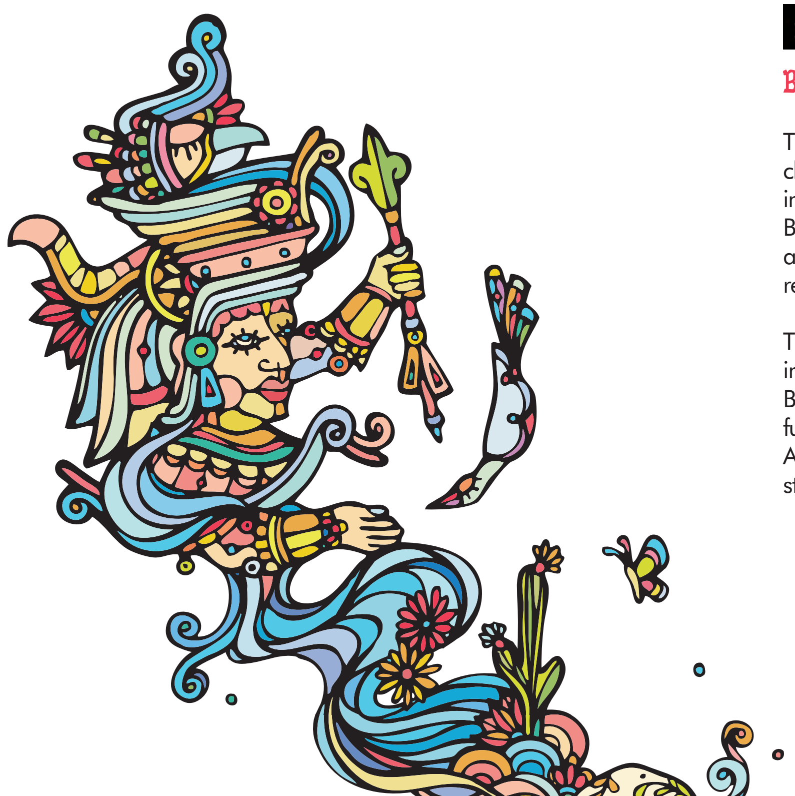


KANTAR MEDIA TGi

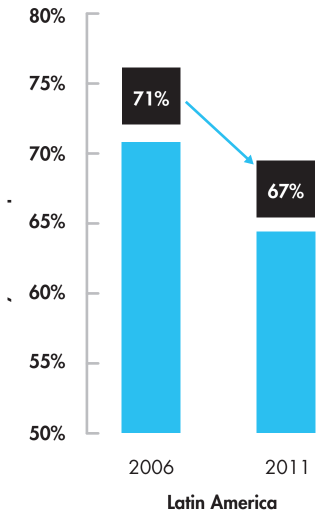
Across Latin America consumers are paying attention to brands. Generally, they prefer to stick with a brand they like rather than experiment.

Source: TGI syndicated survey of urban centers in Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

Related to this growing interest in brands and underlying brand loyalty, Latin American consumers are shopping slightly less for special offers. In 2011, 67 percent of consumers always looked for special offers, down from 71 percent in 2006. While the change is small as a percent, the direction is important because it suggests that as consumers feel more secure, they become willing to spend more for the products and services that they need and want. And bargain hunters may be simultaneously trading up.



PURCHASING POWER INCREASES

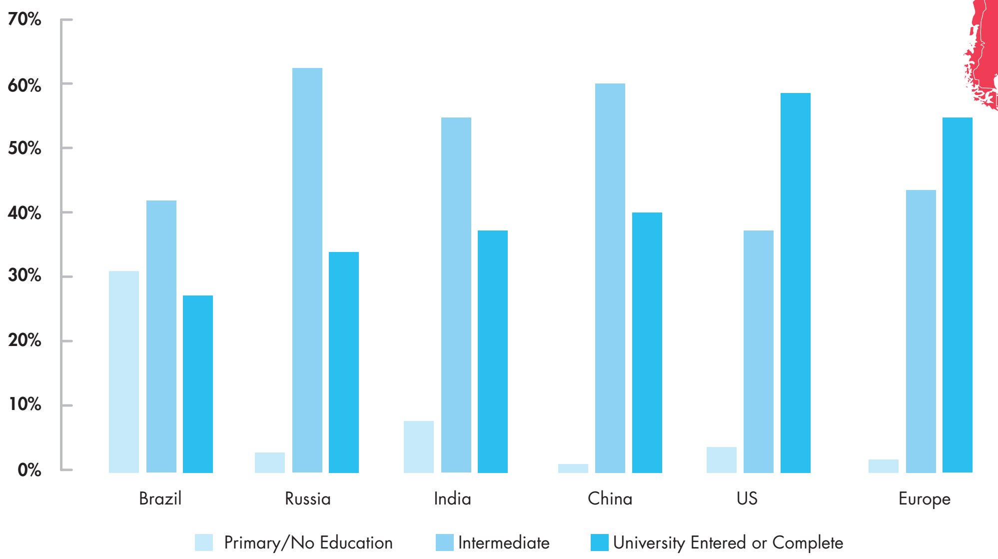


Reflecting the increased sense of economic security, fewer consumers feel compelled to seek sale-priced items.

Source: TGI syndicated survey of urban centers in Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

KANTAR MEDIA TGi

EDUCATION LEVELS LAG



KANTAR MEDIA TGi

One-third of Brazil's population has only a primary school education, or no education. This reveals Brazil's most serious challenge in the near term, and its biggest hurdle in achieving sustained levels of social and economic development.

Source: TGI syndicated survey of urban centers in Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Venezuela and Peru.

BUBBLE OR LONG-TERM REALITY

These changes are significant—the rise of the middle class, the improvement in financial confidence, the increase in consumerism and concern with brand. But are these changes permanent? Predictions are always dangerous, especially in Latin America, a region known for its economic and political volatility.

The balance between economic expansion and intolerable inflation can be difficult to modulate. But the social and economic improvements are fundamental and should foster greater stability. Latin America needs to address at least two underlying structural weaknesses, however.

The aging infrastructure needs to be improved. And people need to receive more extensive education. While education levels have improved slightly since 2006, even in Brazil, the region's most prosperous nation, only about a quarter of the population has any university education. That's the lowest level of any of the BRIC economies and less than half of the level in the US or Europe where, respectively, 59 percent and 55 percent of the population has some university education.

These improvements are requisite to build and sustain prosperous, competitive and just societies.

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GREAT DIGITAL OPPORTUNITY AWAITS BRANDS

Consumers aspire to expand Internet presence

When it comes to the Internet, Latin Americans can best be described as "Aspirers."

That's a TNS Digital Life term for people who are relatively new to the Internet but eager to become more involved. "Aspirers" is one of our six Digital Lifestyles that also include, for example, "Functionals," people who use the Internet for practical reasons like email, and "Influencers" who spend much of the day online.

In Latin America, about 38 percent of the population are "Aspirers" compared with 15 percent worldwide. These consumers access the Internet via Internet cafés and/or at home. They are highly engaged but have not been as active as they would like to be, at least until now.

Brands face an enormous opportunity in Latin America during the coming months and years as these highly engaged new consumers, the "Aspirers," increase their Internet usage levels across all activities and platforms.

INTERNET PENETRATION RELATIVELY LOW

Today, Latin America has relatively low Internet penetration, compared with more developed markets, with only a couple of countries approaching the 50 percent mark. While many Internet trends are consistent with other developing markets, some behaviors parallel more developed markets, such as the US and Europe.

In Latin America, as in other fast growing markets, the PC/laptop is still the dominant device for accessing the Internet, with mobile devices failing to make an impact. Mexico has the highest levels of mobile usage with 19 percent of the online population accessing the Internet by mobile in the past four weeks. At the same time, however, Mexico's PC legacy matches that of the US, its northern neighbor with which it maintains close cultural and economic ties.

Several factors account for the relatively low level of internet access via mobile phones in Latin America. First, all markets in Latin America have suffered from infrastructure issues and poor coverage of 3G networks. Second, high costs of data plans and smartphone devices have impacted heavily on levels of usage, especially in markets such as Brazil. However, prices of device and data plans are falling, with excellent offers for data even on pre-pay plans. This suggests that Internet access via mobiles is due to explode in the near future.

TNS DIGITAL LIFE

Digital Life is the largest global study of people's online attitudes and behaviors. Based on conversations with over 72,000 people in 60 countries, TNS Digital Life provides insights that help marketers develop effective online strategies.

www.tnsdigitallife.com

JUAN ALEXANDER LONDOÑO
Regional Manager
TNS Digital, Latin America

SOCIAL NETWORK GROWTH POTENTIAL

Traditionally Latin America has been a continent of the haves and have-nots. However, in recent years there have been huge strides to bridge this gap with a growing middle class and increasing consumer purchasing power. Consumers who were previously excluded from conversations in areas such as politics, education, brands and products, now have a voice, and this voice is being increasingly expressed through the digital arena.

It is therefore no surprise that social networking has had a huge impact in Latin America, especially considering the social nature of many Latins. Brazilians, for example, have an average of 481 friends on social networks, one of the highest numbers in the world, offering major opportunities for brands to share their message with large groups of consumers.

In Colombia, Internet users are spending up to eight hours weekly on social networks, significantly higher than the global average of 4.8 hours. Social networks also act as aggregators of many services including messaging, chat, sharing photos and videos and playing games. Therefore social networks offer an excellent first point of call for brands to communicate with the online consumer.

GREAT OPPORTUNITY

Latin Americans also are keen on sharing videos, with both consumer and professionally created videos extremely popular. In fact, 72 percent of Brazilians view videos on YouTube at least once a week. Brands have the opportunity to create their own engaging videos to be shared by consumers as well as to encourage consumer generated content. If brand-made videos are sufficiently appealing, consumers will share them with a large percentage of the online population.

Social networks, along with brand websites, are also the most important digital touch points on the path to purchase in Latin America, with nearly half the population engaged at any stage. Not surprisingly, offline touch points, such as TV and word of mouth, still dominate media investment in Latin America. However, digital's enormous potential points to the need for brands to create integrated offline/online marketing approaches.

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BRAND STRATEGIES FOR LATIN AMERICA

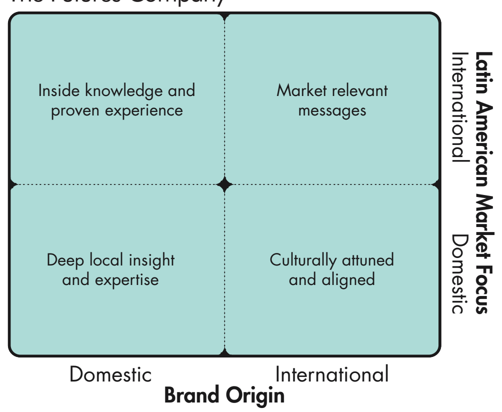
Adjusting to meet market potential

With its growing population, increasing income levels, and heavy technology engagement, it's not surprising that Latin America has drawn the attention of marketers. But it is an easy continent to misread, because of the huge differences among the constituent countries and regionally within each country. Brazil, for instance, is four-fifths of the size of Europe while some Caribbean islands rank as the world's smallest territories. Literacy rates in Latin America vary, too, from almost 100 percent in Cuba to about half the population in Haiti.

To explore what these similarities and differences mean for brands and their marketing strategies in Latin America, The Futures Company has developed a brand strategy framework.

LATIN AMERICA BRAND STRATEGY FRAMEWORK

The Futures Company



The "Brand Origin" axis is defined by whether the company originated in Latin America or from outside the region. The second axis, "Latin American Market Focus," is contingent on whether the business or brand, and its marketing activities, concentrate on one particular market or span the region.

While these quadrants and their definitions are not mutually exclusive, the matrix helps to understand brands' centers of gravity, which is critical in determining their most appropriate and credible marketing strategies in the region.

DEEP LOCAL INSIGHT AND EXPERTISE

Beauty matters, certainly in Brazil. Sales of beauty and personal care products exceed $35 billion annually. For a long time, the cosmetics giant Avon, with its worldwide million-plus army of door-to-door sales representatives has been held up as a successful case study in how to sell beauty products in Brazil. Avon has faltered recently though. While the business has had internal problems, there are also signs that Brazilian consumer culture is also changing. Pride in Brazil, and optimism about its future, have strengthened national identity. Local beauty brands also have grown faster than the multinationals over the last five years.

Boticario, the largest specialist beauty retailer, is a case in point. The company embodies many qualities that make it appealing to the modern Brazilian consumer. Its franchise model, one of the first to be used in Brazil, reflects a growing sense within Brazil of empowerment and entrepreneurialism, and it is also well known for conservation and CSR programs, which underline both local links and re-investment in the country.

INSIDE KNOWLEDGE AND PROVEN EXPERIENCE

Latin American brands are not just successful in their home countries. The Argentine confectionery brand Arcor is the world's largest producer of candies, and the largest exporter of confectionery in Argentina, Brazil, Chile and Peru. The company strapline, "Le damos sabor al mundo" (We give the world flavor), indicates its ambition.

Arcor's rise owes much to the company's understanding of the distinctive macroeconomic climate in Latin America. In the face of fluctuating input prices and other supply difficulties, Arcor's vertical integration has been arguably its greatest asset. By producing its own raw materials and energy, it insulated creating its own packaging and energy, it insulated itself from a range of external pressures and created a robust business model particularly suited to Latin America. Today, Arcor's strong distribution networks throughout the region help it to compete with larger international players like Unilever and Nestlé.

CULTURALLY ATTUNED AND ALIGNED

Latin America's diversity means that adopting a broad-brush approach to marketing is fraught with problems. Campaigns that do not ring true with local contexts render brands irrelevant or even alienating. International brands need to find a way to square this with the constraints of international brand and market guidelines, which add a further level of complexity.

An example of a brand that has managed to stay aligned with its core values while appearing culturally attuned in a particular country is Diageo's Johnnie Walker in Brazil. In a recent campaign, Diageo used the brand's global platform of "Keep Walking" but made it relevant for Brazilians, tapping into the aspirational mood of the country and referencing local legend.

MARKET RELEVANT MESSAGES

When resources, time, strategy or organizational structure prevent the creation of a tailored country campaign it is still possible for brands to recognize the importance of local nuances, despite pronounced differences within the region. In particular, the depth of difference in terms of relative levels of income, education and infrastructure development are much greater than elsewhere.

One brand that has succeeded in delivering market relevant messages in countries across Latin America while maintaining a consistent look and feel is Coca Cola. Recent regional campaigns have been devised as a sort of menu of different ads and vignettes with the company running the most relevant local combinations in each country. The overall campaign, execution style and format remain the same across the region but the story and emphasis differs subtly from location to location.

Such campaigns are difficult to execute, but the benefits can be substantial and ensure that the brand's values remain aligned and undiluted.

The Futures Company is the leading global foresight and futures company. A longer version of this article, "The Coming Decade for Latin America," can be accessed as a Future Perspectives report on The Futures Company's website, at www.thefuturescompany.com/free_thinking.

BRAZIL EARNED ITS LETTER IN BRIC

All Latam experienced growth

It has been more than 200 years, since the emergence of the Industrial Revolution in England, that the world has seen such a powerful rebalancing of the scales of global economic power.

The emerging countries, especially BRICs—Brazil, Russia, India and China—have taken over the economic news, not because they're in political and economic crises anymore, but because they're important agents of global economic growth.

The collapse of radical communism and the decline of wild capitalism, together with the technological evolution, promoted a more favorable environment for the blossoming of the emerging countries' economies. People long stuck in poverty are beginning to find their space in the consumer market.

Economist Jim O'Neill created the BRIC acronym in 2001. A market analyst for investment bank Goldman Sachs, O'Neill predicted that in 50 years, these four economies would be the most important worldwide. In the decade since he published his "Building Better Global Economic Brics" report, we have witnessed the growing economic and political strength of the BRICs and the weakening hegemony of the players that dominated the dynamics of the international economy during the past century: the US, Japan and the Western Europe.

SONIA BUENO
CEO Kantar
Worldpanel Latam

CHALLENGES REMAIN

With an open economy and progressive social programs, Brazil has driven regional vitality and experienced 5 to 7 percent economic growth for the past few years. But Brazil is not the only Latin American country experiencing rising prosperity. Chile, Colombia, Mexico and Peru are among the other countries also doing well.

The question is whether the growth will continue and at what rate. The region's economy grew an impressive 6 percent in 2010. And more than half of the population now is considered part of the middle class. However, estimates for 2012 indicate economic growth of 3.7 percent, below the 4.3 percent estimated for 2011, according to findings by the UN's Economic Commission for Latin America and the Caribbean (ECLAC).

High inflation is one of the ghosts from the past that returns to haunt Latin America, some countries more than others. While in Venezuela and Argentina inflation is double digit, elsewhere it is around 3-to-6 percent. The price of commodities is another variable that will undoubtedly have repercussions on the region's results for this year.

The fact remains that Latin America's importance has grown and strengthened globally. Proof of this attainment is in the number of prestigious international conferences taking place in the region during 2012, including: Rio+20, the United Nations Conference on Sustainable Development in Brazil; the Summit of the Americas, in Colombia; the EU-Latin America Summit in Chile; and the Latin American World Economic Forum, in Mexico.

These events will take place as Latin America faces other developments and challenges, including national elections in some countries and public discontent about certain social issues, such the quality and cost of education, as last year's student protests in Chile illustrated. Continued economic growth will enable the countries of Latin America to welcome more of their citizens into the middle class and consumer society.

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels.
www.kantarworldpanel.com

LATAM RETAIL POWERFUL AND EVOLVING

Brand marketers need to prepare

ADRIAN FINCH
Regional Director
Ogilvy Action Latin America

A tourist arriving in Rio de Janeiro for the first time probably would want to visit the Sugar Loaf, walk along Copacabana beach, and perhaps watch a game of football at the famous Maracana Stadium. This last option of course is not possible at the moment because the stadium that was built for the 1950 World Cup is currently being redeveloped for the next World Cup in 2014.

Nevertheless, having taken in the sights and sounds of these regular tourist attractions a visitor probably would feel that he or she has received a good insight into the lifestyle of a Carioca – the name given to natives of Rio.

However, like any other city in the world, to get a more granular view of the habits and lifestyle of a resident, a quick trip to the local supermarket would be no bad thing. In the case of Rio, a visit to a Zona Sul supermarket (with its heart shaped logo), or a more price conscious Mundial supermarket, would give an equally enlightening look into the habits of a Carioca.

Obviously this type of granular view isn't just restricted to supermarkets. The whole retail universe is a reflection of the society it serves.

ON THE PERIPHERY

For most of the last century Latin America was on the periphery of the world's economic and political stage. This was reflected by a retail universe that was dominated by traditional retailers that for the most part focused on offering basic products to low-income consumers in their local neighborhoods. Many of these traditional channels profited from an "informal" market, which allowed them to compete on price with larger retailers.

But as Latin America's economies have strengthened over the last decade, the consumption habits across the region moved on, and the retail landscape evolved. Non-basic consumption items have grown quickly all over Latin America led by the soft drinks and the beer categories. The opening of credit lines to consumers also has greatly changed consumption patterns, with greater spending on durable white goods (within the formal market) for the first time by low-income consumers.

At the same time, in high-income neighborhoods, traditional stores have progressed to offer better overall quality service, a more specialized assortment of products and greater attention to the "purchase experience."

Consolidation of the retail universe is taking place at an ever-faster rate. Supermarket chains, as well as department stores, are growing organically or through acquisitions, and gaining greater power. They are attracting more consumers, extending credit lines, gaining bargaining power with suppliers, and driving efficiencies across the supply chain.

LIMITED MULTINATIONAL PRESENCE

Despite these advances of the modern trade, Walmart and Carrefour remain the only two multinational retail companies that figure in the Top 15 largest retailer groups in Latin America. This clearly demonstrates that local knowledge still holds sway in the region, a region where the local powerhouses grew up in difficult economic times of rampant inflation, complex supply chains, as well as competition from the informal market.

Chile, Mexico and Brazil represent the most developed retail environments in Latin America, and not surprisingly the biggest retailers in the region come from these three nations. Colombia is conspicuous by its lack of representation (with the exception of the retailer Exito) in the top retailer list. But this has more to do with a mountainous country, which is very regionalized by topography, than with anything else.

Looking forward, the challenges of the informal market will be superseded by the challenges of the digital world. E-commerce is still very much in its infancy in Latin America, but a purchase behavior shift is already taking place with consumers, driven by improvements in technological infrastructure and the increased usage of smart phones. We are at the very early stages of a seismic shift in consumer behavior and demands, which will require retailers to adapt even more, with more aggressive pricing strategies and more efficient home delivery mechanisms, all the way through to better in-store shopping experiences.

These are all global digital trends, but to be successful brand marketers will need to prepare for them with a distinctive Latin touch.

Ogilvy Action focuses on better understanding consumer behavior and how shoppers make purchasing decisions.
www.ogilvyaction.com

TOP 50 OVERVIEW

TOP 50 BRAND VALUE TOTALS $136 BILLION

Ranking includes diverse categories

The 2012 Top 50 Most Valuable Latam brands total $135.7 billion in value.

Brazil accounts for just over one third-of that value, which isn't surprising since Brazil, one of the BRIC markets, is the world's fifth largest country in land area, just after China, and the sixth largest economy with a GDP of $2.0 trillion in 2010, a gain of over 200 percent in a decade.

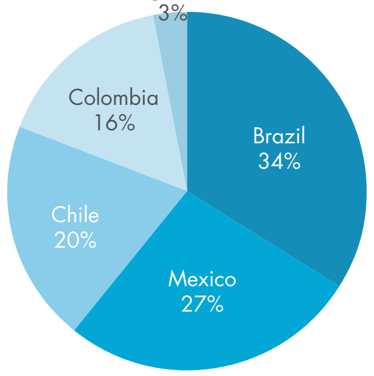
But it's not just about Brazil. Mexico comprises 27 percent of the value of the 2012 Top 50 ranking. Together, Brazil and Mexico account for half of the brands, 14 each. Reflecting the diversity of the national economies, Brazil's brands represent eight product categories and Mexico's, six.

With 12 brands in the Top 50, Chile accounts for 20 percent of the 2012 Latam Top 50 total value, while Colombia with eight brands comprises 16 percent of total value. Five product categories in Chile and four in Colombia are included. In contrast, only two Argentine brands appear. They total just 3 percent of the value of the Latam Top 50 and come from two product categories.

All of the BrandZ™ Latam Top 50 most valuable brands are leaders in their country markets. Many enjoy regional prominence. The Chilean retailers Falabella and Jumbo operate stores throughout South America. The Mexican telecom Telcel serves much of Latin America. And the financial institution brands typically maintain locations in neighboring countries.

In addition, some of the BrandZ™ Latam Top 50 operate globally. Number 1 ranked Petrobras, the Brazilian energy giant, conducts exploration and refining activities in all parts of the world. The Brazilian food processors Sadia and Perdigão export worldwide. Cemex of Mexico is a global building materials supplier. Chile's LAN Airlines is in the final stages of a merger with TAM Airlines of Brazil to form one of the world's largest carriers, LATAM.

BRANDZ™ LATAM TOP 50 COUNTRIES BY BRAND VALUE



Brazil	US$45.90 billion
Mexico	US$36.80 billion
Chile	US$27.25 billion
Colombia	US$22.04 billion
Argentina	US$3.76 billion
Total	US$135.74 billion

Brands from region's largest economy, Brazil, comprise about one-third of the value of the Latam Top 50. Brazil and Mexico together account for over 60 percent of the Top 50 brand value. Chile represents 20 percent of Top 50 brand value, although it's a smaller economy than Colombia and Argentina whose brands together account for 19 percent of Top 50 value.

RETAIL LEADS THE RANKING

Retail is the most represented product category in the BrandZ™ Latam Top 50, with 14 brands listed. Eight of the retail brands are Chilean, four are Mexican, Brazil and Colombia each has one. The dominance of retail reflects it's central importance both for the distribution of merchandise and the provision of credit.

The second most represented category, financial institutions, also is fundamental to the health of Latin America's economies. Five of the 10 financial institutions are Colombian and three are Brazilian. Mexico and Chile each have one. With eight brands in the Top 50, communication provider is the third most represented category, pointing to the influence of communications today. Five of the telecoms are Mexican.

The mix of categories in the BrandZ™ Latam Top 50 ranking is determined by geography, history, politics and economics of the various countries. Chile's physical isolation in part inspired self-reliance and the development of retail. Brazil benefited from the richness of its natural resources. Economic turbulence and government policy has moderated the growth of brand value across most product categories in Argentina.

In some instances, the category mix suggests the influence of several powerful and wealthy Latin American entrepreneurs. Carlos Slim Helú, the Mexican financial magnate who Forbes magazine ranks as the world's riches individual, owns substantial telecom and retail interests. Colombian Lusi Carlos Sarmiento manages several bank brands under the holding company Angulo Grupo Aval Acciones y Valores SA.

BRANDZ™ LATAM TOP 50 RANKING BY CATEGORIES

Retail	14
Financial Institutions	10
Communication Providers	8
Beer	6
Energy	4
Food	3
Industrial	2
Airlines	1
Cosmetics	1
Mining	1

Half of the brands in the BrandZ™ Top 50 Most Valuable Latin American Brands are either retailers or financial institutions, reflecting the central role of those categories in Latin American societies. Those two categories, along with communication provider, account for one-third of brands in the Top 50.

BRAND CONTRIBUTION SCORES ARE HIGH

The high Brand Contribution scores of Chilean brands indicate the potential strength of brands in Latin America. Brand Contribution measures the impact on the future earning potential of brand alone, excluding other factors such as financial performance. It rates brands on a scale of 1 to 5, with 5 being the best score.

Of the 12 Chilean brands in the BrandZ™ Top 50 Most Valuable Latam brands, all but one brand received a Brand Contribution score of 4 or 5. The exception is in the energy category, which typically scores low in Brand Contribution. Brands in the other Latam countries score moderately well in Brand Contribution. Overall, 21 of the Top 50 Latam brands score a 4 or 5 in brand contribution, 19 score 1 or 2 and 10 are exactly in the middle with scores of 3.

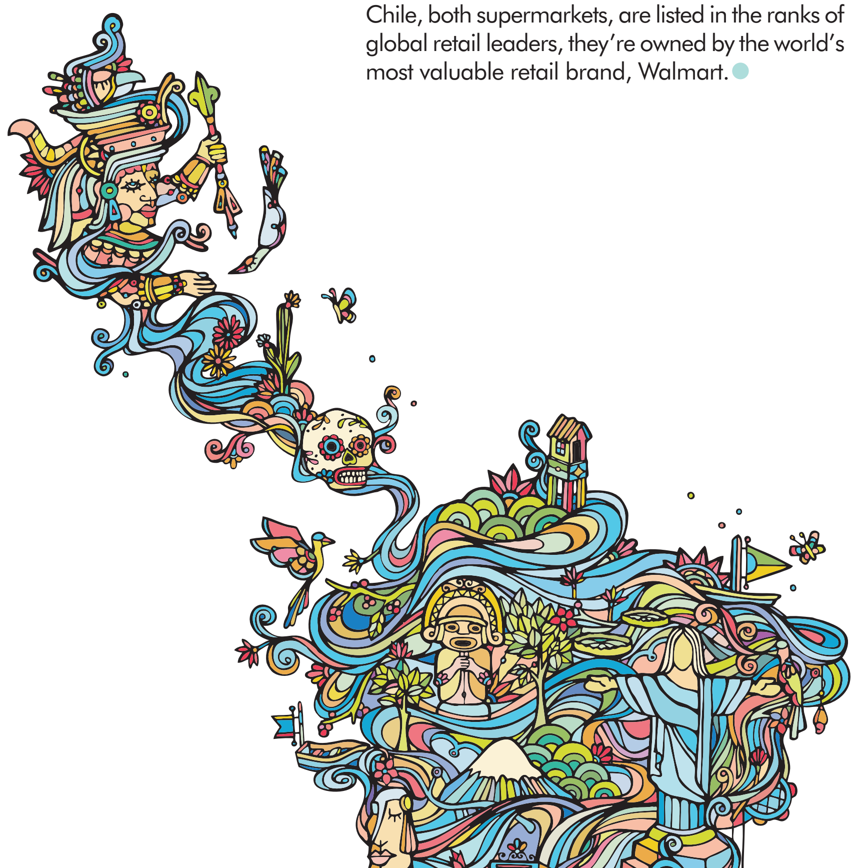
The highest scoring brands generally are retailers or beers. But Chile's LAN Airlines and its energy brand Copec also scored well as did Natura, the Brazilian cosmetics brand and Bimbo, the world's largest distributor of bakery products, which is based in Mexico. Energy and industrial brands generally score low in Brand Contribution.

Although appreciating in value, the Latam brands are not yet valuable enough to appear in the BrandZ™ Top 100 Most Valuable Global Brands ranking—with two exceptions. The Brazilian oil and gas company Petrobras ranks 75 in the 2012 Top 100 and Telcel, Mexico's telecom, ranks 97.

BRANDZ™ LATAM TOP 50 - CATEGORIES BY COUNTRY

	Brazil	Mexico	Chile	Colombia	Argentina	TOTAL
Airlines	-	-	1	-	-	1
Beer	4	2	-	-	-	6
Communication Provider	1	5	-	1	1	8
Cosmetics	1	-	-	-	-	1
Energy	1	-	1	1	1	4
Financial Institution	3	1	1	5	-	10
Food	2	1	-	-	-	3
Industrial	-	1	1	-	-	2
Mining	1	-	-	-	-	1
Retail	1	4	8	1	-	14
TOTAL	14	14	12	8	2	50

Reflecting their large and diverse economies, brand value is spread among many categories in the Brazil and Mexico BrandZ™ rankings. In contrast, brand value is concentrated in two categories, retail and financial institution, respectively, in the Chile and Colombia rankings.



Several Latam brands appear among the BrandZ™ global leaders in their respective categories, however. Three of the Top 10 brands in the beer category are Latin American: Corona of Mexico and the Brazilian brands Skol and Brahma. Brazil's Natura ranks among BrandZ™ global leaders in personal care category. Skol and Brahma are owned by AB-InBev, the world's largest brewer, demonstrating the engagement of multinationals in Latam.

In 2012, for the first time, two Chilean brands ascended to the ranks of BrandZ™ global leaders in their category—retail. Falabella operates department stores and Sodimac, a Falabella specialist brand, operates in home improvement. While neither Mexico's Bodega Aurrera nor Lider of Chile, both supermarkets, are listed in the ranks of global retail leaders, they're owned by the world's most valuable retail brand, Walmart.

RETAIL, BEER SCORE HIGH IN BRAND CONTRIBUTION

Brand Contribution measures the impact of brand alone on future earnings, exclusive of other factors such as financial performance. An indicator of brand strength, Brand Contribution is measured on a scale of 1 to 5 (5 highest).

Eight of the BrandZ™ Top 10 Brand Contribution leaders in Latin America fall in two product categories, beer and retail. Popular beers often receive high brand contribution scores because their differentiation depends on innovative brand marketing.

In contrast, retail brands sometimes receive high Brand Contribution scores, but not always. The presence of so many retail brands suggests the central role of retail in people's lives in Latin America. Chilean retail brands, in particular, developed as places both to purchase merchandise and obtain credit.

With the exception of the Argentine beer Quilmes, the Top 10 brands come from Brazil or Chile, which points to the importance of brands in those countries. Copec receives an unusually strong Brand Contribution score for an energy brand. Brazilians have high regard for Natura, the cosmetic brand.

	Brand Name	Category	Brand Contribution	Country
1.	Bohemia	Beer	5	Brazil
2.	Sodimac	Retail	5	Chile
3.	Skol	Beer	5	Brazil
4.	Brahma	Beer	5	Brazil
5.	Copec	Energy	5	Chile
6.	Natura	Cosmetics	5	Brazil
7.	Lider	Retail	5	Chile
8.	Jumbo	Retail	5	Chile
9.	Quilmes	Beer	5	Argentina
10.	Falabella	Retail	5	Chile

Source: Brand Analytics, BrandZ™

Among the most valuable Latin American brands, these brands rank highest in Brand Contribution. An indicator of brand strength, Brand Contribution is measured on a scale of 1 to 5 (5 highest).

LATIN AMERICA

#	Brand	Brand Value (US$ Mil.)	Country	Brand Contribution Index	Category
1	Petrobras	10,560	Brazil	1	Energy
2	Telcel	8,449	Mexico	3	Communication Provider
3	Bradesco	6,690	Brazil	3	Financial Institution
4	Itaú	6,606	Brazil	2	Financial Institution
5	Comcel	5,513	Colombia	4	Communication Provider
6	falabella.	5,263	Chile	4	Retail
7	Corona	5,114	Mexico	4	Beer
8	Skol	4,698	Brazil	5	Beer
9	Banco do Brasil	4,574	Brazil	3	Financial Institution
10	Claro	4,336	Mexico*	2	Communication Provider
11	Ecopetrol	4,240	Colombia	1	Energy
12	LAN	3,964	Chile	4	Airline
13	Bancolombia	3,465	Colombia	4	Financial Institution
14	Sodimac	3,318	Chile	5	Retail
15	natura	3,307	Brazil	5	Cosmetics
16	Banco de Chile	3,109	Chile	3	Bank
17	YPF	3,074	Argentina	2	Energy
18	Banco de Bogotá	2,842	Colombia	3	Financial Institution
19	Copec	2,815	Chile	5	Energy
20	Telmex	2,656	Mexico	2	Communication Provider
21	Televisa	2,585	Mexico	2	Communication Provider
22	Bodega Aurrera	2,511	Mexico	2	Retail
23	banco popular	2,414	Colombia	3	Financial Institution
24	Brahma	2,359	Brazil	5	Beer

Source: BrandAnalytics and Millward Brown Optimor.

BRANDZ™ TOP 50 MOST VALUABLE LATIN AMERICAN BRANDS 2012

#	Brand	Brand Value (US$ Mil.)	Country	Brand Contribution Index	Category
25	Bimbo	1,995	Mexico	4	Bakery
26	líder	1,980	Chile	5	Retail
27	Sanborns	1,834	Mexico	2	Retail
28	Vale	1,708	Brazil	1	Mining
29	paris	1,699	Chile	4	Retail
30	Sadia	1,496	Brazil	2	Food
31	Cemex	1,494	Mexico	1	Cement
32	elektra	1,398	Mexico	2	Retail
33	Jumbo	1,361	Chile	5	Retail
34	Inbursa Grupo Financiero	1,352	Mexico	1	Financial Institution
35	Davivienda	1,251	Colombia	4	Financial Institution
36	Modelo	1,244	Mexico	4	Beer
37	éxito	1,168	Colombia	4	Retail
38	Liverpool	1,156	Mexico	3	Retail
39	Banco de Occidente	1,143	Colombia	3	Financial Institution
40	Mallplaza	1,116	Chile	3	Retail
41	Ripley	987	Chile	4	Retail
42	Santa Isabel	948	Chile	4	Retail
43	Antarctica	851	Brazil	4	Beer
44	vivo	817	Brazil	1	Communication Provider
45	Perdigão	778	Brazil	2	Food
46	Lojas Americanas	762	Brazil	2	Retail
47	Bohemia	697	Brazil	5	Beer
48	Arauco	690	Chile	1	Paper
49	Personal	681	Argentina	3	Communication Provider
50	TV Azteca	676	Mexico	2	Communication Provider

*Claro is based in Mexico but has no operations there.

ARGENTINA

CONSUMER PURCHASING POWER GROWS

But policies limit brand choice

Argentines live prepared for the worst.

And for a good reason: just a decade ago, unemployment soared, currency devalued, violent protests erupted, wealth fled and Argentina defaulted on a major international debt.

The country rebounded strongly, with GDP improving almost 30 percent between 2000 and 2010, according to the World Bank. While the change is impressive it lags the dramatic improvement in neighboring Brazil, where GDP rose by over 200 percent during the same period.

Still, personal income improved steadily as trade unions lobbied for higher wages and the government implemented social programs. The Universal Child Allowance, for example, distributes money to unemployed or underemployed families with children in an effort to reduce extreme poverty. Liberal extension of credit also enabled more people to acquire consumer goods.

The Argentine economy is expected to expand by a healthy 6 percent in 2012, but that's down several points from 2011, according to the nation's central bank. Inflation is growing by almost 9 percent, according to the National Institute of Statistics and Censuses (INDEC). Other sources suggest that the inflation figure could be double that rate, according to the Economist Intelligence Unit. And economic uncertainty is increasing.

Until recently, the country remained relatively isolated from the impact of the global economic problems. But weakening demand for commodities and Brazil's economic slowdown impacted Argentina. And in the middle of April, Argentine President Cristina Fernández de Kirchner announced the nationalization of YPF, the nation's largest oil and gas company and its most valuable brand.

The move received popular support in Argentina but stirred nervousness about the future of foreign investment. Foreign Direct Investment (FDI) weakened during 2011, rising only 3 percent compared with a 35 percent rise for all of South America, according to United Nations Economic Commission for Latin America and the Caribbean (ECLAC).

BRAND CHOICE IS RELATIVELY LIMITED

Despite these issues, Argentines have disposable income and they're spending it, if somewhat more slowly. Cosmopolitan residents of Buenos Aires and other cities look to Europe and North America for brands, especially when purchasing aspirational goods, such as cars or consumer electronics.

They generally select international brands for the perceived quality and implied status. Consumption sometimes is driven by a desire to display wealth. Historically, times of high inflation also have influenced consumption.

In certain categories, especially food and drink, Argentines prefer local brands. Examples include Quilmes, a popular Argentine beer, and Gallo, a brand of rice. The Molinos company markets many brands of packaged goods. Grupo Arcor is a major confectionary producer. La Serenísima markets dairy products.

Brand choice, however, is relatively limited. Regulations designed to protect local industry complicate the market entry for international organizations. And local brand owners seem to focus on brand distribution—getting into the supermarket or other retail outlet—rather than on brand building. The limited brand selection also results from price controls that affect the incentive for brands to compete. In addition, agriculture and livestock, rather than industry, comprise a large part of the country's economy.

Reflecting recent fluctuations in the economy, lower priced brands have become more popular in certain categories, such as personal care. The ability of Argentines to handle economic ups and downs is well illustrated by the past decade, but Argentine resilience has a much longer history.

ARGENTINA KEY FACTS

LAND AREA

2.78 million Km^2
1.07 million Mi^2

Comparison
Argentina is the eighth largest country in the world in land area, ranked just after India and roughly equivalent in size to Kazakhstan.

POPULATION

2010 40.4 million
2000 36.9 million
Change +9 percent

Comparison
In population, Argentina is about the size of Kenya and a bit larger than Poland.

MEDIAN AGE

2010 30.4 years
2000 27.9 years

GDP

2010 US$368.7 billion
2000 US$284.2 billion
Change +30 percent

Comparison
The GDP of Argentina is somewhat larger than the GDP of South Africa and smaller than the GDP of Austria.

GDP PER CAPITA

2010 US$9,124
2000 US$7,696
Change +19 percent

Comparison
In GDP per capita Argentina ranks slightly under Mexico and Kazakhstan

FOREIGN DIRECT INVESTMENT

2010 US$7.1billion
2000 US$10.4 billion
Change -32 percent

Comparison
In FDI Argentina ranks below Finland and above Colombia and the Czech Republic.

Sources: CIA World Fact Book, United Nations, World Bank

ARGENTINA

RESILIENCE AND RECOVERY

In the early twentieth century, Argentina was a prosperous country, although wealth was concentrated. For 30 years, from around 1916 until the ascension of Juan Perón to the presidency in 1946, the country was ruled first by a populist government and then by the military, directly or indirectly.

Perón attempted to improve the lives of Argentines with a mix of policies, nationalizing certain industries and implementing social reforms. A military coup deposed Perón in 1955. He returned for a short period of leadership in the 1970s. Then a brutal and repressive military regime governed until losing power in 1983, following its defeat in the Falklands war. The economy continued to suffer under successive democratic governments.

When Carlos Saúl Menem won the presidency, in 1989, the economy rebounded initially with a privatization program that included selling the national oil company, YPF. He also linked the value of the peso to the dollar. When the economy declined precipitously, the government froze personal assets and property values plummeted. Argentina defaulted on a large foreign debt in 2002.

With financial changes, including devaluation of the peso, the economy began to recover by the time that Néstor Kirchner was elected president in 2003. He attacked corruption, paid back international debt and sustained the recovery. Cristina Fernández de Kirchner, the current president, succeeded her husband. Nestor Kirchner died in 2010.

FUNDAMENTALS FOR BRAND BUILDING IN ARGENTINA

1. Be curious
Argentina is a large and diverse country. About one-third the size of the US, Argentina is the second largest South American country in land area after Brazil. Learn the regional differences and adapt to them.

2. Be flexible
The one constant in Argentina is change. Argentines are experts at surviving the unexpected. They tend to be up beat and flexible. And that's that attitude they look for in trusted brands.

3. Be emotional
Argentines respond especially well to brands that connect in a human way, that display honesty, humor or audaciousness. It's important to communicate distinctive advantages clearly and continuously.

4. Be digital
Traditional media remains important, but Internet penetration is high in Argentina. The people are active on social networks and they look for special offers from brands.

5. Be price sensitive
It's not all about price in Argentina, of course. But the country's history of economic volatility and periods of hyperinflation has made Argentines careful shoppers.

BRANDZ™ TOP 5 MOST VALUABLE ARGENTINE BRANDS 2012

#	Brand	Brand Value (US$ Mil.)	Brand Contribution Index	Category
1	YPF	3,074	2	Energy
2	Personal	681	3	Communication Provider
3	Telecom	390	3	Communication Provider
4	Quilmes	334	5	Beer
5	Galicia	188	3	Financial Institution

Brand Contribution measures the role brand plays in driving earnings on a scale of 1 to 5 (highest).
Source: BrandAnalytics and Millward Brown Optimor

1. YPF

Company YPF
Brand Value US$3,074 Million
Headquarter City Buenos Aires
Industry Energy
Year Formed 1922

YPF IS ARGENTINA'S LEADING ENERGY COMPANY AND LARGEST FUEL PRODUCER.

It operates a fully integrated oil and gas business with leading market positions across the domestic upstream and downstream segments. Upstream operations include the exploration, development and production of crude oil, natural gas and propane. Downstream operations are focused on refining, marketing, transportation and distribution of oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, propane and bio-fuels.

YPF operates a network of more than 1,600 filling stations and has the ability to produce 530,000 barrels of oil daily from 91 production areas transported by 2,700 kilometers (1,677 miles) of pipeline. The company was founded in 1922 and operated as a state run enterprise until 1993 when a public offering reduced the government's ownership stake to a minority position. In 1999, Spain's Repsol acquired majority ownership of YPF, but early in 2012 the government reasserted ownership with a presidential decree to nationalize YPF.

2. PERSONAL TELECOM

Company The Telecom Group
Brand Value US$681 Million
Headquarter City Buenos Aires
Industry Communication Provider
Year Formed 1990
Website www.telecom.com.ar

PERSONAL IS THE MOBILE BRAND OF THE TELECOM GROUP.

Personal has 18.2 million customers in Argentina and nearly 70 percent of those rely on the company's prepaid service. Personal relaunched its brand last year and introduced a distinctive new logo that features its name spelled out in letters that resemble handwriting. Personal drives brand awareness through sponsorship of signature events, such as the seventh annual Personal Fest musical festival that draws roughly 70,000 attendees over two days.

The company offers products for different segments of the market, such as the high end Personal Black handset to the more value priced Personal Touch smartphone offering. The brand also seeks to drive loyalty through its Club Personal program. Personal parent company The Telecom Group was created in 1990 when the government allowed public ownership of the previously state run enterprise. It shares are traded on the New York Stock Exchange under the symbol TEO.

3. TELECOM ARGENTINA

Company The Telecom Group
Brand Value US$390 Million
Headquarter City Buenos Aires
Industry Communication Provider
Year Formed 1990
Website www.telecom.com.ar

TELECOM ARGENTINA IS ONE OF THE MAIN NATIONAL TELECOMMUNICATION COMPANIES IN ARGENTINA.

Telecom Argentina offers local and long distance fixed-line telephony, cellular, data transmission and Internet services. The company offers mobile service through its Personal brand and Internet broadband services through its Arnet brand, which last year launched a video streaming service called Arnet Play that allows customers to watch a wide range of content on their televisions and computers at home.

The increased bundling of services, coupled with new products and service introductions in 2011, helped the company achieve a record low level of customer turnover. Telecom Argentina is one of the largest employers in the country with over 15,600 employees nationwide. It began operations in 1990 after the government completed a transaction allowing for public ownership of the company, which now trades on New York Stock Exchange under the symbol TEO.

TOP 5 ARGENTINA

4. QUILMES

Company Cervecería y Maltería Quilmes
Brand Value US$334 Million
Headquarter City Buenos Aires
Industry Beer
Year Formed 1890
Website www.cerveceriaymalteriaquilmes.com

QUILMES IS ARGENTINA'S BEST-KNOWN BEER BRAND.

Cervecería y Maltería Quilmes is the top brewer in Argentina and part of the Anheuser-Busch InBev group's extensive portfolio of more than 200 brands. Within the Anheuser-Busch InBev brand hierarchy, Quilmes is regarded as a "local champion" due to its leadership position within Argentina.

The company has 4,850 employees and operates five plants and eight distribution centers. The brand is active in promoting social initiatives such as "Vivamos Responsablemente," focused on promoting responsible drinking and the "Futuro Posible" campaign which provides student scholarships and donations to hospitals and educational institutions.

5. BANCO GALICIA

Company Banco de Galicia y Buenos Aires SA
Brand Value US$188 Million
Headquarter City Buenos Aires
Industry Financial Institution
Year Formed 1905
Website www.bancogalicia.com

BANCO GALICIA IS A MAJOR FINANCIAL INSTITUTION WITH 2.2 MILLION ACCOUNT HOLDERS AND AN EXPANDING BRANCH NETWORK.

Banco Galicia serves its 2.2 million deposit account holders and 8.5 million credit card customers with nearly 500 branch locations. The company was founded in 1905 and ended its most recent fiscal year with 12,500 employees. The bank accounted for nearly 9 percent of loans to the private sector last year and remains a financial stalwart with year-end assets that totaled 50.6 billion pesos ($3.6 billion approximately). The company's shares are traded on the Buenos Aires Stock Exchange under the ticker symbol GALI.

SHOPPERS SEEK DISCOUNTS

As inflation increases prices

FERNANDO COMENDEIRO
Senior VP Marketing and Communications

CECILIA ALVA
Managing Director, Southern Cone Region

KANTAR WORLDPANEL

Argentina's GDP expanded by a healthy 8 percent during 2011, but is likely to slow because of both domestic and international factors.

Global demand contributed to the strong economic expansion, as the price of raw materials reached historic levels. Inflation, however, remained a serious concern. Although the inflation rate was 11 percent, according to government sources, private estimates put the rate as high as 25 percent.

In fact, the price of a Fast Moving Consumer Goods (FMCG) basket grew 24 percent. Perhaps because inflation made the goods more expensive, FMCG sales remained flat, expanding by only 1 percent. Interestingly, any growth came not from the middle class, but from consumers in lower income levels with purchasing power enhanced by government programs. These consumers increased FMCG spending 4 percent, while the middle class reduced its FMCG spending to afford the rising prices of other goods and services, such as education and insurance.

Because of inflation and rising prices consumers shopped for discounts. Early in 2011, deep discounts at modern retail stores drew consumers looking for maximum value during a period of rising inflation. Carrefour, for example, offered discounts of 20-to-25 percent to drive customer traffic on designated days. As discounting declined, however, consumers shifted back to shopping in the traditional retail channel.

Despite these challenges, effective marketing drove sales. The FMCG basket was filled with many examples of brand and product innovation, especially in the home care category, which enjoyed a sales increase of almost 4 percent. Some brands delivered more premium products and others offered value-for-money. In each case, when the strategy was clear and well communicated, results were solid.

Rising inflation is likely to continue throughout 2012. The government's nationalization of the oil company YPF reflects a larger strategy for encouraging the development of local brands. Government policies also attempt to reduce unemployment and stimulate the economy with public spending on infrastructure. These measures should stimulate economic expansion, at least for the near term.

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels.
www.kantarworldpanel.com

MEDIA INVESTMENT GROWS SHARPLY

Impacted by inflation and new law

FIDEL LARIVA
Business Planning Partner
Mindshare

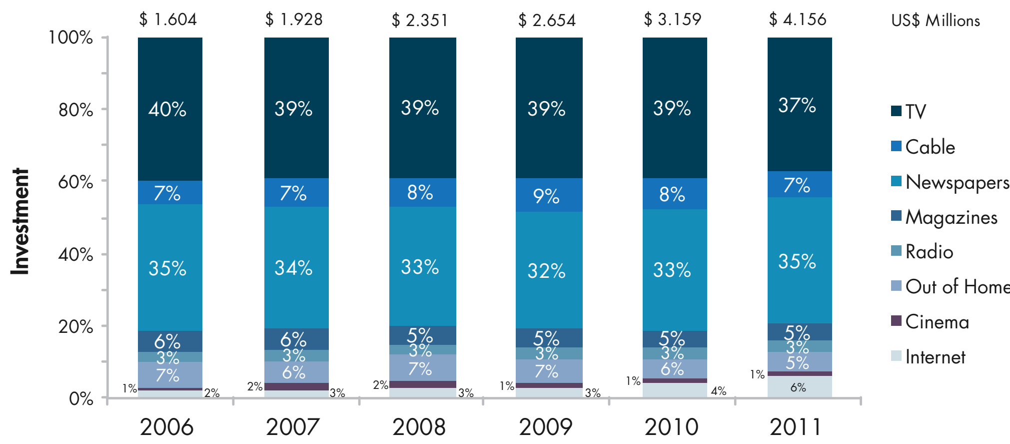
MARTIN CURIA
Research and Consumer Insight Director, Mediacom

Media investment grew 31.5 percent year-on-year in 2011, reaching $4.2 billion (Please see chart). But, as in recent years, inflation contributed much of that improvement.

In fact, the growth rate was greater than previous years mostly because of the new media law. Passed at the end of 2009, the Audiovisual Communication Services Law is intended to increase competition in an industry where power has been concentrated in a few companies.

The law, requiring a higher proportion of content to be produced in Argentina, affects advertising production because it increases the cost of TV and cable. The government's goal of increasing the digitization of media also impacted the industry. The first digital-only television programs appeared. And many newspapers launched their digital platforms.

TOTAL MEDIA INVESTMENT



Media investment in Argentina increased significantly over the past few years because of inflation and the impact of the new communications law.

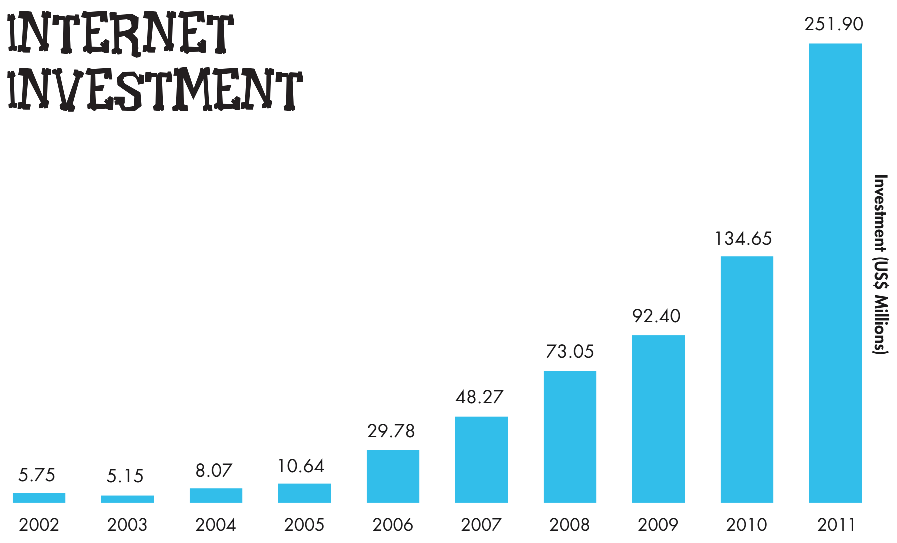
Source: Monitor, Scopesi; Mindshare

ARGENTINA

Most brands are developing digital or Internet campaigns and expanding rapidly into social media. Investment in Internet advertising almost doubled in 2011. (Please see chart). At the same time, the largest advertisers still rely on TV for broad communication of their campaigns, even though TV ad rates have increased substantially.

Changes in telecommunications also impacted the Argentine media industry, as the market experienced greater convergence of telecommunications and content. New platforms and devices continue to develop, with penetration growing steadily. But the rapid pace of change has raised important issues, such as the questions about intellectual property infractions.

INTERNET INVESTMENT



Internet investment increased steadily during the past decade, with a sharp rise after Argentina implemented the new communications law in 2009.

Source: CACEM/ComScore, Mindshare

MediaCom is one of the world's leading media agencies.
www.media.com

Mindshare is a global media and marketing services network.
www.mindshareworld.com

TNS Digital Life:
ARGENTINA INTERNET PENETRATION HIGH

Internet penetration in Argentina always has been relatively high compared with other markets in Latin America. Because of this history, the online population in Argentina in many ways resembles that of more developed markets.

Argentines are heavy social networkers, which matches the behavior of other Latin American populations. Out of the average of 11 hours per week Argentines spend online, they visit social networking sites like Facebook for 4.6 hours.

And 40 percent of Argentine consumers report being drawn to branded pages through special offers or promotions. In another respect engagement is relatively low. Only 20 percent of the population is friends with a brand on a social network, significantly lower than the global average.

Nevertheless, 42 percent of Argentines believe that posting comments online is an effective way to influence companies. This finding indicates that swift and appropriate responses by brands can impact positively on the consumer.

Although not as influential as the television or word of mouth, online touch points play a key role throughout the path to purchase demonstrating the importance of integrated offline and online campaigns.

CONSUMERS COMMENTS TRANSLATE AS BRAND OPPORTUNITY

Posting comments online is an effective way to influence companies	42%
I expect companies to contact me if I write something about them	39%

Of people who post comments online, 42 percent believe that it's an effective way to influence companies. Brands need to be aware that consumers presume companies are paying attention. Brands have an opportunity to respond and engage in dialogue.

By Juan Alexander Londoño, Regional Manager, TNS Digital, Latin America

PAULA BERNASCONI
General Manager
Ogilvy Argentina

CREATIVE FITNESS

Adapting to Constant Change

A general law of nature states: adapt or perish; re-invent or wither.

This law not only applies to wildlife, but to business-related activities as well (which can sometimes be quite wild).

In Argentina, new and surprising economic and political news appears every day and makes Argentines very quick to react, adjust and find their way through.

A little background: The Argentine population comprises people mostly of Italian and Spanish descent. The language is Spanish; the spirit, Italian. Argentina is the eighth largest country in the world.

The land is extremely fertile. There is a saying that you can drop anything anywhere, and it will grow. Resources are also abundant: gold, silver, copper, gas, petroleum and uranium and many more, plus the country's famous livestock.

After being one of the world's 10 wealthiest nations at the beginning of the twentieth century, Argentina went through crisis after crisis, both economic and political—from 200 percent monthly inflation in the 1970s and 80s to various devaluations and currency changes.

The continuous ups and downs have kept the average Argentine creatively fit, in the same way that a frequent gym-goer keeps physically fit. Flexibility, the capacity to be a jack of all trades, to avoid being pigeonholed in just one specialty, to take life with humor and see the glass half full; These are some features that define Latin Americans and especially Argentines.

WHEN CRISIS IS THE EVERYDAY NORMAL

This ability to adapt to change can be seen everywhere, everyday: in a housewife doing miracles in handling her home economy, a small entrepreneur reinventing a business or a taxi driver displaying vast knowledge about politics, the economy or the latest scientific discovery.

Of course, this creativity applies as well to marketers and advertisers who are many times forced to reinvent brands to survive within an economic crisis with new rules, limitations and restrictions. Brands transform to meet these changes, while facing fierce competition and increasingly demanding consumers.

We need to be creatively fit—exercised, trained, quick, flexible. Being relevant and differentiated in a commoditized industry is the current global challenge. In Argentina, you need to add to that challenge the need to face and beat unpredictability. How is it that we find our way? Creativity. Ideas.

REINVENTING BRANDS TO BE MORE UNPREDICTABLE THAN EVENTS

Creativity. Brand marketing success in Argentina requires constantly finding strong creative ideas that stand out. At Ogilvy we call it pervasive creativity. We are conscious we are in this industry "to sell or else," as our founder David Ogilvy once said.

So ideas need to be effective. We go for the "Twin Peaks:" Creativity and Effectiveness. These two go together. They result in ideas that break through but remain relevant to consumers' needs and aspirations. They make an impact on client businesses.

Ideas. Ideas keep us alive. Ideas keep brands differentiated and remembered. But ideas don't come bottled up in a 30-second script or a print ad anymore. It's 360. Success requires working with multidisciplinary accounts, planning and creative people altogether. Looking for ideas.

When we focus on finding ideas, it doesn't matter in what media they initially fit. Today an idea crosses all media; sometimes it might start off in Twitter, following up in an activation, and ending up as a viral video or hung in a website where it will reach millions.

And that new universe—not even a thought only a few years ago—is up for grabs. Let's go for it.

Ogilvy is one of the word's largest marketing communications agencies.
www.ogilvy.com

CHILE

CHILEANS ENJOY FREE MARKET PROSPERITY

But now face middle class problems

Chile seems like the perfect test market.

In a nation of only 17 million inhabitants, consumers find enormous choice across most product categories, much aimed at the broad middle class but also with price points for both the wealthy and the poor.

Cars are a good example. The choice includes not only the expected US brands, or even imports from France, the UK and Italy or Japan, but also Chinese and Indian brands. The range reflects both the nation's openness to international brands and the ready market at all economic levels. It was not always this way.

In the 1970s, hyperinflation gripped the country. It reached 150 percent in 1973, the year of a brutal coup in which commander-in-chief of the army, General Augusto Pinochet seized power from the democratic and leftist government of Salvador Allende. During the 17 years that the repressive Pinochet regime controlled Chile it introduced a free market economy open to international trade.

The free market model fit well with Chilean culture. Historically, Chile had been relatively isolated and self-sufficient, a thin ribbon of lightly populated land with few natural resources, set between the Andes Mountains and the Pacific Ocean. Local entrepreneurship emerged naturally from necessity.

Chile today is predominantly middle class. Between 2000 and 2010 GDP per capital grew 155 percent to almost $12,500, according to the World Bank. Chile has become a major consumer market. In 2010, it became the first Latin American member of the Organization for Economic Cooperation and Development (OECD), an international group devoted to improving economic and social wellbeing.

BRAND IMPORTANCE INCREASES

The factors that drove Chile's rapid economic improvement include increased foreign investment. Direct Foreign Investment surpassed $15 billion in 2010, according to the World Bank.

Wide availability of affordable credit, not only from banks but also, in a distinctively Chilean phenomenon, from major retailers also played an important role. In addition, a relatively low tolerance for official corruption distinguishes Chile from some of its neighbors.

Brands are important. Chilean consumers prefer local brands for certain items such as wine. International brands are strong in apparel and luxury. People also spend disposable income on travel, with LAN, Chile's national airline, promoting inexpensive flights to domestic destinations and neighboring countries.

Many brands market extensively, relying on traditional media to reach a mass audience. This broad-brush approach reflects the influence of some of Chile's most active marketers, its retailers.

The major Chilean retailers all issue widely accepted credit cards, enabling the retailers to collect and maintain an enormous amount of data about customer purchases. They use this information minimally for target marketing, however, and instead set the nation's advertising tone with a focus on price promotions, usually in traditional media.

CHILE KEY FACTS

LAND AREA

756,102 Km²
292,260 Mi²

Comparison
Chile is the thirty-eighth largest country in the world in land area, ranked just after Turkey.

GDP

2010 US$212.7 billion
2000 US$75.2 billion
Change +182 percent

Comparison
The GDP of Chile is slightly larger than Ireland's but smaller than Israel's.

POPULATION

2010 17.1 million
2000 15.4 million
Change +11 percent

Comparison
In population, Chile is about the size of the Netherlands.

GDP PER CAPITA

2010 US$12,431
2000 US$4,878
Change +155 percent

Comparison
In GDP per capita Chile ranks just above Poland.

MEDIAN AGE

2010 32.1 years
2000 28.8 years

FOREIGN DIRECT INVESTMENT

2010 US$15.1 billion
2000 US$4.9 billion
Change +208 percent

Comparison
In FDI Chile ranks below Mexico and above Indonesia.

Sources: CIA World Fact Book, United Nations, World Bank

CHILE

RETAILERS HELP LEAD CHANGE

Retail brands occupy an unusually prominent place in Chile's economy. In the BrandZ™ ranking of Chile's most valuable brands, eight of the Top 15 are retailers. BrandZ™ ranks two of the brands, Falabella and Sodimac, among the most valuable retail brands in the world. Founded in Chile in 1905, Falabella operates department stores and specialty outlets throughout South America. Its home improvement banner, Sodimac, also is present outside of Chile.

The strength of the Chilean retailers, and their presence across Latin America, is complemented by the absence in Chile of some major multi-national retail brands, such as Tesco and Carrefour. Walmart entered Chile relatively recently through acquisition. This relative lack of attention by global retail leaders can be explained in part by the small size of the Chilean market. But it also reflects the competence of the local players. Home Depot's attempt to enter Chile in the late 1990s failed because the home improvement chain misjudged the market and Sodimac proved to be a formidable competitor.

One more feature of Chile distinguishes it in Latin America: its problems. Chile is experiencing the problems of a middle class country. Healthcare needs are high on the public's agenda. Students are demonstrating for more equitable access to education at lower price.

Meeting citizen expectations for adequate healthcare and higher education are basic requirements in a progressive society. They come with costs, however. And the unresolved question in Chile is, who pays?

FUNDAMENTALS FOR BRAND BUILDING IN CHILE

1. Be relevant
There's a lot of brand choice in Chile across most categories and price points. In many ways Chile resembles a developed market. Success requires being relevant.

2. Be different
Positioning at the premium or upper premium part of the range usually provides sufficient differentiation. The pressure for real difference is at the midrange.

3. Offer more than price
Price always is important but it's not the single most important factor that it was perhaps 10 years ago. Price is one of many considerations that, depending on the category, can include product functionality, emotional appeal, design and style.

4. Think test market
Chile is a small market with a large opportunity. The country's limited but solid consumer base makes Chile almost a test market, a place where brands can quickly expand and understand what works and what doesn't work.

5. Know the retailers
Many of the multi-national retail leaders are absent from Chile because the market is small and the competition is tough. Chilean retailers are unusually strong and some operate throughout South America.

BRANDZ™ TOP 15 MOST VALUABLE CHILEAN BRANDS 2012

#	Brand	Brand Value (US$ Mil.)	Brand Contribution Index	Category
1	falabella.	5,263	5	Retail
2	LAN	3,964	4	Airline
3	SODIMAC	3,318	5	Retail
4	Banco de Chile	3,109	3	Bank
5	COPEC	2,815	5	Energy
6	lider	1,980	5	Retail
7	paris	1,699	5	Retail
8	JUMBO	1,361	5	Retail
9	MALLPLAZA	1,116	3	Retail
10	RIPLEY	987	4	Retail
11	Santa Isabel	948	4	Retail
12	ARAUCO	690	1	Paper
13	Bci	600	1	Bank
14	easy	566	5	Retail
15	CRISTAL	564	4	Beer

Source: BrandAnalytics and Millward Brown Optimor

1. FALABELLA

Company SACI Falabella
Brand Value US$5,263 million
Headquarter City Santiago
Industry Retail
Year Formed 1889
Website www.falabella.com

FALABELLA IS THE LEADING DEPARTMENT STORE RETAILER IN CHILE.

Falabella operates 40 large department stores throughout Chile and is the leading brand in the retail channel. The brand appeals to Chile's more affluent shoppers with a consistently executed fashion forward merchandising strategy that enables it to remain the industry leader.

The brand's first store opened in 1958. Following several decades of expansion throughout Chile, its presence was extended regionally in the 1990s. There are now a combined 39 Falabella stores in Peru, Argentina and Colombia.

The origins of the brand date back to 1889 when Italian immigrant Salvatore Falabella opened a tailor shop. Today, the brand he created is synonymous with department store retailing and also serves as the corporate identity of parent company SACI Falabella. This major conglomerate has extensive interests across the retail industry including the Mall Plaza shopping center brand, the Sodimac home improvement brand, the Tottus supermarket brand as well as financial services offered under the Banco de Falabella brand created in 1998.

2. LAN

Company Lan Airlines SA
Brand Value US$3,964 million
Headquarter City Santiago
Industry Air transportation
Year Formed 1929
Website www.lan.com

LAN IS CHILE'S TOP AIRLINE.

The LAN brand is instantly recognizable throughout Latin America due to the company's extensive aircraft fleet, which features a distinctive blue and white color scheme and the signature LAN logo in large letters. The current LAN brand identity was adopted in 2004 and today the company operates a fleet of 149 aircraft that is one of the youngest in Latin American.

LAN provides passenger service to 15 cities in Chile as well as to hundreds of destinations throughout the Americas and overseas with direct service and through code share agreements with other carriers and participation in the oneworld alliance since 2000. LAN also operates a cargo business that generates nearly 30 percent of its revenue.

The Chilean government established the airline in 1929 as Lan Chile SA. In 1989, LAN began a privatization process that was concluded in 1994. LAN is finalizing a merger with top Brazilian airline TAM SA that will create a combined company known as LATAM Airlines Group SA. With a combined fleet of more than 300 aircraft, the new company will will rank as one of the 10 largest carriers in the world.

3. HOMECENTER SODIMAC

Company Sodimac SA
Brand Value US$3,318 million
Headquarter City Santiago
Industry Retail
Year Formed 1988
Website www.sodimac.cl

HOMECENTER SODIMAC IS CHILE'S LEADING HOME IMPROVEMENT BRAND.

The Homecenter brand appears on 67 stores throughout Chile that are focused on serving consumer needs for home improvement products. The Homecenter brand is the most prevalent of the three formats its parent company Sodimac uses to serve the home improvement, building and construction materials market it has segmented by homeowners, contractors and medium-to-large construction companies.

The origins of the Homecenter brand date back to the 1940s, when a small company known as Sogeco began providing construction companies in Valparaíso with building materials. In 1952, the company became known as Sodimac. It entered the home improvement retail space in 1988, with the introduction of the Homecenter brand.

In 2003, Sodimac became part of the Falabella retail conglomerate, which just two years earlier had bought out Home Depot's ownership interest in a joint venture established in 1997. The Homecenter brand now enjoys a regional presence beyond Chile, with 52 stores located in Argentina, Colombia and Peru.

4. BANCO DE CHILE

Company Banco de Chile SA
Brand Value US$3,109 million
Headquarter City Santiago
Industry Financial Institution
Year Formed 1893
Website www.bancochile.cl

BANCO DE CHILE IS ONE OF THE NATION'S LARGEST FULL SERVICE FINANCIAL INSTITUTIONS.

Banco de Chile is a commercial bank focused on serving individuals and corporations with traditional banking products and services and ranks among Chile's leading consumer lenders and originators of mortgage loans. The bank operates a branch network consisting of 441 locations following the 2011 addition of 25 locations under the banners of Banco de Chile, Banco Edwards-Citi and Banco CrediChile. As part of a plan adopted in 2010, Banco de Chile is focused on expanding its branch network in areas outside of Santiago.

Founded in 1893, with the merger of Banco Nacional de Chile, Banco Agricola and Banco de Valpariso, Banco de Chile became the nation's largest privately held bank. The bank remained privately controlled through the 1970s when the Chilean government asserted ownership of other Chilean financial institutions. The bank's long history and record of independence have enabled the brand to associate itself with stability and reliability, attributes that were reinforced in 2002 with the merger of Banco de A. Edwards and again in 2008 with the Banco de Chile and Citibank Chile merger.

5. COPEC

Company Compañía de Petróleos de Chile Copec SA
Brand Value US$2,815 million
Headquarter City Santiago
Industry Energy
Year Formed 1934
Website www.copec.cl

COPEC IS CHILE'S LEADING FUEL BRAND.

Copec has been in existence for 78 years and is Chile's best-known brand of fuel, with an estimated market share of 62 percent. The company leveraged its petrochemical expertise to enter the market for lubricants in 1996, where its market share is estimated to be 40 percent. To enhance the Copec network of 620 fuel stations, the company created a complementary brand called Pronto.

Pronto describes three convenience store formats where expanded assortments of general merchandise and food are offered at Copec branded service stations under the banners of Ciudado, Pronto or Barra. Copec also operates a chain of 200 small format non-fuel convenience stores under the Punto Copec brand. It was introduced in 2000 and in 2011 saw the most aggressive expansion ever with 38 units added.

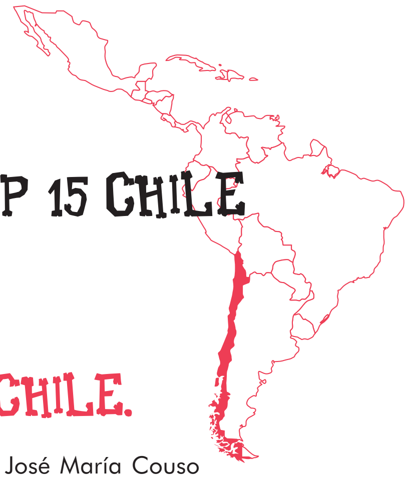
6. LIDER

Company Walmart Chile SA
Brand Value US$1,980 million
Headquarter City Santiago
Industry Retail
Year Formed 1976
Website www.lider.cl

THE LIDER SUPERMARKET BRAND IS OWNED BY WALMART.

Lider operates 69 supermarkets that average 71,000 square feet (6,600 square meters), as well as 57 smaller format Express Lider stores, which average 17,000 square feet (1,600 square meters). The brand grew slowly in 2011 as Lider and Express Lider each added one unit. In early 2009 Wal-Mart Stores, Inc. acquired a controlling interest in the Lider brand's parent company, Distribución y Servicios D&S SA. The following year D&S changed its name to Walmart Chile SA.

Under Walmart's ownership the Lider brand has placed an increased emphasis on every day low prices in keeping with the longstanding strategy of its parent company. In addition, growth of the Lider brand has taken a backseat to Walmart Chile's other food formats, Ekono and SuperBodega aCuenta, which serve the market in a no frills and limited assortment fashion. Walmart Chile added 23 small format Ekono stores to end 2011 with 137 units. And it added 13 SuperBodega aCuenta stores to end the year with 51 units. Walmart Chile ended 2011 with a total of 314 food formats operating under four different banners.



7. PARIS

Company Cencosud SA
Brand Value US$1,699 million
Headquarter City Santiago
Industry Retail
Year Formed 1900
Website www.paris.cl

PARIS IS THE SECOND LARGEST DEPARTMENT STORE BRAND IN CHILE.

Paris is the second largest department store brand in Chile where it operates 36 stores in leading shopping centers. Paris appeals to shoppers with a differentiated product assortment that includes brands from well known designers complemented by a range of well-established proprietary brands available in key categories such as apparel, home and electronics. To enhance its competitive positioning in recent years, Paris has sought to project a more modern and stylish image that appeals to younger shoppers.

Spanish entrepreneur José María Couso established the Paris brand in 1900 with the opening of the Paris Furniture store. In 1950, the name changed to Almacenes Paris and in 2005 the company's name was shortened to Paris following an acquisition by retail conglomerate Cencosud. The brand will expand its presence to Peru later this year with the opening of its first store outside of Chile.

8. JUMBO

Company Cencosud SA
Brand Value US$1,361 million
Headquarter City Santiago
Industry Retail
Year Formed 1976
Website www.jumbo.cl

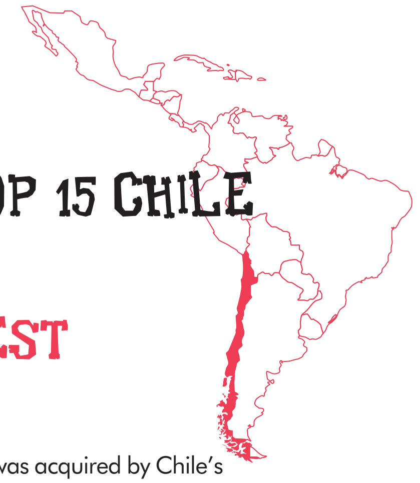
JUMBO OPENED CHILE'S FIRST HYPERMARKETS.

Jumbo opened its first hypermarket in Santiago in 1976 and three years later it became Chile's first hypermarket chain with the opening of its second location. The chain was founded by German immigrant Horst Paulmann for whom Jumbo would serve as a steppingstone to build parent company Cencosud into what today is one of Latin America's dominant retail holding companies.

Following the addition of four new stores in 2011, there are now 32 stores operating under the Jumbo brand in Chile, including 13 in the Santiago area.

The company operates large format stores that average nearly 89,000 square feet (8,250 square meters). Cencosud uses the Jumbo brand for some of its hypermarkets outside of Chile, particularly in Argentina.

The brand appeals to shoppers with a broad assortment of merchandise offered at low prices with a particular emphasis on private brands that are backed by a double guarantee, which allows dissatisfied customers a choice of a refund or double the quantity of a comparable item.



9. MALL PLAZA

Company Mall Plaza
Brand Value US$1,116 million
Headquarter City Santiago
Industry Retail Development
Year Formed 1990
Website www.mallplaza.cl

MALL PLAZA IS CHILE'S BEST-KNOWN SHOPPING CENTER BRAND.

Mall Plaza opened its first shopping center in 1990 and today it operates 11 malls throughout Chile that encompass 9.2 million square feet (855,000 square meters) and attract 185 million visitors annually. To create a more compelling shopping experience and encourage repeat visits, Mall Plaza has added amenities such as movie theaters, health and automotive centers and activities including art fairs and entertainment events.

Mall Plaza grew within Chile from its founding, in 1990, until opening its first location in Peru in 2007. There are now three Mall Plaza locations in Peru and the brand is on the brink of entering Colombia with a mall expected to open in the second half of 2012.

10. RIPLEY

Company Ripley Corp SA Y Subsidiarias
Brand Value US$987 million
Headquarter City Santiago
Industry Retail
Year Formed 1956
Website www.ripley.cl

RIPLEY OPERATES 39 DEPARTMENT STORES IN CHILE.

Ripley is one of the major companies within the retail sector in Chile, operating 39 department stores, including 16 in the Santiago area that sell apparel and household products. The company also operates a financial services arm that offers credit cards and other financial services.

Brothers Lazaro and Marcelo Calderón founded Ripley, opening their first department store in Santiago in 1956. The brand began expanding outside of Santiago in 1986. Originally focused on serving low-to-middle income customers, Ripley has broadened its appeal to more affluent shoppers during the past 15 years.

In 1997, Ripley expanded to Peru where it now operates 16 stores, 11 of which are located in Lima. In 2005 Ripley completed an initial public stock offering and next year it plans to enter Colombia.

11. SANTA ISABEL

Company Cencosud SA
Brand Value US$948 million
Headquarter City Santiago
Industry Retail
Year Formed 1976
Website www.santaisabel.cl

SANTA ISABEL IS CHILE'S LARGEST SUPERMARKET CHAIN.

Santa Isabel operates 157 supermarkets throughout Chile, which average a little more than 16,000 square feet (1,500 square meters). The brand began as a single store in Valparaíso and gradually expanded before making several acquisitions of regional Chilean operations that facilitated expansion into Santiago and other major markets.

In 2003, Santa Isabel was acquired by Chile's leading retail conglomerate Cencosud, which sought a smaller format food retail operation to complement its existing large format hypermarkets operating under the Jumbo brand. Cencosud accelerated the growth of Santa Isabel in 2011, with the opening of 23 new stores.

12. ARAUCO

Company Celulosa Arauco y Constitción SA
Brand Value US$690 million
Headquarter City Santiago
Industry Paper
Year Formed 1967
Website www.arauco.cl

ARAUCO IS THE LEADING FOREST PRODUCTS COMPANY.

Arauco is a major owner of timberlands and a leading producer of forest products such as logs, sawn timber, pulp, plywood and fiberboard. The company sources timber from 3.9 million acres (1.6 million hectares) of land in Chile, Argentina, Brazil and Uruguay. The brand has earned a reputation as a leader in sustainable forestry practices and also generates enough electricity from its seven power plants, running on forest biomass, to generate revenue through the sale of carbon credits.

The brand was created in 1967 when the Chilean government's development corporation founded Industrias de Celulosa Arauco. In 1977, the government allowed privatization of the forestry industry and Arauco was sold to Compaña de Petróleos de Chile SA, or Copec. In 1979, Copec acquired Chile's other leading forestry company, Celulosa Constitución and merged it with Arauco to create Celulosa Arauco y Constitución SA, a wholly owned subsidiary of Copec. Subsequent to being acquired by Copec, Arauco has made numerous acquisitions that increased the company's timber holdings, diversified its product portfolio and expanded its forest products production capacity.

13. BCI

Company Banco de Crédito e Inversiones
Brand Value US$600 million
Headquarter City Santiago
Industry Financial Institution
Year Formed 1937
Website www.bci.cl

BCI IS CELEBRATING ITS 75TH YEAR.

The bank offers a full range of financial services and enjoys the distinction of being one of the few financial institutions that remained private during Chile's period of nationalization. Since 1984, Bci has relied on the positioning statement, "We are different." The bank reinforces that brand identity with a distinctive and colorful logo.

The bank was founded in 1937 in Santiago and in 2012 observes its seventy-fifth anniversary. In 1956, Bci opened its first branch in Valparaíso and in 1987 the bank created its first subsidiary, Bancrédito Securities SA Agent. In 1999, the first international branch opened in Miami. Bci's range of service offerings, and presence throughout Chile with 300 offices, has allowed it to remain one of the nation's most important banks.

14. EASY

Company Cencosud SA
Brand Value US$566 million
Headquarter City Santiago
Industry Retail
Year Formed 1993
Website www.easy.cl

EASY IS CHILE'S SECOND LARGEST HOME IMPROVEMENT RETAILER.

The Easy brand was founded in Argentina in 1993 with the opening of its first home improvement store. The following year saw the brand enter Chile where it now operates 29 stores, compared with 39 Easy stores in Argentina. Easy stores offer roughly 35,000 items. A core aspect of the brand's value proposition is low prices and Easy offers a "never pay more," guarantee that provides shoppers a 10 percent discount on comparable items if they find a lower price elsewhere.

The Easy brand extended its regional presence beyond Chile and Argentina in 2008 when the first store opened in Colombia. There are now four Easy home improvement stores in Colombia. Easy is among the leading retail brands owned by Cencosud, Chile's largest retail conglomerate.

15. CRISTAL

Company Compañía de Cervecerías Unidas
Brand Value US$564 million
Headquarter City Santiago
Industry Beer
Year Formed 1902
Website www.ccu.cl

CRISTAL IS THE LEADING BRAND FROM CHILE'S LARGEST BREWER.

The Cristal brand has been a market share leader in Chile for the past 20 years thanks to heavy and consistent advertising support that positions Cristal as a Chilean brand. It is regarded as the flagship brand of Compañía de Cervecerías Unidas (CCU) and in 2011 accounted for 45 percent of the company's beer sales in Chile.

The origins of the Cristal brand date back to 1850 when Chile's first brewery was opened in Valparaíso by don Joaquín Plagemann. It later merged with other brewers and in 1902 became Compañía Cervecerías Unidas SA. In 1992, the company's shares began trading on the New York Stock Exchange under the symbol CCU.

MORE CHOICE AND BRANDS APPEAR

ARMANDO S. ALCÁZAR
President and CEO
Grey Group Chile

In a society transformed by stability

During the last 10 years, Chile has managed to maintain political stability and to achieve consistent economic growth.

We are now in the middle of the fifth government after democracy was re-established in the country in 1990, following 17 years of military dictatorship. These political and economic changes have made a difference in how Chile is perceived by the governments of other countries and has enabled Chile to enter into many free trade agreements.

Although Chile still needs to reduce inequality in income, education and health care, there has been enormous improvement in many areas, including the availability of consumer goods and services. This important trend has been fuelled in part by greater access to credit from financial services institutions and major retail chains that sell consumer products and also finance purchases with credit cards and loans.

MIDDLE CLASS EXPANDS WITH PROMISE OF BETTER LIFE

The main consequence of these political, economic and social changes is the transformation of Chile into a consumer society, strongly driven by the possibility of improving quality of life through increased purchasing power.

The middle class has expanded and even lower income people have greater access to products such as cars, technology and mobile devices. This change is obvious in the development of Chilean retail during the past 15 years.

Chilean consumers enjoy a range of products and level of quality unsurpassed in Latin America. The country now is shifting into a later stage of consumerism, with Chileans increasingly seeking products that satisfy not only basic needs but also self-esteem.

MORE PREMIUM BRANDS PRESENT

With greater segmentation among many product categories and also the higher presence of premium and ultra premium brands, products once available only in North America or Europe now are present in the main cities of Chile. It is not unusual to see brands such Aston Martin, Louis Vuitton, Salvatore Ferragamo, Gucci, Cartier, Ferrari, Rolls Royce, Roche Bobois, Ermenegildo Zegna, Hermès and Miele among others.

Chile has become a highly connected society with one of the higher penetrations of Internet, mobile phones and broadband connections. Social media penetration is the highest in Latin America. At the end of 2011, over 53 percent of Chileans were Facebook users according to BNamericas, and almost 13 percent used Twitter.

Grey Group is among the world's top advertising and marketing agencies.
www.grey.com

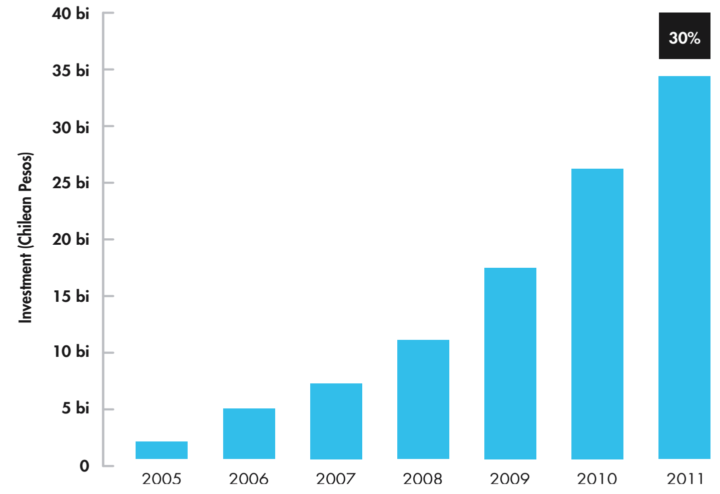
RODOLFO LEVIN
General Manager
Cadem Advertising,
Millward Brown

"SANHATTAN" SYMBOLIZES NEW CHILE

A nation of connected consumers

MINDSHARE Chile

INTERNET INVESTMENT



TV still receives more than 50 percent of media investment in Chile, but Internet is growing sharply because such a large proportion of the population has Internet access and is engaged on social networks. Internet investment reached 35 billion Chilean pesos (US$68 million) in 2011, compared with only 5 billion Chilean pesos (US$10 million) in 2006.

Source: Mindshare, ACHAP (Acociación Chilena de Agencias de Publicidad)

When the Costanera Center is inaugurated, not long from now, Chile will have the tallest building in Latin America. The 70-story tower is part of a mixed-use complex of retail and shops in the financial district of Santiago.

Chileans refer to the area as "Sanhattan," a reference to Manhattan and a symbol of how rapidly the country is reaching higher levels of development, with fast highways, enormous shopping malls and tall skyscrapers.

As income increases at all socio-economic levels, people throughout Chilean society enjoy greater access to products and services that in the past were out of reach for many. Cars, smartphones and electronic devices are widely available. Going out to dine or have a drink is no longer restricted to a few; flying domestically or even abroad is not only a privilege of the richest.

And the consumer has become more engaged with technology. Mobile phones have long exceeded 100 percent penetration; many people now have smartphones. Notebooks, digital cameras, portable media players and tablets have become necessities rather than luxuries. Home computers and Internet connection are common.

Chilean statistics on the use of Internet and social networks—mainly Facebook—tend to resemble those of developed countries rather than regional neighbors. That's because the shopper needs to be connected. Social networks are already a part of daily life and consumers link to brands through them. Consumers use social networks to learn more about products and services, and most of all to contact other consumers and share experiences.

RETAILERS EXTEND INFLUENCE

Retailers have a lot to do with all these changes. They have formalized trade, moving most transactions from the traditional "mom and pop" economy to supermarkets and shopping malls. And they've extended their influence throughout South America. Chilean retailers operate in Peru, Argentina and Colombia and are planning expansion to Brazil and Mexico.

They also have helped improve the lives of most Chileans, providing greater access to products by providing credit. Retailer credit cards are accepted widely and are twice as numerous as bankcards.

Economic progress recently has been punctuated by several major scandals involving retailers and by protests against the government demanding greater equality of opportunity. The retail scandals involved a pharmacy charged with price fixing and a clothing retailer accused of revising credit debt without informing its credit card customers. Students have held street demonstrations arguing for a more equitable education system.

Millward Brown is one of the world's leading research agencies, with expertise focused on advertising, marketing communications, media and brand equity research.
www.millwardbrown.com

TNS Digital Life: BRAND WEBSITES INFLUENCE PURCHASING

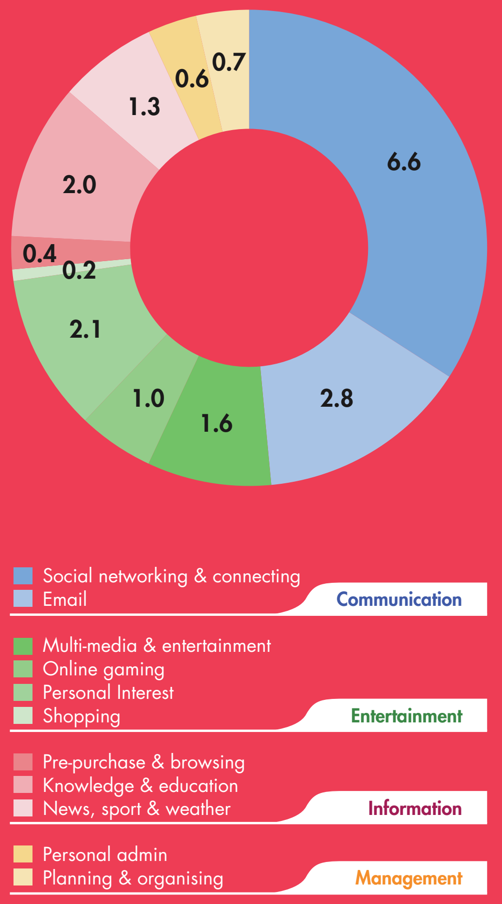
Chile has the highest level of Internet penetration in South America, and in many ways follows the trends of more developed markets. Most Chileans access the Internet by PC, although 13 percent of Chileans now access it via mobile.

Time online is heavily focused on communication and entertainment, with 6.6 hours a week spent on social networks such as Facebook. Chileans particularly like consumer-generated videos, more often than not shared on YouTube. And 45 percent of the online population view these videos on a weekly basis compared with only a third of consumers who view professionally created videos.

In most markets, consumers decide to become a friend of a brand because of a special offer or promotion. In Chile, however, 41 percent of consumers are more interested in finding out further information about a product or service.

Chileans are less active in both writing and reading about brands on the Internet, compared with consumers in many other countries. However, 41 percent of Chileans use a brand website during the purchase journey, indicating that companies must provide sufficient brand and product-related information for the consumer both pre and post purchase.

By Juan Alexander Londoño, Regional Manager, TNS Digital, Latin America



People in Chile predominately spend their online time engaged in communication, particularly social networking, and entertainment. This devotion to social networking is consistent throughout Latin America compared with other parts of the world. For brands it provides opportunities to connect with consumers through social networks or entertainment 24/7.

RANJIV RAMGOLAM
Regional Planning Director
Ogilvy Latina

MARKET-DRIVEN ECONOMY FLOURISHES

With high-value brands in service businesses

Chile is one of the more market-oriented economies in Latin America, characterized by a significant level of foreign trade and a highly developed retail segment that is expanding aggressively to the rest of the continent.

A small market relative to its neighbors, Chile's 17 million consumers rank among the highest in the region in mobile usage and Internet penetration. The World Bank calculated 2010 GDP at $212.7 billion and at $12,431 per capita.

Although a large part of the country's wealth comes from mining and agriculture, with commodities making up some three-quarters of total exports (copper alone provides one-third of government revenue), today the fastest growing segments are service related.

High-value brands are concentrated in four service businesses: retail, airlines, shopping mall development and banking. Within retail, Chile today is the hub for two of the largest retailers in Latin America, Falabella and Cencosud.

In addition to operating a diversified portfolio of retail brands including department stores, supermarkets and speciality outlets, both organizations also provide insurance, travel and credit services.

LOCAL BRANDS DOMINATE BANKING

In the airline business, LAN, Chile´s largest airline is completing a merger with Brazil´s TAM to create one of the 10 largest passenger and cargo airlines in the world, with more than $11 billion in annual revenue. Not only has LAN expanded to other markets in Latin America, but it has consistently ranked highest for overall service satisfaction.

LAN also has a unique competitive advantage in its cargo business, which represents a quarter of its total revenue and has a long history dating to the company's formation in 1929. After the merger, LAN will have the strongest network in the region and will be the leading airline in passenger service and market capitalization.

Chile's banking sector has a solid international position that is characterized by sound fundamentals and a conservative investment approach. Most of the strongest brands are local, with exception of Santander, and include Banco de Chile and Bci (Banco de Crédito e Inversiones). The banking sector is growing through acquisition and expansion into the consumer business, which has been controlled by retailers.

RETAILERS OPERATE THROUGHOUT SOUTH AMERICA

Retail has influenced Chile's consumption patterns and overall consumer spending. By financing purchases, retailers enfranchised lower income consumers excluded by the banking sector from obtaining credit. Retailers also conditioned Chilean consumers to be value driven and accustomed to aggressive price promotion.

Both Falabella and Cencosud are multiformat retail conglomerates. Falabella operates Falabella department stores, Sodimac home improvement outlets and supermarkets under several banners. The company is present in Argentina, Colombia and Peru in addition to Chile. Cencosud also operates in these country markets, plus Brazil. Its major brands include Jumbo hypermarkets, Santa Isabel supermarkets and Easy home centers. Both Falabella and Cencosud also operate shopping malls.

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www.ogilvy.com

COLOMBIA

INCREASING SECURITY UNLEASHES GROWTH

Multi-national and local brands expand

Ten years ago Colombians felt like prisoners, confined to the cities where they lived, frightened by an epidemic of drug-related and political violence.

The violence was a symptom of the drug wars and the battle between the government and the Revolutionary Armed Forces of Colombia (FARC), which lasted about 40 years.

Violence, the wide disparity between rich and poor and unemployment—declining but still over 10 percent in 2011—remain the country's most serious problems. But they're being addressed and Colombia is changing dramatically.

Between 2000 and 2010, GDP almost tripled from $100.4 billion to $288.9 billion, according to the World Bank. GDP per capita increased to $6,240 in 2010, from $2,524 in 2000, during a period of moderate inflation.

Credit is more widely available. One of the major utility companies, aligned with a bank, issues a credit card and coordinates payments due with monthly utility bills. The international community recognized the changed Colombia in April 2012, when the heads of state from 32 Western Hemisphere nations met in Cartagena for the Summit of the Americas.

And, of course, Colombia is the first letter in CIVETS, the acronym for the next group of fast growing markets to follow the BRICs: Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa.

LOCAL BRANDS APPEAR

Like in most fast growing markets, major financial institutions and telecoms, some formally state-owned, dominate the BrandZ™ ranking of most valuable Colombian brands. With the reduction of violence, latent entrepreneurship is beginning to resurge in this nation with a tradition of democratic institutions and small shop owners.

The changes began in 2002, because of an unremitting effort to restore security and rebuild the economy led by President Alvaro Uribe and Defense Minister Juan Manuel Santos, who succeeded Uribe and now serves as Colombia's president.

Until then Colombia received little foreign investment and few international brands were present. Fear created a mentality of inconspicuous consumption to avoid attention that might attract trouble.

The Free Trade agreement signed with the US in 2006 accelerated Foreign Direct Investment (FDI). Today, the US comprises about one-third of foreign investment. Mining and petroleum account for about 61 percent of all FDI. Mexican entrepreneur Carlos Slim Helú has increased his investment in Colombia.

FDI almost doubled in 2011, with a 92 percent year-over-year gain to $13.2 billion, according to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). In 2012, Colombia's Foreign Trade Ministry expects FDI to exceed $15 billion, compared with $2.1 billion in 2002. A wide disparity still separates the rich and poor. But the middle class is expanding. And consumption has increased among all economic groups, although in varying ways.

COLOMBIA KEY FACTS

LAND AREA

1.14 million Km²
440,831 Mi²

Comparison
Colombia is the twenty-sixth largest country in the world in land area, ranked just after South Africa and before Ethiopia.

POPULATION

2010 46.3 million
2000 39.8 million
Change +16 percent

Comparison
Colombia is about the same size as Spain in population.

MEDIAN AGE

2010 26.8 years
2000 23.8 years

GDP

2010 US$288.9 billion
2000 US$100.4 billion
Change +189 percent

Comparison
The GDP of Colombia is slightly less than that of the United Arab Emirates.

GDP PER CAPITA

2010 US$6,240
2000 US$2,254
Change +177 percent

Comparison
In GDP per capita Colombia ranks just below Bulgaria.

FOREIGN DIRECT INVESTMENT

2010 US$6.9 billion
2000 US$2.4 billion
Change +187 percent

Comparison
In FDI Colombia ranks below Argentina and above the Czech Republic.

Sources: CIA World Fact Book, United Nations, World Bank

COLOMBIA

COMMODITY PRODUCTS ADD VALUE

Colombians increasingly spend money on cable TV and international vacations. Car sales exploded to almost 325,000 units in 2011, based in part on increased affordability because of a strong peso. While ultra luxury may still be the province only of the wealthy, poorer people are shifting to better quality products when possible, perhaps buying a brand shampoo, for example.

Coffee is a good example of the shift in local consumption to more up-scale products among some consumers. Ironically, since Colombia is known internationally for the quality of its coffee beans, producers had reserved the best crop for export. Until recently, Colombians considered coffee a commodity and drank the most inexpensive variety.

Dairy is another example of a category that was considered a commodity but today offers products that range from low price to premium. Alpina is a strong regional dairy brand based in Colombia. Local fashion entrepreneurial brands include Auturo Calle, an apparel marketer for men, Mario Hernandez, a designer of apparel and accessories for men and women and Faride Clothing.

Consumers often shop in modern retail stores. The hypermarkets Carrefour and Casino operate in Colombia. US retailer Office Depot recently entered the market. Chile's Falabella department store is represented as is Falabella's home improvement brand, Sodimac, which indicates demand for home decoration products. Éxito operates hypermarkets and supermarkets throughout Colombia and is one of the country's BrandZ™ Top 10 most valuable brands.

Of the other brands in Colombia's BrandZ™ Most Valuable Top 10, five are financial institutions, three are communications providers and one is an energy company, the state-owned Ecopetrol. Colombia's most valuable brand, telecom Comcel, is part owned by Mexico's América Móvil, the largest telecom in Latin America.

FUNDAMENTALS FOR BRAND BUILDING IN COLOMBIA

1. Revise assumptions
The Colombia under siege from political and drug violence is not the Colombia making rapid economic and social progress today.

2. Show respect
Don't look down or patronize Colombians as third-world citizens. Colombians appreciate brands and understand real value.

3. Offer quality
Colombians are not looking for cheaper or old-fashioned brands. They're searching for quality. Major fashion brands from all over the world have found unexpected success in Colombia during the past few years.

4. Expect competition
Do not underestimate local brands. Understand the emotional bonds and market insights that connect these brands with consumers.

5. Anticipate diversity
Prepare for the differences among regions in Colombia. The country consists of at least four psychographic profiles: Caribbean, Pacific, Antioquia, and Andean.

BRANDZ™ TOP 10 MOST VALUABLE COLOMBIAN BRANDS 2012

#	Brand	Brand Value (US$ Mil.)	Brand Contribution Index	Category
1	COMCEL	5,513	4	Communication Provider
2	ecopetrol	4,240	1	Energy
3	Bancolombia	3,465	5	Financial Institution
4	Banco de Bogotá	2,842	4	Financial Institution
5	banco popular	2,414	4	Financial Institution
6	DAVIVIENDA	1,251	5	Financial Institution
7	éxito	1,168	4	Retail
8	Banco de Occidente	1,143	3	Financial Institution
9	etb	558	4	Communication Provider
10	tigo	517	3	Communication Provider

Source: BrandAnalytics and Millward Brown Optimor

TOP 10 COLOMBIA

1. COMCEL

Company Comunicación Celular SA
Brand Value US$5,513 million
Headquarter City Bogotá
Industry Telecommunications
Year Formed 1994
Website www.comcel.com

COMCEL IS THE LEADING PROVIDER OF MOBILE SERVICES IN COLOMBIA.

Comcel dominates the market for wireless services in Colombia. At the end of 2011 it had 28.8 million subscribers, 83.5 percent of whom were prepaid customers, and operated 55 customer service centers. The Comcel brand is regarded as having the most advanced network with greatest coverage area, resulting in a share of the wireless market the company estimates to be 65.5 percent.

Comcel's leadership position has attracted the attention of the Colombian Communications Regulation Commission (Comisión de Regulación de Comunicaciones), which in late 2011 sought to impose new regulatory measures, being disputed by Comcel, designed to improve the ability of other wireless providers to compete.

Comcel was founded in 1994, and in 2002 Mexican telecommunications giant América Móvil acquired a majority position in the company, which today stands at 99.4 percent. Comcel's parent company also owns Claro and other wireless brands that serve the Americas.

2. ECOPETROL

Company Ecopetrol SA
Brand Value US$4,240 million
Headquarter City Bogotá
Industry Energy
Year Formed 1951
Website www.ecopetrol.com.co

ECOPETROL IS COLOMBIA'S LARGEST COMPANY IN REVENUE.

A vertically integrated oil company, Ecopetrol is engaged in the exploration, production, transportation, refining and marketing of petrochemicals. It employs 8,700 people. Ecopetrol was founded in 1951 as the wholly state owned company, Empresa Colombiana de Petróleos.

In 2003, the company initiated an ownership transition and rebranding process to improve its competitive position. The environmentally friendly name Ecopetral SA was adopted and the company became a stock holding company completely owned by the government through the Colombian Ministry of Mines and Energy. The transformation continued in 2007, when Ecopetrol conducted an initial public stock offering and shifted to what is known as a mixed economy company in which investors are allowed to own shares while the government maintains a majority ownership position.

A secondary offering last year that made shares available to only Colombian investors expanded private ownership. However, the Colombian government maintained an 88.5 percent ownership position at the end of 2011. Ecopetrol's shares are traded on the New York Stock Exchange under the symbol EC.

3. BANCOLOMBIA

Company Bancolombia SA
Brand Value US$3,465 million
Headquarter City Medellín
Industry Financial Services
Year Formed 1945
Website www.grupobancocolombia.com

BANCOLOMBIA IS THE LARGEST COMMERCIAL BANK IN COLOMBIA.

The bank serves more than seven million customers with a branch network that consists of 779 Bancolombia branded locations and 2,876 automatic teller machines in Colombia. To provide financial serves to customers in remote areas Bancolombia has a relationship with 970 non-bank locations through which it is able to provide basic financial services. In addition, the brand relies on 697 Mobile Points of Attention (Puntos de Atención Móviles) advisors who visit small towns to offer products and services. The bank and its subsidiaries employ nearly 24,000 people.

Bancolombia was incorporated in Colombia under the name Banco Industrial Colombiano SA in 1945. The bank assumed its current identity in 1998, following a merger with Banco de Colombia SA that result in rebranding the combined entity Bancolombia. In 2005, Bancolombia enhanced it's industry leadership position through the acquisition of mortgage bank Conavi and corporate credit and investment bank Corfinsura. Bancolombia acquired the Banagrícola brand in 2007. Shares of Bancolombia have traded on the New York Stock Exchange under the symbol CIB since 1995. Groupo de Inversiones Suramericana SA is the bank's largest shareholder. Also in 1995, Bancolombia became the first Colombian company to enter the US market. The bank also has a presence in El Salvado, Peru, Puerto Rico, Panama and the Cayman Islands.

4. BANCO DE BOGOTÁ

Company Banco de Bogotá
Brand Value US$2,842 million
Headquarter City Bogotá
Industry Financial Services
Year Formed 1870
Website www.bancodebogota.com

BANCO DE BOGOTÁ IS THE OLDEST BANK IN COLOMBIA.

Founded in 1870, Banco de Bogotá today is the country's second largest bank. It serves nearly three million customers with 626 branch locations, more than 1,000 automatic teller machines and approximately 9,000 employees. It is a full service bank and enjoys a leadership position with commercial lending and large business customers.

In July 2011, the bank introduced a new advertising campaign with the tag line, "Un banco hecho entre dos," which translates loosely to "a bank created for everyone." The campaign sought to reframe the customers' view of the financial institution and instill the belief that working together in a close relationship with the bank will lead to a common good.

The campaign capped a 20-year-period of growth through acquisition, including notable deals involving Bancomercio in 1992, Megabanco in 2006 and BAC Credomatic in 2010. Grupo Aval Acciones y Valores SA and its chairman and largest shareholder, Lusi Carlos Sarmiento Angulo, own nearly 65 percent of the bank. Banco de Bogotá is the largest brand within Grupo Aval's network of financial institutions.

5. BANCO POPULAR

Company Banco Popular SA
Brand Value US$2,414 million
Headquarter City Bogotá
Industry Financial Services
Year Formed 1950
Website www.bancopopular.com.co

BANCO POPULAR IS A MARKET LEADER IN CONSUMER LOANS.

Banco Popular is a brand whose primary focus in Colombia is serving the financial needs of the mass market with banking services and consumer loans. The bank is the seventh largest in Colombia with a network of 184 branches and 925 automatic teller machines concentrated in the central portion of Colombia and Bogotá. The bank pioneered an approach to consumer lending that allows for loan repayment via payroll deduction to minimize risk in the loan portfolio.

The bank was established in 1950 as a government owned institution and began the process of privatization in 1996 when entities controlled by Colombian finance magnate Luis Carlos Sarmiento Angulo acquired the bank. In 2006, Banco Popular was acquired by Grupo Aval Acciones y Valores SA, also controlled by Sarmiento Angulo. In 2008, Grupo Aval acquired additional Banco Popular shares from the Colombian government to end 2011 with a 93.7 percent ownership stake.

6. DAVIVIENDA

Company Banco Davivienda SA
Brand Value US$1,251 million
Headquarter City Bogotá
Industry Financial Services
Year Formed 1972
Website www.davivienda.com

AN ICONIC LOGO MAKES DAVIVIENDA ONE OF COLOMBIA'S MOST RECOGNIZABLE BRANDS.

The Davivienda brand's presence in the market consists of a network of 559 bank branch locations in 176 cities, 1,445 automatic teller machines and nearly 11,000 employees that serve four million customers.

The brand was founded in 1972 as the Corporación Colombiana de Ahorro y Vivienda and initially operated as a savings and loan under the brand name Coldeahorro. The brand identity changed to Daviviendа in 1973 and it adopted a distinctive and colorful logo known as La Casita Roja (little red house). It's among the most identifiable corporate logos in Colombia.

In 1997, the Corporación Colombiana de Ahorro y Vivienda became a commercial bank and changed its name to Banco Davivienda SA. To promote an expanded array of services the brand launched an ad campaign asserting, Aquí lo tiene todo (It's all here). The campaign complemented the brand's longstanding focus on depositor security. In 2005, Davividenda acquired Banco Superior SA and in 2007 Granbanco SA-Bancafé was acquired. Last year, the brand announced the acquisition of HSBC Holding's operations in El Salvador, Costa Rica and Honduras. Davividenda is part of the Sociedades Bolívar holding company.

7. ÉXITO

Company Almacenes Éxito SA
Brand Value US$1,168 million
Headquarter City Envigado
Industry Retailing
Year Formed 1949
Website www.exito.com

ÉXITO IS THE LEADING RETAIL BRAND IN COLOMBIA.

With a total of 190 stores, the company operates under various formats including the flagship Éxito hypermarket and smaller formats such as the Éxito Vecino, Éxito Súper and the newest small format, Éxito Express, which opened in 2010. The range of formats allowed the Éxito brand to expand rapidly, adding 62 stores in 2011. In addition, the Éxito brand is leveraged across a portfolio of businesses that include credit cards, travel, insurance and service stations.

The brand was founded in 1949 when local entrepreneur Gustavo Quintero Toro opened the first Éxito store in downtown Medellín. In 1998, Éxito began online sales and the following year France's Groupe Casino acquired a 25 percent ownership interest in Éxito. Further investment by Casino gave the company majority control in 2007. Éxito expanded internationally for the first time in 2011, when it acquired 52 Casino stores in Uruguay that were operating under the banners of Disco, Devoto and Géant.

8. BANCO DE OCCIDENTE

Company Banco de Occidente SA
Brand Value US$1,143 million
Headquarter City Santiago de Cali
Industry Financial Services
Year Formed 1965
Website www.bancodeoccidente.com.co

BANCO DE OCCIDENTE FOCUSES ON BUSINESSES AND AFFLUENT INDIVIDUALS.

Banco de Occidente is the fifth largest bank in Colombia. It offers comprehensive banking services with a special focus on serving large and medium sized businesses along with medium and high-income clients. Accordingly, the bank's network of 183 branches and 176 automatic teller machines are concentrated Bogotá and the central part of the country. The bank had 62,500 business customers and 441,000 individual customers at the end of 2011.

Founded in 1965 in Cali, Banco de Occidente was acquired by one of Colombia's wealthiest individuals and major bankers, Luis Carlos Sarmiento Angulo, in 1971. The Occidente brand was extended to Panama in 1982 and in 1991 Fiduciaria de Occidente was founded to provide service in southwestern Colombia.

Grupo Aval Acciones y Valores SA, the large holding company controlled by Luis Carlos Sarmiento, acquired Banco de Occidente in 1998. Banco de Occidente acquired and merged Banco Aliadas and Banco Unión into its operations in 2005 and 2006. Today, Grupo Aval and other entities controlled by Sarmiento Angulo own 85.5 percent of Banco de Occidente.

9. ETB

Company Empresa de Telecomunicaciones de Bogotá
Brand Value US$558 million
Headquarter City Bogotá
Industry Telecommunications
Year Formed 1884
Website www.etb.com.co

ETB IS A LEADING TELECOMMUNICATIONS BRAND IN COLOMBIA.

ETB is one of the most recognizable telecommunications brands in Colombia and last year sought to reinforce awareness of the brand and its breadth of offerings with the launch of its Inspírate (Get Inspired) ad campaign. The extensive campaign used a variety of media including print, electronic, digital and out of home in shopping malls and billboards.

The ETB brand offers a wide range of services including local and long distance fixed line telephone service, Internet broadband, television and data services for corporate clients.

The origins of ETB date back to 1884 when Cuban José Raimundo Martínez created the Colombian Telephone Company. In 1932, the company became the property of the city of Bogotá and its name was changed to Bogotá Telephone Company. In 1992, the name was changed to Bogotá Telecommunications Company (Empresa de Telecomunicaciones de Bogotá). The 11.6 percent of ETB shares not owned by the city of Bogotá are publicly traded on Colombia's stock exchange.

10. TIGO

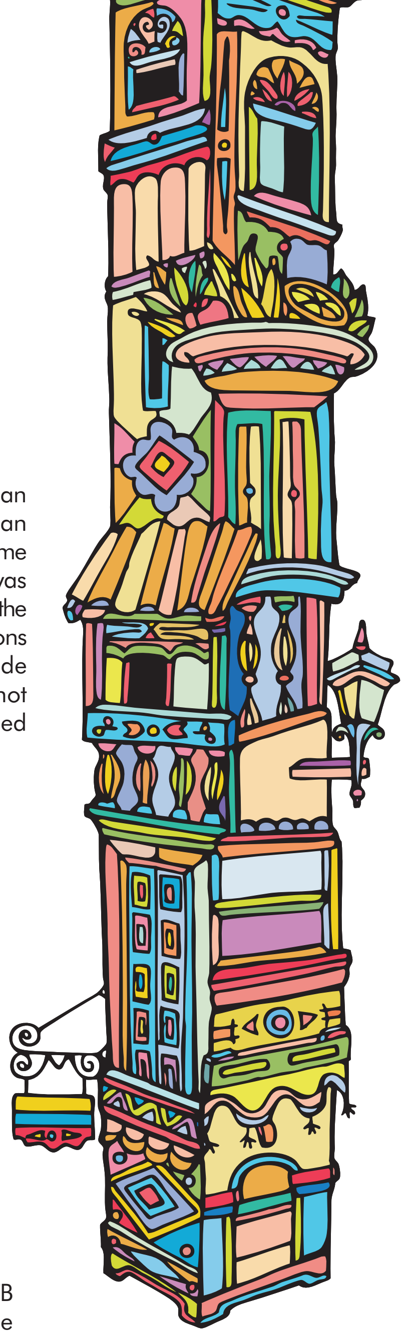
Company Colombia Móvil SA ESP
Brand Value US$517 million
Headquarter City Bogotá
Industry Telecommunications
Year Formed 2006
Website www.tigo.com.co

TIGO WAS THE FIRST COLOMBIAN MOBILE PROVIDER TO PROMOTE HIGH SPEED 4G SERVICE.

The country's third largest mobile brand, Tigo has nearly 4.9 mobile customers in Colombia, 80 percent of whom use prepaid service. The brand is regarded as a value offering that provides voice service coverage to more than 80 percent of the country.

The Tigo brand was introduced to the market in 2006, but its origins date back two years earlier to when UNE Telecomunicaciones SA ESP, a company owned by the city of Medellín, and Empresa de Telecomunicaciones de Bogotà ETB SA ESP, a company owned and controlled by the municipality of Bogotà, created Colombia Móvil to offer services under the Ola brand.

The brand name changed from Ola to Tigo, a condensed version of the Spanish word contigo (with you), following acquisition of a majority position by Luxembourg-based Millicom International Cellular SA, in 2006. Millicom uses the Tigo brand for its telecom services in Latin America and Africa.



ECONOMIC GROWTH DRIVES BRAND AWARENESS

Marketers reach consumers with social media

GABRIEL CASTELLANOS
Managing Director Andean Region
Millward Brown Colombia

Colombian consumers are rapidly becoming more engaged with brands.

The change reflects the country's new economic reality. Consumption in Colombia increased 12.8 percent during 2011, and GDP grew 6.1 percent, according to Colombia's National Federation of Traders (FENALCO). The country's overall economic development, including increased foreign investment and consumer access to credit, continues to stimulate strong growth.

As consumers encounter brands more often at many multi-channel touch points, Colombia is shifting from a country where consumers simply purchase products to a market where consumers identify with brands.

This heightened awareness of brands has created a more demanding shopper and a more complex marketplace with brands competing to best understand shoppers and most effectively meet their needs and wants.

TIME SPENT ON SOCIAL MEDIA GROWS

An important cultural shift—increased technical literacy—informs this greater involvement with brands. As PC use and Internet access expands rapidly, the exposure to information and knowledge produces profound societal change.

In the last 15 years, Colombia transformed from a closed country to a partner in free trade agreements with some of the world's largest markets. Internet and cable TV superseded television as the preferred electronic medium, providing Colombians with wider exposure to products and services—and brands.

More than 96 percent of Colombia's online population uses social networks sites, according to ComScore. The use of social networks to communicate with consumers is experiencing double-digit growth, according to the Colombia's Interactive Advertising Bureau.

Also, among all countries in the world, Colombia ranks seventh in numbers of hours spent on Facebook, averaging 8.4 hours per month, surpassing even Mexico and Brazil, according to the 2011 Firefly Millward Brown global study of social media. This penetration reflects how social media connects with a national culture that values entertainment, social connections and a sense of belonging.

GREAT OPPORTUNITY AWAITS BRAND MARKETERS

These findings have driven increased interest by brands to better understand how to develop the appropriate digital strategies to maximize ROI. Brand marketers have a great opportunity to reach Colombian consumers on social media for two reasons.

First, Colombian consumers are actively engaged in social media. The country has one of the highest Internet penetration rates in the region. Second, the country has one of the lowest investment rates in digital media. In 2011, only 0.9 percent of the communication investment was in digital compared with 7 percent in Mexico and 6 percent in Brazil, according to GroupM research.

There probably are several reasons for this disconnection between the high level of consumer digital engagement and the low level of investment. The most likely explanation is that Colombia's image, as a country gripped by violence, has not caught up with Colombia's new reality as a fast growing economy.

The conclusion for brand marketers should be clear: In Colombia, there's a large group of potential customers online who are interested in brands and there's relatively little clutter preventing you from reaching them.

Millward Brown is one of the world's leading research agencies, with expertise focused on advertising, marketing communications, media and brand equity research.
www.millwardbrown.com

CAROLINA RUBIANO GROOT
Planning Director
JWT Colombia

ADRIANA PINEDA
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JWT Colombia

MODERN COLOMBIA DEBUTS

It's not the Hollywood image

An action film called "Colombiana" received many negative reviews from the Colombian public last year.

People complained that the film by producer Luc Besson presented a stereotypical version of their country. No one knows about Colombia's history of poverty and violence better than her citizens. But filmmakers usually exaggerate this imagery and shoot these scenes at locations outside of Colombia.

In a scene from the 2005 film Mr. and Mrs. Smith, the characters played by Brad Pitt and Angelina Jolie meet in Bogotá. The movie depicts Colombia's capital as a warm and humid place with a rural look, caught in time.

Bogotá enjoys really nice weather, temperate and dry most of the year, and visitors can find high quality restaurants, excellent architecture and shops comparable to anything in the world's most attractive cities.

Foreign investment has increased dramatically in the last five years and we're now the third best country for doing business in Latin America. More than 20,000 new hotel rooms have been created to accommodate the increase in visitors. These visitors will be surprised.

LEADING BRANDS, EVEN LUXURY, ENTER COLOMBIA

It's true that for many years a troubled economy forced us to be more constrained in spending than our neighbors in Venezuela, Argentina or Mexico. And even our own young people don't remember that the economy in this country was closed until the 1990s, limiting the choice of brands.

Today, great apparel brands like Nike, Zara and Adidas are present. And we have easy access to Apple, Gap or Abercrombie and Fitch. Foreign investment and greater access to credit has energized our shopping. The new Colombian consumerism has brought with it a favorable environment for luxury brands.

What many people thought to be impossible has become reality: the recent arrival of prestigious names like Bulgari, Carolina Herrera, Louis Vuitton and Porsche among others. Also, Colombians are finally drinking the premium coffee that until recently was cultivated only for export. Like the rest of the world, we now enjoy Juan Valdez Café.

JWT is the world's best-known marketing communications brand.
www.jwt.com

LOCAL BRANDS THRIVE

Not only luxury brands have been missing from Colombia. During the years when security was difficult to guarantee, few multi-nationals made significant investments. Colombians developed deep affinities for our many local brands.

We enjoy Postobón juices, teas and sodas and have an emotional attachment to Chocolatinas Jet, a brand of confectionary made from Colombian chocolate. We consume ketchup called Fruco and dairy products from Alpina. Our fast food choice for burgers and fries is El Corral. And young people, especially, like a candy and bubble gum combination called Bon Bon Bum.

As consumers we're easy to reach. Colombia ranks second in Latin American in Internet penetration and among the leaders in Facebook users. Also, Colombia is the cheapest place to buy technology in South America because low or absent import duties encourage technological development.

We look forward to welcoming more filmmakers and introducing them to Colombia, as it actually exists today. Life isn't perfect, of course, but our story comes pretty close to the classic Hollywood happy ending.

MEDIA INVESTMENT INCREASES

With better business climate

In the past 10 years, Colombia has significantly reduced inflation and steadily grown GDP. Business-friendly political and economic policies, including free trade agreements, have raised the country's profile and attracted foreign investment.

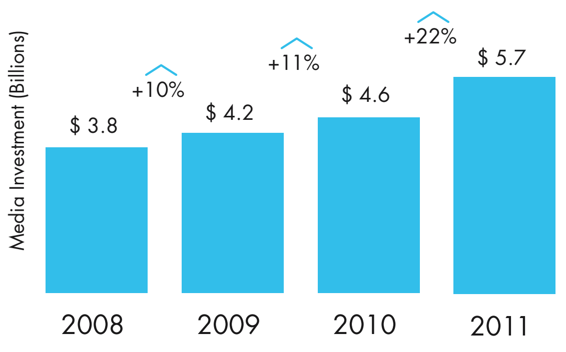
We've seen a corollary increase in media investment. And media mix has expanded, although TV remains dominant. Because it reaches 92 percent of the population, TV also remains the most expensive marketing medium. Advertiser demand and the existence of only two national channels keep prices high and build interest in less expansive digital alternatives.

Internet penetration has a reach of 63 percent overall and 81 percent among higher socio-economic groups, according to TGI. Even as we explore digital, however, we remain loyal to TV and other traditional media. We simply add digital to the menu and become more multi-media.

For example, one of the country's biggest media groups, Casa Editorial El Tiempo, has changed dramatically in the last five years. The group publishes El Tiempo, Colombia's most widely read newspaper. The daily newspaper continues to be important for many readers. And it's a vivid expression of the brand. But to reach all audiences, particularly the young, El Tiempo also makes content available online anytime. These new website or mobile options offer new spaces in which brands can participate.

Brands need to cultivate strategic relationships with media outlets that deliver content across a wide variety of touch points. The brand enjoys two key advantages: lower media costs and greater impact. Not only are prices less than TV, the possibility of coordinating electronic and print media assures message consistency and produces economies of scale.

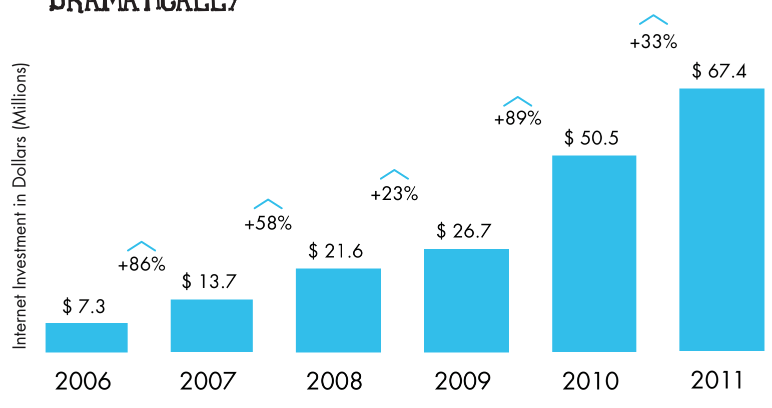
ADVERTISING INVESTMENT GROWS



Advertising investment has increased steadily in Colombia, growing 22 percent year-on-year in 2011.

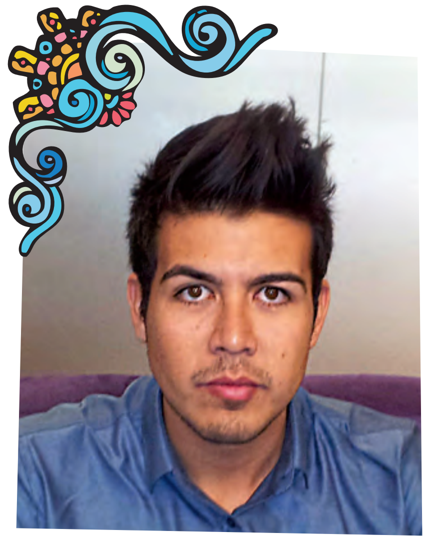
Source: IBOPE IWKS / LAB 2012

INTERNET INVESTMENT GAINS DRAMATICALLY



Internet has experienced the greatest gain in advertising investment, growing more than 120 percent between 2009 and 2011.

Mindshare is a global media and marketing services network.
www.mindshareworld.com



LEONARDO SEGURA
Director of Business Planning
Mindshare Colombia

TNS Digital Life: COLOMBIA INTERNET PENETRATION HIGH

Political stability has had a significant impact on driving Colombia's economy and on the uptake of technology devices and Internet usage. Internet penetration is among the highest on the continent and, combined with high digital engagement, it offers significant opportunities for brands.

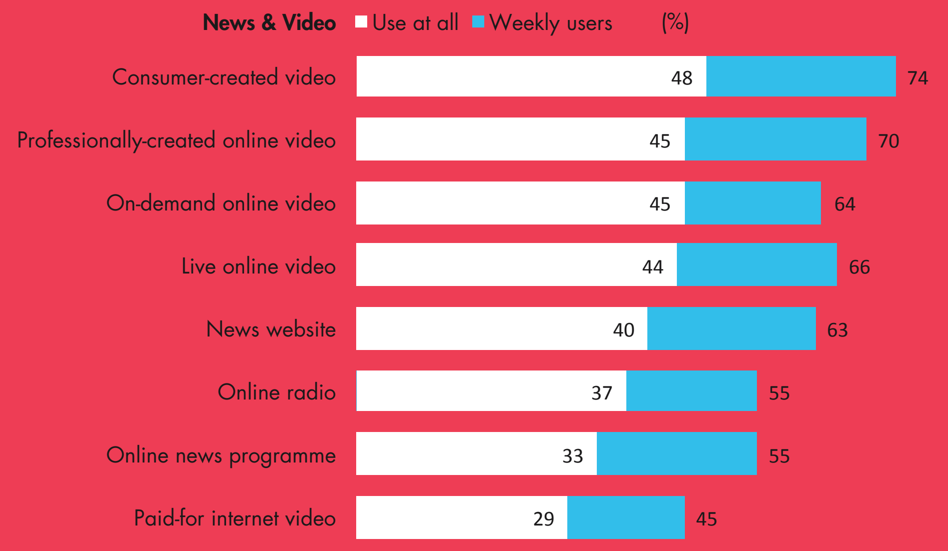
Although usage levels are currently low, Colombians feel positively about out-of-home Internet connections, especially via mobile. Already, 61 percent of mobile device owners use their devices to access the Internet and say they would be happy to do all their surfing on a mobile device.

Both consumer and professionally created videos are very popular, with nearly half of the online population viewing both on a weekly basis. Social networking is also widespread. Nearly a quarter of those online access their accounts daily.

Colombians also are very open to engaging with brands on their social networks, with only a third stating that social networks are a place they do not want to be bothered by companies. About a quarter of Colombians write about brands online, a percentage matching many of the world's most developed markets.

MANY VIDEO OPTIONS FOR REACHING COLOMBIANS

News and video content viewed online



Colombians prefer consumer-created video for their online viewing, which is the case in many markets. In contrast to other markets, however, consumer-created video doesn't dominate consumer-viewing preferences. For brand owners seeking to communicate their brand messages to Colombians, this finding means that a video's creativity and level of engagement is more important than whether it's created professionally or by consumers.

By Juan Alexander Londoño, Regional Manager, TNS Digital, Latin America

MEXICO

PROXIMITY TO US BROADENS BRAND CHOICE

But income disparity limits access

Mexican consumers are resilient, cautious, interested in brands and intent on getting the most for their money.

And for good reason: Relative to some of the other major economies of Latin America, personal income is rising relatively slowly. Of the total population of over 113 million, almost half lives in poverty, according to the World Bank.

Mexico's GDP per capita, which reached $9,133 in 2010, places the country at around the same level as Kazakhstan in the World Bank ranking.

Like other nations, Mexico is attempting to increase its wealth and distribute it more equitably. Geography differentiates Mexico, however. It borders the US, one of the world's richest nations, which buys 80 percent of Mexico's exports. Mexico is the third largest trading partner of the US, after Canada and China.

Mexico's close relationship with its northern neighbor influences its economic development, often for good but sometimes for bad. Soon after Mexico joined the North American Free Trade Agreement (NAFTA), in 1994, the government devalued the peso to slow its appreciation. The currency soon plummeted to 50 percent of its value, setting off a severe recession.

CHANGE IN LEADERSHIP STIRS HOPE

With US loan support and Mexican economic reforms the economy rapidly recovered. And political leadership changed dramatically in 2000, when National Action Party (PAN) presidential candidate Vicente Fox dislodged the Institutional Revolutionary Party (PRI), which had ruled Mexico without interruption for 71 years, since 1929.

Mexico's current president, Felipe Calderón, also of PAN, succeeded Fox in 2006. His government faced many economic and social policy challenges. In 2009, when much of Latin America remained relatively unaffected by the global financial crisis that battered North America and Europe, Mexico's economy contracted 6.5 percent, because of its economic link with the US, according to Bloomberg.

The Calderón government has attempted to reform systemic corruption and control drug-related violence that threaten the security of Mexico's inhabitants and severely impact the tourist industry. An important source of foreign currency, tourism contributed almost $12 billion to Mexico's economy in 2010, according to the US State Department. But these problems are not easily solved.

Although the government introduced higher standards of transparency for business transactions, corruption has proved difficult to eradicate, as suggested by allegations that surfaced in April 2012 about Walmart's market entry practices. The Calderon government aggressively battled the drug cartels, but drug-related deaths total almost 50,000 since the administration took office.

MEXICO KEY FACTS

LAND AREA

1.97 million Km²
761,606 Mi²

Comparison
Mexico is similar in size to Indonesia and Saudi Arabia.

GDP

2010 US$1.0 trillion
2000 US$581.4 billion
Change +72 percent

Comparison
The GDP of Mexico is similar to that of the Republic of Korea.

POPULATION

2010 113.4 million
2000 100 million
Change +13.5 percent

Comparison
Mexico is slightly smaller than Japan in population.

GDP PER CAPITA

2010 US$9,133
2000 US$5,817
Change +57 percent

Comparison
In GDP per capita Mexico ranks about the same as Kazakhstan.

MEDIAN AGE

2010 26.6 years
2000 23.4 years

FOREIGN DIRECT INVESTMENT

2010 US$19.8 billion
2000 US$18.1 billion
Change +9 percent

Comparison
In FDI Mexico ranks below Switzerland and Saudi Arabia and above Chile.

Sources: CIA World Fact Book, United Nations, World Bank

MEXICO

CONSUMERS ENJOY WIDE BRAND CHOICE

These economic and social dynamics impact the lives of the Mexican people, how they shop and their attitudes toward brands. Because of NAFTA and physical proximity to the US, Mexicans have access to a wider selection of international brands than residents in most other Latin American countries. And many local brand options are available, too.

Four of the BrandZ™ Top 15 Mexican brands are communication providers, reflecting the centralized, almost monopolistic state of this industry. Both the country's most valuable brand, the cellular network Telcel, and Telmex, which offers fixed-line and Internet services, are owned by América Móvil, an organization headed by Carlos Slim Helú, the Mexican entrepreneur who Forbes ranks as the world's richest man.

The ranking also includes five popular retail brands. Bodega Aurrera, a chain of discount stores, was established in 1958 and acquired by Walmart in 1997, after several years as a joint venture partner. The diversified retailer Sanborns operates department stores and other outlets as well as restaurants. It's owned by Grupo Carso, which is a holding of Carlos Slim Helú. Ricardo Salinas Pliego, one of Mexico's wealthiest individuals, owns Electra, which sells household appliances on credit. Liverpool operates department stores. Soriana is a multichannel retailer.

INCOME DISPARITY LIMITS CHOICE FOR SOME

Three local beers—Corona, Modelo and Tecate—are among the Mexico's Top 15 most valuable brands. Corona and Modelo are produced by Group Modelo in cooperation with AB-InBev, the world's largest brewer. The brewer of Tecate is a subsidiary of Heineken International.

Mexican consumers also prefer local brands for certain fresh foods. Similarly, in dairy products the Mexican brand Lala dominates the fresh milk category and Bimbo, an international distributor of baked goods, is a preferred brand.

Not all consumers have the income to afford the extensive brand choice. Credit is becoming more available, but at higher rates. Recently, more micro credit has helped finance entrepreneurship. And pawnshops have proliferated, enabling people to obtain small loans secured with their personal possessions.

Marketing generally starts with TV, which has enormous penetration, perhaps 92 percent. But two companies, Televisa and Azteca, control the airwaves and brands increasingly are attempting to find other media options, including mobile, although digital is just beginning to become a factor. Marketers now focus more attention on communication at the point of sale. As price promotion increases in economic hard times, they struggle to cultivate the emotional bond, too.

FUNDAMENTALS FOR BRAND BUILDING IN MEXICO

1. Respect the market
First consider what Mexico is not. It's not South America. It's not the US. It's a unique and large country—in land area and in population size and diversity. It's the world's largest Spanish-speaking country.

2. Start in the cities
With about 22 million inhabitants, Mexico City is the most populous city in the Western Hemisphere and a good entrance point. But other cities, such as Guadalajara and Monterrey, can enable brands to establish a regional presence.

3. Know the customers
Mexico is a series of local markets and in each instance the customers are somewhat different and usually respond best when the brand proposition is customized to their needs and incudes both rational and emotional components.

4. Understand the complexity
Doing business in Mexico can be complex. Distribution is a good example. Develop a strong understanding of the distribution channels for your brands and assemble the appropriate responses, which can include a dedicated sales force or distribution partners.

5. Be patient
Mexican consumers have experience with brands and like them. But success can take time. And while there are no shortcuts, you can maximize efficiency by doing the homework, defining your customer base and marketing creatively.

BRANDZ™ TOP 15 MOST VALUABLE MEXICAN BRANDS 2012

#	Brand	Brand Value (US$ Mil.)	Brand Contribution Index	Category
1	telcel	8,449	4	Communication Provider
2	Corona	5,114	5	Beer
3	TELMEX	2,656	2	Communication Provider
4	Televisa	2,585	3	Communication Provider
5	Bodega Aurrera	2,511	2	Retail
6	BIMBO	1,995	5	Bakery
7	Sanborns	1,834	3	Retail
8	CEMEX	1,494	2	Cement
9	elektra	1,398	3	Retail
10	INBURSA Grupo Financiero	1,352	2	Financial Institution
11		1,244	5	Beer
12	Liverpool	1,156	4	Retail
13	TV AZTECA	676	3	Communication Provider
14	SORIANA	589	2	Retail
15	Cerveza TECATE	563	5	Beer

Source: BrandAnalytics and Millward Brown Optimor

1. TELCEL

Company América Móvil
Brand Value US$8,449 million
Headquarter City Mexico City
Industry Communication Provider
Year Formed 1989
Website www.telcel.com

TELCEL IS THE LARGEST PROVIDER OF WIRELESS SERVICES IN MEXICO.

Telcel provides wireless services to roughly 65.7 million customers and enjoys a market share estimated at 68 percent by its parent company. Of the brand's total customers, more than 88 percent rely on prepaid services. Telcel promotes loyalty among its contract customers with a program called "Circulo Azul" that redeems points for merchandise and services. Telcel serves the market with 285 Telcel branded stores as well as through a network of distributors representing more than 42,000 points of sale.

The company's origins date to 1978 when it began installing car phones in Mexico City. After obtaining a cellular license in 1984 the company offered service in Mexico City under the name Radiomovil Dipsa SA de CV. Service under the Telcel brand started in 1989, in the Tijuana market, and nationwide expansion began the following year when corporate parent América Móvil was formed from the wireless business spun off from another Mexican telecom, Telmex.

Today, América Móvil, is the dominant telecommunications company in Mexico and throughout Latin America. Mexican business magnate Carlos Slim Helú controls the company with other members of his family, including sons Patrick Slim Domit and Carlos Slim Domit who serve as co-chairs of the board of América Móvil, a company traded on the New York Stock Exchange under the symbol AMX.

2. CORONA

Company Grupo Modelo SAB de CV
Brand Value US$5,114 million
Headquarter City Mexico City
Industry Beer
Year Formed 1925
Website www.grupomodelo.com

CORONA IS THE NUMBER ONE MEXICAN BEER SOLD WORLDWIDE.

Also known as Corona Extra, the brand was founded in 1925, the same year that parent company Grupo Modelo began operations. In 2011, the Corona Extra brand achieved the highest volume growth of the 13 brands Grupo Modelo produces. Corona Extra is marketed in more than 150 countries, usually with music and events that reinforce its association with Mexico.

To enhance its position with younger consumers in the Mexican marketplace, the Corona Extra brand consistently aligns itself in new and interesting ways with sports and music. Last year, advertising campaigns focused on boxing, wrestling, baseball and football (soccer) and the brand worked closely with Sony Music to reach young audiences with a project called Corona Music.

3. TELMEX

Company América Móvil
Brand Value US$2,656 million
Headquarter City Mexico City
Industry Communication Provider
Year Formed 1947
Website www.telmex.com

TELMEX IS MEXICO'S LARGEST FIXED-LINE TELEPHONE SERVICE.

The brand provides telephone service nationwide to more than 23,000 communities in Mexico, 94 percent of which have fewer than 5,000 residents. Telmex operates 389 stores and employs more than 50,000 people. It maintains an extensive network of fiber optic cable that spans 135,876 kilometers (84,429 miles) to provide high speed Internet access, data and television. The broader offering helps Telmex offset a decline in fixed-line voice services. Last year eight million households used the brand's broadband service. In addition, Telmex provides nearly 4,200 Internet hot spots in 348 Mexican cities.

Teléfonos de México SA de CV established Telmex in 1947. The Mexican government nationalized the company in 1972 and divested its ownership in 1991. In 2000, Telmex sold its wireless business to entrepreneur Carlos Slim Helú. The wireless business became the core of Slim's newly formed América Móvil, which today is Latin America's leading wireless provider. Slim later acquired more of Telmex through his Group Carso holding company. In a 2011 transaction, ownership of Telmex shifted from Group Carso to América Móvil. Shares of Telmex, a long-time publicly held company, were delisted from the New York Stock Exchange in 2012.

4. TELEVISA

Company Grupo Televisa SAB
Brand Value US$2,585 million
Headquarter City Mexico City
Industry Communication Provider
Year Formed 1950
Website www.televisa.com

TELEVISA IS MEXICO'S LEADING MEDIA COMPANY.

Mexico's best-known television network, Televisa aired eight of the 10 highest rated television shows in Mexico during 2011, and 69 percent of the top 200 most watched programs. The company employs 24,300 people and last year produced 79,100 hours of original programming.

In addition to original content, Televisa strives to achieve industry leadership by securing rights to signature sporting events. Televisa will air the 2012 summer Olympics in London and the next three FIFA World Cups. Televisa also is a leading publisher of Spanish language magazines with 172 titles available in 20 countries and a combined circulation of 132 million.

Although the origins of the company date to 1930, when Emilio Azcárraga Vidaurreta created the first radio station in Latin America, it wasn't until 1950 that the company offered Mexico its first television channel. In 1990, the company was incorporated as Grupo Televisa and in 1991 it was listed on the Mexican stock exchange following a public offering. In 1993 Televisa was listed on the New York Stock Exchange under the symbol TV.

5. BODEGA AURRERA

BODEGA AURRERA IS THE FASTEST GROWING FORMAT OF WALMART DE MÉXICO Y CENTROAMÉRICA.

Company Wal-Mart de Mexico, SAB de CV
Brand Value US$2,511 million
Headquarter City Mexico City
Industry Retail
Year Formed 1958
Website www.bodegaurrera.com.mx

The Bodega Aurrera discount store brand is the dominant and fastest growing format operated by Walmart de México y Centroamérica. Bodega Aurrera added a record 305 units in 2011, ending the year with a total of 1,204 stores. The stores offer both food and general merchandise in three different formats sized to local market needs. The store portfolio includes 385 full size Bodega Aurrera outlets, 227 medium size Mi Bodega Aurrera stores and 592 small format Bodega Aurrera Express locations. The brand emphasizes low prices and features a masked wrestler character named Mama Lucha. Clad in a green costume bearing the Bodega Aurrera logo, she serves as "la campeona de los precios bajos" (the champion of low prices).

Bodega Aurrera was founded in 1958 by Cifra SA de CV, a company that began trading on the Mexican stock exchange in 1977. In 1991, Cifra entered into a joint venture with Wal-Mart Stores, Inc., to begin opening Wal-Mart stores in Mexico. In 1997, Wal-Mart acquired a controlling stake in Cifra and in 2000 the company's name was changed to Wal-Mart de México, SAB de CV. In 2010 Wal-Mart Mexico acquired the Central American operations of Wal-Mart Stores, Inc, and became known as Walmart de México y Centroamérica. In early 2012, regulators began investigating possible violations of US Foreign Corrupt Practices Act after allegations that bribes were paid to accelerate store expansion.

6. BIMBO

BIMBO IS THE LEADING BRAND OF BAKED GOODS IN MEXICO AND THE LARGEST BAKERY COMPANY IN THE WORLD.

Company Grupo Bimbo SAB de CV
Brand Value US$1,995 million
Headquarter City Mexico City
Industry Food
Year Formed 1943
Website www.grupobimbo.com

Bimbo's global network of 156 plants, 42 of which are in Mexico, manufacture more than 8,000 unique products delivered to approximately two million points of sale in 19 countries. The brand is instantly recognizable in Mexico where the iconic logo of the Bimbo Bear wearing a traditional white chef's toque has been in use since 1945. The Bimbo brand and its parent company expanded steadily in subsequent decades, creating and acquiring new brands and becoming listed on the Mexican stock exchange in 1980.

Bimbo began exporting to the US in the mid-1980s and by the end of the decade acquired Mrs. Baird's, a prominent regional bakery brand in the southern US. Bimbo entered Asia via an acquisition in 2006. The brand increased its US presence in 2009 with the acquisition of George Weston Foods and in 2011 by acquiring Sara Lee fresh bakery business. That deal, along with the smaller purchases of Fargo in Argentina and Bimbo Iberia in Spain and Portugal, made Bimbo the world's largest baked goods company.

7. SANBORNS

SANBORNS IS A LEADING RETAIL AND FOOD SERVICE CONGLOMERATE.

Company Grupo Sanborns SA de CV
Brand Value US$1,834 million
Headquarter City Mexico City
Industry Retail/Food Service
Year Formed 1903
Website www.sanborns.com.mx

The Sanborns brand is well known in Mexico for unique outlets that combine retail and food service in a single location. Sanborns caters to middle and upper income consumers and the brand's distinctive logo featuring three owls perched on a branch has been in use for nearly 100 years. The brand's slogan, "Solo Sanborns," defines its unique value proposition and affirms Sanborns as the place for exclusive offerings and experiences.

Grupo Sanborns operates 137 Sanborns locations, including a flagship in downtown Mexico City. The locations combine a retail store offering books, jewelry, candy, gifts, electronics, health and beauty products with a restaurant serving traditional Mexican fare. Grupo Sanborns also operates 29 cafes and 69 music stores under various banners.

In 1903, Walter and Frank Sanborn, immigrants from California, founded the brand as soda fountain that also offered medicines. Sanborns grew slowly until 1946, when US drug chain Walgreens acquired it, maintaining ownership until 1985. Today, Grupo Sanborns employs 18,000 people and is part of the commercial and consumer division of the Grupo Carso holding company controlled by business magnate Carlos Slim Helú and his son Patrick Slim Domit who serves as Grupo Carso chairman.

8. CEMEX

THE CEMEX BRAND IS A WORLD LEADER IN BUILDING MATERIALS.

Company Cemex SAB de CV
Brand Value US$1,494 million
Headquarter City Monterrey
Industry Industrial/Cement
Year Formed 1906
Website www.cemex.com

The largest building materials company in México, Cemex specializes in cement, ready mix concrete and related materials. It is positioned with the advertising tagline as the brand "building the future." Cemex products are sold in more than 50 countries with Mexico remaining the brand's largest market, accounting for 21 percent of sales in 2011.

Cemex is vertically integrated from mining to production and distribution. It operates 151 cement quarries and 491 aggregate quarries, along with a global network of 57 cement production facilities, 15 of which are located in Mexico. Cemex also offers construction materials through a chain of 2,500 Construrama stores that are operated by 850 independent concessionaires.

Founded in 1906, Cemex employs 44,000 people and has been listed on the Mexican stock exchange since 1976. In 1992, expansion to Europe began with two acquisitions in Spain. In 1994, Cemex expanded to Central and South America with acquisitions in Panama and Venezuela. In 1997, the company expanded to Asia with an acquisition in the Philippines. Cemex has been listed on the New York Stock Exchange since 1999 under the symbol CX.

9. ELEKTRA

ELEKTRA IS LEADING CONSUMER ELECTRONICS RETAILER AND FINANCIAL SERVICES PROVIDER.

Company Grupo Elektra, S.A. De C.V.
Brand Value US$1,398 million
Headquarter City Mexico City
Industry Retail
Year Formed 1950
Website www.elektra.com.mx

The Elektra brand was created in 1950 when founder Hugo Salinas Rocha began manufacturing radios. Starting in 1954, he sold radios door-to-door. In 1957, Salinas opened the first Elektra retail stores and began offering an installment sales program. Today, each of Elektra's 945 stores in Mexico includes a branch of Banco Azteca, the financial services arm of Grupo Elektra. The Elektra retail brand also operates 228 stores in Guatemala, Honduras, Peru, Panama, Brazil and Argentina.

Elektra stores focus on low to middle income consumers with the upper end of the consumer electronics and home goods market served by 55 Salinas Y Rocha brand retail stores in Mexico. Parent company Grupo Elektra is also a leading provider of financial services and consumer credit with more than 2,800 locations in Mexico and other Latin American countries. Grupo Elektra is owned by Mexican tycoon Ricardo Salinas Pliego and employs 52,000 people. Earlier in 2012 the company made its first major acquisition in the US when it acquired Advance America, a provider of short-term financial products and services with 2,600 stores.

10. INBURSA

BANCO INBURSA IS A LEADING FINANCIAL SERVICES PROVIDER.

Company Grupo Financiero Inbursa, SAB de CV
Brand Value US$1,352 million
Headquarter City Mexico City
Industry Financial Services
Year Formed 1993
Website www.inbursa.com

Banco Inbursa is one of Mexico's most familiar financial services brands and operates a rapidly expanding network of branch locations, 273 at the end of 2011, and automatic teller machines. The bank operates two call centers and employs 6,800 people.

Banco Inbursa was founded in 1993 when the Finance Ministry of Mexico authorized the creation of new banks to promote competition and lower borrowing costs. The bank is a subsidiary of the financial services conglomerate Grupo Financiero Inbursa that was founded in 1985. Grupo Carso, the holding company owned by Mexican business magnate Carlos Slim Helú and his family, controls Grupo Financiero Inbursa.

11. MODELO

MODELO ESPECIAL IS MEXICO'S MOST POPULAR CANNED BEER.

Company Grupo Modelo SAB de CV
Brand Value US$1,244 million
Headquarter City Mexico City
Industry Beer
Year Formed 1925
Website www.gmodelo.com

It is the second best selling beer brand within Grupo Modelo's portfolio of leading beer brands, after Corona. Modelo was the first brand produced after formation of the company in 1925. The brand emphasizes this heritage in its packaging, which includes the founding date and a pair of lions that have become a hallmark of the brand.

To create contemporary appeal, advertising features former San Francisco 49er's quarterback and four-time Super Bowl winner Joe Montana. Ads associate Modelo with Montana's commitment to excellence. The Modelo Especial brand enjoys worldwide popularity and is available in 23 countries.

12. LIVERPOOL

LIVERPOOL IS THE LARGEST DEPARTMENT STORE CHAIN IN MEXICO.

Company El Puerto de Liverpool SAB de CV
Brand Value US$1,156
Headquarter City Mexico City
Industry Retail
Year Formed 1847
Website www.liverpool.mx

The Liverpool banner appears on 61 department stores in Mexico. The brand focuses on serving the nation's growing middle class and upper income shoppers. Liverpool generates 8.2 percent of its sales from private label products and has 2.9 million brand credit cards holders.

In addition to Liverpool branded stores, the parent company operates 23 department stores under the Fábricas de Francia brand and six Liverpool Duty Free stores. The total of 90 stores operated by Liverpool are located in 53 cities. The company opened 4 stores in 2011 and plans to open eight more in 2012. Liverpool also operates 16 shopping centers and plans to open three new centers in 2012.

Liverpool traces its origins to 1847 when company founder JB Ebrard began selling apparel in Mexico City. The company was listed on the Mexican stock exchange in 1965 and today employs 45,000 people.

13. TV AZTECA

Company Television Azteca SA de CV
Brand Value US$676 million
Headquarter City Mexico City
Industry Communication Provider
Year Formed 1993
Website www.tvazteca.com.mx

TV AZTECA OPERATES TWO NATIONAL TELEVISION NETWORKS.

TV Azteca is the second largest broadcaster in Mexico with 344 local television stations and two national networks, Azteca 7 and Azteca 13. The Azteca brand is also familiar to Hispanic viewers in the United States who receive the Azteca America network. Azteca produced approximately 64 percent of the programming it aired during primetime in 2011, including popular telenovelas and reality shows. The brand also secured content distribution deals with Disney and TV Globo to encourage viewership.

TV Azteca was founded in 1993 when Mexican entrepreneur Ricardo Salinas Pliego, owner of the Grupo Elektra retail and financial services company, acquired two state run televisions stations. Investments in entertainment programming attracted new viewers and in 1997 the company completed a stock offering on the Mexican stock exchange. Company founder Salinas maintains a controlling interest in TV Azteca, which in turn owns an Internet portal, football (soccer) team and a record company.

14. SORIANA

Company Soriana
Brand Value US$589 million
Headquarter City Monterrey
Industry Retail
Year Formed 1968
Website www.soriana.com

SORIANA IS A LEADING MEXICAN RETAILER.

One of the largest retail companies in Mexico, Soriana operates 558 stores under four formats in 181 cities. The brand is best known for its 234 large format Soriana Hiper stores that average 8,000 square meters (91,400 square feet). The brand's smaller formats include 108 food focused Soriana Súper stores that average 2,500 square meters (26,900 square feet), and 136 no frills food and general merchandise Soriana Mercado stores that average 5,000 square meters (53,800 square feet).

In 2010, the brand introduced a new small format called Soriana Mercado Express, which measures only 1,500 square meters (16,100 square feet) and is designed to serve lower income consumers in smaller cities. Mercado Express format is Soriana's fastest growing format, with 26 of the 47 total units opened during 2011. Soriana also operates 33 City Club membership warehouse stores and 232 Súper City convenience stores. Soriana began trading on the Mexican stock exchange in 1987 and in 2007 acquired Grupo Gigante's chain of 206 stores. Soriana employs more than 80,000 people.

15. TECATE

Company Fomento Económico Mexicano, SAB de CV
Brand Value US$563 million
Headquarter City Mexico City
Industry Beer
Year Formed 1944
Website www.femsa.com

TECATE IS A LEADING MEXICAN BEER.

Tecate also exports globally to 30 countries. The brand was founded in 1944 in the town of Tecate in the Mexican state of Baja California. Following an acquisition in 1954 by Cervecería Cuauhtémoc, a Monterrey-based brewer, Tecate gained national distribution and became the first canned beer in Mexico. The brand wasn't offered in a bottle until 1983 when a screw top was introduced. An ongoing advertising campaign positions Tecate as the beer with character and a brand for hardworking people.

In 1985, Tecate brewer Cervecería Cuauhtémoc merged with the Montezuma brewery. The combined company was named Cervecería Cuauhtémoc Moctezuma and in 1990 a new brand logo was adopted that incorporated the images of the Aztec emperors after whom the companies were named. In 2010, Cervecería Cuauhtémoc Moctezuma's holding company, Fomento Económico Mexicano, SAB de CV (FEMSA), sold its brewing operations to the Heineken Group in exchange for a 20 percent ownership interest in the global brewer.

LARGE AND OPEN MARKET OFFERS OPPORTUNITY

New consumer trends emerge as economy expands

FERNANDO ALVAREZ KURI,
Director, Millward Brown
Optimor

Mexico offers excellent conditions both for business and investment.

With over 113 million inhabitants, Mexico is the largest Spanish-speaking country in the world. The population is geographically concentrated. One-quarter of the nation lives in one of three cities. About 20 million live in Mexico City. Guadalajara and Monterrey each have over four million inhabitants. With a median age of 26, Mexico is relatively young.

And people are connected, with 94.6 million mobile phone numbers and 11.5 million cable and satellite TV homes. Internet users total 34.9 million. Open to international trade, Mexico ranks second in the world in number of free trade agreements. These agreements grant Mexican businesses preferential access to over one billion customers in 43 countries.

Mexico is the world's largest silver producer and ranks sixth in oil production. It's a major tourist destination, having the most UNESCO World Heritage Sites in the Americas and ranking fifth worldwide.

By 2020, Mexico will become the world's seventh largest economy, contributing 7.8 percent to global GDP, Jim O'Neill, Chairman of Goldman Sachs Asset Management, predicts. He based this prediction on the fact that, despite the recent global financial crisis, Mexico's economy has maintained its stability and in several variables has shown evident signs of recovery.

ECONOMY EVOLVING TO INNOVATION FOCUS

The Mexican economy is evolving to the third and most evolved stage of economic development, a focus on innovation, according to the Global Competitiveness Report 2011-2012 of the World Economic Forum, which places countries such as Argentina, Brazil and Chile in the same category.

The report also credits Mexico for reducing government regulations and improving the conditions for doing business, although it notes that security continues to be a difficult issue. Many companies that have transferred their manufacturing processes to Mexico say that the country reduced their labor costs significantly.

They credit the country's infrastructure for helping to optimize distribution costs. That infrastructure includes 26 domestic airports, 59 international airports, 16 international seaports, 27,000 kilometers (16,800 miles) of railways, 123,000 kilometers (76,000 miles) of roads and 52 crossing points to the US.

CHANGES INFLUENCE BRAND TRENDS

These economic changes influence brand trends. "Olympic" brands such as Coca-Cola and Apple are still the most popular among the general population. However, there is a large group of brands that is migrating towards a "Niche" or "Specialist" space in which they serve a specific group of people. In a country as large as Mexico, it's hard to find brands that appeal to the entire population. Two recent brand trends reflect changing consumer living styles and focus especially on two areas: practicality and personal health.

People are busy. They hardly have enough time in a day to get things done at home or at the office, care for family and friends, and then find time for themselves. They look for time-saving products that help them better manage their busy lives. This practicality is apparent in products like ready-to-eat meals, such as granola bars and drinkable yoghurts, as well as in all-in-one shampoo and conditioners and fast-dry, long-lasting nail polish.

People also now realize that while leading busy lives they've adopted some unhealthy habits. They're looking for ways to improve personal health. This interest can be seen in products such as vitamin-enhanced cereals, body lotions made with natural ingredients, low-sugar soft drinks and chocolate bars and more natural foods.

TV REMAINS KEY, BUT INTERNET GROWING FAST

Of all product categories, personal health leads in advertising spend, followed by cellphone services and banks. Genomma Lab, a pharmaceutical company, is Mexico's number one advertiser, spending more than P&G, Unilever, Colgate-Palmolive and Bimbo, the bakery brand, together.

TV remains the predominant media channel with overwhelming dominance. TV accounts for 62.5 percent of advertising media investment compared with radio, its nearest rival, at 9.1 percent market share. The other channels and their shares include: outdoor, 8.9 percent; newspapers, 7.8 percent and Internet, 6.9 percent.

Internet is growing at the fastest pace, with 17.8 percent year-on-year growth in 2011, followed by cinema at 14.9 percent growth and outdoor at 8.9 percent. TV spending grew 5.4 percent in 2011, after three consecutive years of decline.

Millward Brown Optimor is is the global brand strategy and financial consultancy of Millward Brown. www.millwardbrown.com/mboptimor

NEW IMPLICATIONS FOR GROWING BRANDS

As Mexican consumers become middle class

ANTONIO TAMAYO
President and Managing Director,
Hill+Knowlton Strategies Mexico

Mexican consumers traditionally have been brand loyalists, despite strong competition from new and improved products, both domestic and foreign. Such loyalty doesn't come easy—or cheap.

The most successful brands marketers understand that Mexican consumers are informed by the country's rich heritage of indigenous and European civilizations. They also know that the Mexican consumer is changing rapidly.

Today, for the first time, the level of poverty is receding and Mexico is a middle-class country. Along with rising incomes, other factors shape the new aspirational Mexican mentality. These factors include: the entry of multinational companies fostered by the North American Free Trade Agreement (NAFTA), the presence of US retailers and fast food outlets; the broadening of cable television, and access to the Internet.

The challenge ahead is to keep up with the changing needs of better-informed consumers. But certain principles for cultivating great brands remain valid. To be considered great, a brand must be relevant, self-sustained and differentiated. And it must connect to the Mexican consumer's dreams for a better life.

BRAND SUCCESS REQUIRES FRESH APPROACHES

A great brand must create or shape a market. It must be an agent of change capable of transcending cultures and adapting to its surroundings. A great brand grows and penetrates our lives without us noticing. It's the brand people believe in, the one whose name becomes synonymous with the product or service it provides.

This level of brand achievement is accomplished in part through advertising and marketing. However, there's no doubt that today people are influenced by what those around them think and buy. Clothing, career choices, recreation sites, gadgets and more are subjected to the nation's collective approval process.

And equally essential to consumer behavior in our country are technological advances that enable and intensify peer influence. The so-called F-Factors—Friends, Fans, Followers—powerfully affect attitudes toward brands.

Brand success requires constantly discovering out-of-the-box ways to use new technological tools and create compelling campaigns that combine traditional and new media. The challenge is great but it's based on an important and positive assumption. In Mexico today, consumers eagerly want to experience brands.

Hill+Knowlton Strategies offers wisdom on a global scale to provide clients with concrete business results that help strengthen their brands and reputation.
www.hkstrategies.com

GARY JONES
Strategic Planning Director
GroupM Mexico

DIGITAL DISRUPTS MARKETING NORMS

As local and international brands compete

Mexico is a nation where affluence, poverty, natural splendor and mega cities coexist in striking contrast. With over 60 ethnic groups, Mexico is among the world's most diverse societies. It has the second largest economy in Latin America, fourteenth in the world. It's a major oil producer and exporter of industrial products.

Economic transformation accelerated with the North American Free Trade Agreement (NAFTA), in 1994. Economic and political liberalization enabled local brands to thrive. The middle class expanded and Mexico witnessed the rise of the super rich. Four of Latin America´s richest people are Mexican, including Carlos Slim Helú, who Forbes magazine ranks as the world's richest person.

As developed economies slow, many international companies are turning their attention to Mexico, pouring billions of dollars of fresh investment into the country. Foreign Direct Investment (FDI) reached almost $20 billion in 2010, according to the World Bank. This potential is being realized.

CONSUMERS CHANGING FASTER THAN ADVERTISERS

Global companies are introducing new brands, whose international nature is attractive to Mexican consumers. These companies also are bringing new ways of marketing that have the potential to disrupt long established norms.

Consumers are moving far faster into digital than many advertisers expected. This shift is reflected in the use of social networks like Facebook, where Mexicans are heavy participants. Curious to learn about new opportunities and options, Mexicans also are above average users of search.

Brand marketers are catching up with these new consumer behaviors. The dominant media conglomerates, such as Televisa, the largest media group in the Spanish-speaking world, remain relevant and powerful, with interests spanning TV, print and radio. But they're facing challenges from the unrelenting growth of digital and the related diversion of marketing budgets.

Mexico remains a country of huge opportunity for brands. Strong local brands now compete with international entries. And all brands contend with disruptive marketing models.

As Mexico's consumers become wealthier, they seek new experiences and respond positively to new marketing communications. Brands will require their best thinking and execution to succeed in Mexico and benefit from the "Decade of Latin America."

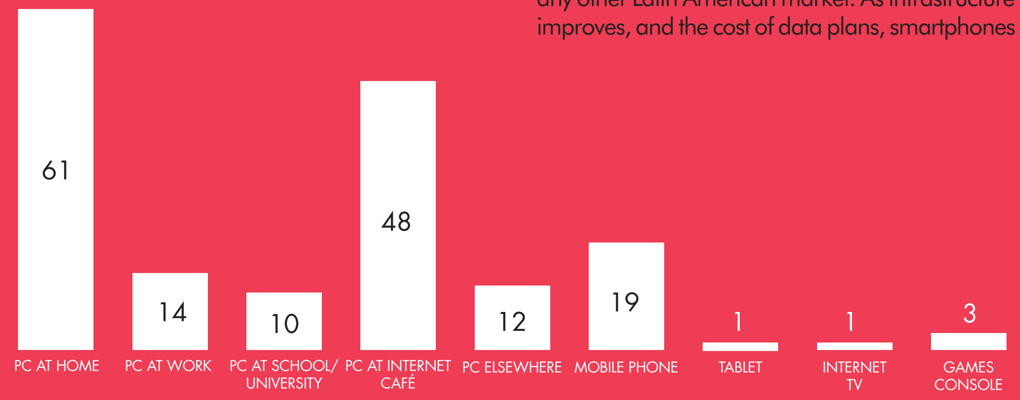
GroupM is the world's leading full-service media investment management organization.
www.groupm.com

TNS Digital Life: BRAND FANS COMMUNICATE ONLINE

Digital engagement is high in Mexico, despite relatively low Internet penetration. Nearly half of all Mexicans are fans of a brand on a social network, with nearly two-thirds writing about brands online, significantly higher than the global average.

Many trends in Mexico follow those in the US, the neighbor to the north. Nineteen per cent of consumers have accessed the Internet via their mobile phone in the past four weeks, higher than any other Latin American market. As infrastructure improves, and the cost of data plans, smartphones and tablets decline, we will see a sharp increase in Internet access via mobile devices.

Meanwhile, 48 percent of the online population also accessed the Internet via an Internet café. This proportion is the largest in Latin America. Because of limited time in an Internet café, consumers focus on activities that are most important to them. With social networks acting as an aggregator of services and taking up 25 percent of consumers' weekly time online in Mexico, investment in this touch point is vital.



%Who accessed the Internet various ways during the past four weeks

Mexicans have the highest rate of Internet access by mobile phones in Latin America. However, they often access the Internet from Internet cafés, a behavior with important implications for brands. With their time restricted in an Internet café, people are likely to focus on key activities. For an advertiser it's important to get right to the point. Latin Americans generally consider social networking a key online activity.

By Juan Alexander Londoño, Regional Manager, TNS Digital, Latin America

IN-DEPTH FOCUS:

BRAZIL

IN-DEPTH FOCUS: BRAZIL

Brazil is Latin America's largest and most populous country. Its GDP more than doubled over the past decade to $2.1 trillion, and its brands account for one-third of the value of BrandZ™ Top 50 Most Valuable Latin American Brands. To better understand the forces shaping this society and driving brand value we present this In-Depth Focus: Brazil.

COMPLEX FORCES SHAPE BRAZILIAN BRANDS

Ordem & Progresso. Order and Progress. These words emblazoned across the Brazilian flag capture the equilibrium that the country struggles to maintain as its economy rapidly expands.

Brands entering and trading in Brazil are challenged to comprehend and engage this constantly fluctuating market. Compared with earlier periods of disruption, however, the changes are transformative. While serious income inequities remain, almost half of Brazil's population now is considered middle class. The dramatic shift produced a sharp rise in purchasing power with consequences for consumer and business-to-business brands that are largely positive but not entirely predictable.

This study confronts this dilemma with extensive local knowledge and perspective. A definitive look at the most valuable Brazilian brands today, the study examines brands across all categories and considers many of the social and economic forces reshaping Brazil and producing local and international brand leadership.

The BrandZ™ Top 50 Most Valuable Brazilian Brands engages the extensive global resources of WPP and the knowledge and insights of its Brazilian companies. The brand valuations were completed by BrandAnalytics in collaboration with Millward Brown Optimor. They are based on BrandZ™ methodology. BrandZ™ is the world's largest and most comprehensive brand valuation tool. A full explanation of the methodology appears on page 182.

The study explores the history, market positioning, recent developments and challenges of each of the Top 50 brands. Each brand profile includes at-a-glance facts, a summary of key developments and a photo of customers interacting with the brand. The study opens with an essay by The Futures Company that sets the socio-economic context for Brazil's remarkable growth and, drawing on the company's exclusive 2011 Global Monitor, describes how public optimism drives economic growth and brand acceptance.

Several other WPP operating companies in Brazil contribute local market insights. These commentaries accompany the presentations of the Top 50 brands and illuminate many of the issues surrounding effective brand building in Brazil. The commentaries and WPP experts include:

BRAND BRAZIL
Brazil's economic vitality, the forces shaping it and the impact on brands. By Kantar Worldpanel, Brazil.

THE OLYMPICS AND WORLD CUP
Major opportunities to drive growth and confirm Brazil's stature as a global economic force. By 9ine, Brazil.

THE IMPACT OF DIGITAL
The government drive for digital inclusion and Brazilians as one of the world's most "wired" peoples. By F.biz, Brazil.

MERGERS AND ACQUISITIONS
Scaling up to compete, brands rely on communications specialists. By Hill+Knowlton Strategies, Brazil.

THE RISING MIDDLE CLASS
Improved living standards and the consequences for purchasing behavior and brands. By Millward Brown, Brazil.

BRIC BEGINS WITH BRAZIL

A socio-economic context for brand growth

Over the past decade, Brazil has emerged as a global economic power, fueled by a combination of political and economic stability, which attracts private investment, a youthful, large population, and an abundance of natural resources, particularly oil, natural gas, rare earth elements, and timber.

Brazil boasts a fast-growing industrial sector, low labor costs, dynamic agriculture, and a booming tourism market. Brazilian culture—its diverse, distinctive music, in particular—is enjoying a resurging popularity around the world. The vitality of Brazil has attracted a lot of interest from China, the other BRIC bookend that is now Brazil's biggest trading partner.

Brazil is the fifth largest country in population and the seventh largest in land area, including 60 percent of the Amazon rainforest. It is the seventh largest economy today, but by mid-century it is projected to be the fourth largest. Annual GDP growth for Brazil over this period of time is projected to average 4.4 percent. By contrast, the U.S. is projected to average 2.4 percent, Germany 1.4 percent and Japan 1.0 percent.

The recent global recession did not spare Brazil, which suffered two quarters of recession as commodity-based exports fell and external credit dried up. But Brazil was one of the first countries to rebound and as the country prepares to host the FIFA World Cup in 2014 and the Olympic and Paralympic Games in 2016, the mood among the Brazilian people is upbeat and optimistic.

OPTIMISM ABOUT FINANCIAL FUTURE

According to the 2011 Global Monitor study conducted by The Futures Company, 70 percent of Brazilians agree that, financially, things are going "very" or "fairly well" in their country. The global average is just 40 percent. This feeling, combined with real economic change, has transformed Brazil from a country best known for its carnivals to a fertile setting for brands to flourish. Brazilian brands are also finding success in the global arena, from Osklen sportswear to Havaianas sandals to Natura cosmetics to Skol beer.

The booming economy and government support are moving many consumers out of poverty and into the middle class. According to a recent report from the Getulio Vargas Foundation, a center for social policy, since 2003, nearly 40 million poor Brazilians—in a national population of about 200 million—joined the middle class. This is largely responsible for a dramatic decline in income inequality over this same period of time. While still very high compared to other countries, inequality in Brazil has been trending down since the early 2000s while that in developed countries like the US and the UK inequality has been trending up.

Brazil faces a daunting array of challenges as it comes into its own. In addition to poverty and inequality, Brazil struggles with crime, infant mortality (which is often considered a proxy for health care in general), poor public education, environmental issues, particularly deforestation in the Amazon rainforest, and basic infrastructure to keep up with growth.

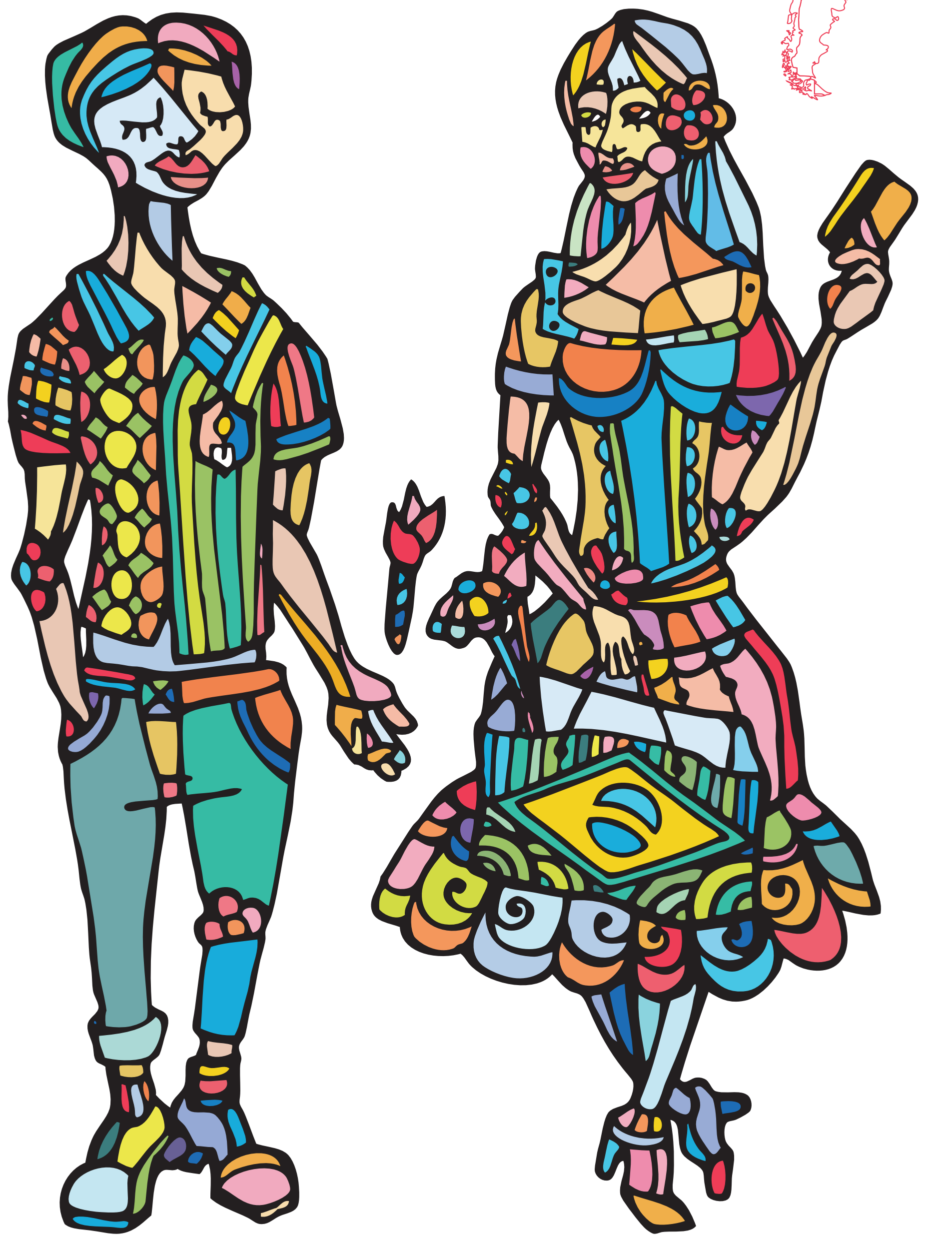
REBECA DREICON
Director
The Futures Company

CONCERN OVER RAPID GROWTH

Indeed, growth itself may be Brazil's biggest challenge. Many observers are worried about the risk of Brazil's boom overheating into a bubble, and as a result, have put Brazil high on their watch-list of emerging economies that may be growing beyond any capacity to sustain themselves. The Brazilian government has taken exception to these assessments and is taking actions on issues like inflation, currency exchange rates, fiscal spending, and credit and debt in order to secure Brazil's position on the global stage.

Across all income strata, Brazilian consumers are reaping the benefits of their growing economy. As Exame magazine has reported in several in-depth articles, while wealthy consumers are enjoying more luxuries, from imported cars to designer furniture, consumers further down the socio-economic scale are benefitting from their ability now to afford washing machines and home Internet access. This variety in consumer aspirations is good news because it makes Brazil a healthy market for all sorts of products, from basic items to luxury goods. At every level of society, consumers want to have more, know more and experience more, and that means they need more of everything that brands have to offer.

The Futures Company is a consultancy specializing in future-facing research and innovation. www.thefuturescompany.com



IN-DEPTH FOCUS:
BRAZIL

NEWCOMERS

Six brands entered the BrandZ™ Top 50 Most Valuable Brands ranking in 2012. They represent a variety of categories. The two retailers, Magazine Luiza and Arezzo, completed Initial Public Offerings (IPOs) during the past few years to raise cash for accelerated expansion.

Magazine Luiza sells consumer electronics and is especially focused on customers from the expanding middle class. Arezzo is a leading brand of women's footwear and accessories.

Bohemia is one of four Brazilian brands marketed by AB-InBev, all of which rank in Brazil's Top 15 Most Valuable Brands. The presence of Durafloor and Deca reflects improving purchasing power and the related strength of the home furnishings market.

Rank	Brand Name	Category	Value (US$ Mil.)
14	Bohemia	Beer	697
23	Magazine Luiza	Retail	479
34	União	Sugar	322
41	Durafloor	Flooring	249
42	Arezzo	Retail	236
47	Deca	Bath Products	215

GLOBAL FORCES IMPACT BRAND VALUE

But long-term growth balances year's decline

After years of uninterrupted growth, Brazil's most valuable brands declined in value by 24 percent.

The value decrease in the 2012 BrandZ™ Top 50 Most Valuable Brazilian Brands followed two enormous successive increases—55 percent in 2011 and 53 percent in 2010.

Despite the recent decline, most brands remain significantly higher in value today compared with 2010. Several factors account for the value loss:

• The slowdown in the world economy impacted the demand for commodities, a particular problem for commodity-rich Brazil;

• The rise in the value of the Brazilian real, up about 13 percent against the dollar, made exports more expensive;

• Market capitalization of many companies declined with an 18 percent drop in Brazilian stock exchange, the BOVESPA; and

• Certain government policies aimed at stimulating spending troubled investors.

Brazil learned that the designation BRIC earns a lot of the world's attention, but not immunity from its problems. In 2011, Brazil's GDP growth slowed to below 3 percent compared with 2010, when GDP grew 7.5 percent.

Despite the overall drop in brand value, the level of Brand Contribution grew 2 percent among the 2012 Brand™ Top 50. Brand Contribution measures the prospect of future earnings based on brand alone, exclusive of financials and other factors. Brand strength helped lessen the impact of the economic slowdown.

NATIONAL POLICY AFFECTS BRAND VALUE

The Brazilian government substantially owns publicly traded Banco do Brasil bank. To infuse more money into the economy and stimulate spending the bank dramatically lowered interest rates on loans. This action pleased borrowers but upset investors concerned about potential profit decline. Brand value, which had spiked to $8.3 billion in 2011 from $5.5 billion in 2010, decreased to $4.6 billion in 2012, more than 80 percent below the 2010 level.

In contrast, Bradesco became Brazil's second most valuable brand in the 2012 Brand ranking, passing, Itaú another leading financial brand. Bradesco scores somewhat higher than Itaú in Brand Contribution.

Bradesco did well in a troubled category because it diversified into insurance and aggressively widened its customer base among the growing middle class. The Bradesco brand declined 22 percent in value. Despite the decline, the brand remained more valuable in 2012 than it was in 2010.

OVERVIEW

BRAZIL KEY FACTS

LAND AREA

8.46 million Km²
3.28 million Mi²
Comparison
Brazil is the fifth largest country in the world in land area, larger than Australia but smaller than China.

GDP

2010 US$2.1 trillion
2000 US$644.7 billion
Change +224 percent
Comparison
Brazil and Italy are roughly equivalent in GDP.

POPULATION

2010 195 million
2000 175 million
Change +11 percent
Comparison
Brazil is the fifth largest country in population, after Indonesia but above Pakistan.

GDP PER CAPITA

2010 US$10,710
2000 US$3,696
Change +190 percent
Comparison
In GDP per capita Brazil ranks just below Latvia, but above Russia.

MEDIAN AGE

2010 29.1 years
2000 25.4 years

FOREIGN DIRECT INVESTMENT

2010 US$48.5 billion
2000 US$32.8 billion
Change +48 percent
Comparison
In FDI Brazil ranks below the UK but above Germany.

Sources: CIA World Fact Book, United Nations, World Bank

IN-DEPTH FOCUS:
BRAZIL

BRANDS RETAIN VALUE AS EXPORTS FEEL PRESSURE

The strength of the Brazilian real, which made Brazilian exports more costly, affected brands across categories from basic industry to popular fashion. The global food exporter Sadia, for example, which exports to more than 65 countries, declined 24 percent in brand value in 2011, following a 142 percent rise a year earlier.

Even with the decline in the 2012 ranking, Sadia is valued at $1.5 billion compared with $814 million in 2010, which means the brand value is 83 percent greater today than it was just two years ago.

The fashion brand Havaianas, producer of flip flop sandals that evoke the freedom and style associated with Brazil, was off by 35 percent in brand value in 2012. Having appreciated 86 percent in brand value in 2011, the brand value of Havaianas remains more than 20 percent above its 2010 level.

BRAND CONTRIBUTION KEEPS CATEGORY BUBBLING

In the case of beer, brand strength added resiliency to an entire category. Global beer marketing leader AB-InBev includes four Brazilian brands in its brand portfolio: Skol, Brahma, Antarctica and Bohemia. They all scored high in Brand Contribution and ranked in the Top 15 Most Valuable Brazilian Brands.

And the four brands each appreciated in value. Bohemia debuted in the ranking this year. Brahma increased 18 percent in brand value. Antarctica grew 6 percent and Skol by 3 percent. Strong both in financial performance and Brand Contribution, Skol moved up to Number 4 in the BrandZ™ Brazilian ranking, a position more typically occupied by a major financial brand.

In addition, the four brands rank in the BrandZ™ Top 50 Most Valuable Latin American Brands.

BRAND VALUE GROWS IN MANY CATEGORIES

Of all the brands in the 2012 BrandZ™ Top 50 Most Valuable Brazilian Brands, Odontoprev achieved the greatest increase in brand value. Its 29 percent increase moved Brazil's largest dental benefits company up 14 places in the BrandZ™ ranking to Number 32.

The brand attempts to reach people in the underserved rising middle class. The strong brand value performance of a healthcare brand may point to the evolution of a more diversified economy in Brazil, one less dependent on commodities. Two of the country's commodity giants, the energy brand Petrobras and Vale, a mining brand, declined somewhat in value last year.

Brands like Odontoprev may be driven in part by commercial opportunities for meeting of the social challenges facing Brazilian society, including the improvement of health care and education. In a somewhat different way, two other brands appreciated in value by addressing the needs of a more affluent society.

Both newcomers to the Brand ranking, Arezzo is a leading retailer of women's fashion footwear and Magazine Luiza is one of Brazil's largest appliance retailers. The brands earned the confidence of both consumers and investors. They each competed a successful IPO (Initial Public Offering), gaining funds necessary to accelerate store expansion.

TOP RISERS

The economy and other factors impacted the number of brand value increases in the BrandZ™ 2012 Top 50 Most Valuable Brazilian Brands, making the performance of the seven rising brands especially impressive.

The fastest riser, Odontoprev, is a relative newcomer to the BrandZ™ ranking. The brand provides dental benefits through a large network of providers. It especially focuses on clients in the expanding middle class.

Three of the risers are beers, all owned by the giant beer marketer AB-InBev. Two brands are retailers. Lojas Americanas has a long heritage of over 80 years in Brazil and operates a national chain of discount stores, positioning it well to meet consumer price concerns. Iguatemi develops shopping centers.

The financial institution, Banrisul, has also operated in Brazil for more than 80 years and concentrates its business in the country's southern region.

THE TOP RISERS

Brand Name	Industry Sector	Value Change	Value (US$ Mil.)	Rank
Odontoprev	Health Care	+29%	342	32
Brahma	Beer	+18%	2,359	7
Lojas Americanas	Retail	+13%	762	13
Banrisul	Financial	+11%	383	29
Antarctica	Beer	+6%	851	10
Iguatemi	Retail	+3%	349	31
Skol	Beer	+3%	4,698	4

BRAND CONTRIBUTION

Three of the Top 5 Brand Contribution leaders in the 2012 BrandZ™ Top 50 Most Valuable Brazilian Brands are beers. Successfully marketed beers typically score high in Brand Contribution

Brand Contribution measures the impact of brand on future earnings, exclusive of any other factors, such as financials. Brand Contribution is scored 1 to 5, with 5 the highest.

Brazilians hold Natura in high regard because of its emphasis on environmentally friendly products and everyday beauty rather than glamour. Porto Seguro is a leading insurance company with wide distribution.

Brand	Category	Brand Contribution	Value (US$ Mil.)	Rank
Bohemia	Beer	5	697	14
Skol	Beer	5	4,698	4
Brahma	Beer	5	2,359	7
Natura	Cosmetics	5	3,307	6
Porto Seguro	Insurance	4	500	22

FUNDAMENTALS FOR BRAND BUILDING IN BRAZIL

1. Reach out digitally
Brazilians are among the most wired people on the planet. This interconnectivity helps cross the social and economic divides, which are narrowing but sill exist.

2. Be prepared for competition
International brands entering or expanding in Brazil are likely to encounter both eager and welcoming consumers and increasingly tough local competitors.

3. Recognize distinctive cultures
Because Brazil is a geographically large and demographically diverse country, successful brands recognize that making an impact on consumers requires adapting to many local cultures.

4. Be emotional
Brazilians respond positively to brands that create an emotional bond. While rational reasons for purchasing products and services remain important to Brazilian consumers, they are especially loyal to brands that earn their affection.

5. Help build Brazil
Becoming a genuine and active participant in the effort to raise living standards and reduce inequities will ultimately benefit the brand.

IN-DEPTH FOCUS:
BRAZIL

#	Brand	Rank Change 2011-12	Brand Value 2012 (US$ Mil.)	Brand Value 2011 (US$ Mil.)	Brand Value Change 2011-12	Brand Contribution Index
1	BR PETROBRAS	0 Energy	10,560	13,421	-21%	1
2	Bradesco	1 Financial Institution	6,690	8,600	-22%	3
3	Itaú	-1 Financial Institution	6,606	9,600	-31%	2
4	SKOL	2 Beer	4,698	4,579	3%	5
5	Banco do Brasil	-1 Financial Institution	4,574	8,259	-45%	3
6	natura	-1 Cosmetics	3,307	4,612	-28%	5
7	BRAHMA	0 Beer	2,359	1,996	18%	5
8	VALE	2 Mining	1,708	1,949	-12%	1
9	Sadia	-1 Food	1,496	1,969	-24%	2
10	Antarctica	6 Beer	851	801	6%	4
11	vivo	2 Communication Provider	817	857	-5%	1
12	PERDIGÃO	-3 Food	778	1,959	-60%	2
13	LOJAS AMERICANAS	5 Retail	762	677	13%	2

BRANDZ™ TOP 50 MOST VALUABLE BRAZILIAN BRANDS 2012

#	Brand	Rank Change 2011-12	Brand Value 2012 (US$ Mil.)	Brand Value 2011 (US$ Mil.)	Brand Value Change 2011-12	Brand Contribution Index
14	BOHEMIA	NEW Beer	697	—	N/A*	5
15	Ipiranga	-1 Retail	670	840	-20%	3
16	oi	1 Communication Provider	600	708	-15%	1
17	CASAS BAHIA	-5 Retail	589	969	-39%	3
18	TOTVS	6 Information Technology	569	589	-3%	3
19	TAM	-4 Airline	560	804	-30%	3
20	cielo	0 Credit Card	555	640	-13%	1
21	multiplus	0 Loyalty Program	519	632	-18%	2
22	PORTO SEGURO	-11 Insurance	500	1,350	-63%	4
23	magazineluiza	NEW Retail	479	—	N/A*	3
24	GOL	1 Airline	450	585	-23%	1
25	REDECARD	-3 Credit Card	439	617	-29%	1
26	NET	-7 Communication Provider	436	659	-34%	1

*N/A indicates brands not included in last year's valuation.
Source: BrandAnalytics and Millward Brown Optimor

IN-DEPTH FOCUS:
BRAZIL

BRANDZ™ TOP 50 MOST VALUABLE BRAZILIAN BRANDS 2012

#	Brand	Rank Change 2011-12	Brand Value 2012 (US$ Mil.)	Brand Value 2011 (US$ Mil.)	Brand Value Change 2011-12	Brand Contribution Index
27	extra	-4 Retail	412	600	-31%	2
28	BM&FBOVESPA A Nova Bolsa	-1 Stock Exchange	386	523	-26%	1
29	Banrisul	8 Financial Institution	383	344	11%	2
30	Hering	-1 Fashion	351	408	-14%	2
31	IGUATEMI	7 Retail	349	340	3%	3
32	OdontoPrev	14 Health Care	342	265	29%	2
33	Pão de Açúcar	-2 Retail	332	391	-15%	3
34	UNIÃO	NEW Sugar	322	—	N/A*	4
35	Embratel	-1 Communication Provider	318	379	-16%	1
36	ANHANGUERA EDUCACIONAL	-10 Education	318	532	-40%	2
37	Amil	-5 Health Care	295	386	-24%	1
38	RENNER	-5 Retail	292	386	-24%	2
39	MRV Engenharia	-11 Real State	266	457	-42%	1
40	marisa	5 Retail	258	277	-7%	1
41	DURA FLOOR	NEW Laminate Flooring	249	—	N/A*	2
42	AREZZO	NEW Retail	236	—	N/A*	3
43	GERDAU	1 Steel	232	285	-19%	1
44	DROGASIL	-9 Drugstore	219	366	-40%	2
45	Swift	-3 Food	217	304	-29%	2
46	havaianas	-6 Fashion	216	331	-35%	4
47	Deca	NEW Faucet	215	—	N/A*	2
48	PDG	-7 Real State	200	317	-37%	1
49	Localiza	-2 Car Rental	187	263	-29%	1
50	riachuelo	-11 Retail	185	337	-45%	2

*N/A indicates brands not included in last year's valuation.
Source: BrandAnalytics and Millward Brown Optimor

1. PETROBRAS

Company Petróleo Brasileiro SA
Brand Value US$10,560 million
Brand Value Change -21%
Headquarter City Rio de Janeiro
Industry Energy
Year Formed 1953

PETROBRAS IS LATIN AMERICA'S LARGEST COMPANY AND THE THIRD-LARGEST ENERGY COMPANY IN THE WORLD.

Controlled by the Brazilian government, Petrobras is publicly traded and operates in 28 countries. The brand is highly regarded for its deep-sea exploration and is credited with enabling Brazil to achieve energy self-sufficiency. The company also operates oil refineries and a network of gas stations. This national presence contributes to the brand's stature in Brazil, which is also enhanced by its reputation for social responsibility and high-profile sponsorships of sporting and cultural events.

2. BRADESCO

Company Bradesco SA
Brand Value US$6,690 million
Brand Value Change -22%
Headquarter City Osasco
Industry Financial Institution
Year Formed 1943

ONE OF THE LARGEST PRIVATE BANKS IN BRAZIL, BRADESCO OFFERS ONLINE BANKING, INSURANCE, PENSION PLANS, AND ANNUITIES.

Bradesco also provides credit card services, savings bonds, and personal and commercial loans. With an aggressive expansion program, Bradesco intends to become Brazil's most accessible bank. It ended 2011 with 4,634. By acquiring a greater presence throughout Brazil the brand intends to reach potential new customers among the country's rising middle class. Bradesco also pioneered the sale of insurance and pension plans through a subsidiary, Bradesco Seguros.

3. ITAÚ

Company Itaú Unibanco Holding
Brand Value US$6,606 million
Brand Value Change -31%
Headquarter City São Paulo
Industry Financial Institution
Year Formed 1945

ITAÚ IS THE LARGEST FINANCIAL CONGLOMERATE IN THE SOUTHERN HEMISPHERE AND THE TENTH-LARGEST BANK IN THE WORLD BY MARKET VALUE.

Established more than 65 years ago, Itaú evolved to its current size as a result of the 2008 merger of Banco Itaú and Unibanco. Itaú accounts for about 11 percent of the Brazilian market for retail banking services and operates in South America, Europe, Asia and the United States. The bank has over 5,000 branches and more than 32,700 ATMs worldwide. Following the merger, Itaú is building on a reputation for innovation and efficiency, emphasizing personal service with the tagline Feito para Você (Made for You). It also intends to attract new customers from Brazil's rising middle class, by offering credit cards to individuals who, until now, lacked access to bank credit.

4. SKOL

Company Companhia de Bebidas das Américas – AmBev
Brand Value US$4,698 million
Brand Value Change +3%
Headquarter City São Paulo
Industry Beverages
Year Formed 1967

SKOL IS BRAZIL'S MOST POPULAR BEER. ITS MARKETING EMPHASIZES ENJOYMENT OF LIFE AND APPEALS ESPECIALLY TO YOUNG PEOPLE.

Created by a consortium of UK, Canadian, Swedish and Belgian brewers as a global beer brand, Skol is owned by AB InBev, the world's largest beer producer. Skol has become an international brand and one of the world's most consumed beers.

5. BANCO DO BRASIL

Company Banco do Brasil SA
Brand Value US$4,574 million
Brand Value Change -45%
Headquarter City Brasília
Industry Financial Institution
Year Formed 1808

BANCO DO BRASIL IS THE OLDEST ACTIVE BANK IN BRAZIL AND ONE OF THE OLDEST FINANCIAL INSTITUTIONS IN THE WORLD.

The largest Latin American bank in terms of assets, Banco do Brasil played an important role during the recent global financial crisis. By providing credit at affordable rates to small- and medium-sized companies, Banco do Brasil strengthened financial results and customer loyalty, which resulted in a substantial increase in brand value. Founded in 1808 by Prince Regent João VI to fund the debt of a kingdom that included Portugal, Brazil, and the Portuguese colonies in Africa, Banco do Brasil is now a publicly traded company that is controlled by the Brazilian government.

6. NATURA

natura

Company Natura Cosméticos SA
Brand Value US$3,307 million
Brand Value Change -28%
Headquarter City Itapecerica da Serra
Industry Cosmetics
Year Formed 1969

NATURA IS BRAZIL'S LEADING MANUFACTURER AND MARKETER OF COSMETICS.

Formed in 1969 and first publicly traded in 2004, Natura has used a direct sales approach for more than 30 years, and now has more than 800,000 sales representatives ("consultants") in Argentina, Brazil, Chile, Colombia, France, Mexico, and Peru. One of the first cosmetics companies to market natural and environmentally friendly products, Natura has a reputation for social responsibility. The company is also known for its emphasis on research and development and its use of ordinary people rather than supermodels in its advertisements.

7. BRAHMA

Company Companhia de Bebidas das Américas – AmBev
Brand Value US$2,359 million
Brand Value Change +18%
Headquarter City São Paulo
Industry Beverages
Year Formed 1888

BRAHMA IS WELL KNOWN FOR ITS INNOVATIVE AND WITTY ADVERTISING THAT RELIES HEAVILY ON SEX APPEAL.

Brazil's second-largest beer in market share (after Skol), Brahma is marketed in a total of 30 countries. Founded in 1888, by Companhia Cervejaria Brahma, the brand is now owned by AB InBev, the world's largest brewer.

8. VALE

Company Vale SA
Brand Value US$1,708 million
Brand Value Change -12%
Headquarter City Rio de Janeiro
Industry Mining
Year Formed 1942

VALE IS THE SECOND-LARGEST MINING COMPANY IN THE WORLD, AND THE LARGEST PRODUCER OF IRON ORE.

The company gains more than 50 percent of its revenue from iron ore. Diverse mining operations, including copper, bauxite, potash and aluminum, generate the balance of revenues. One of Brazil's largest logistics companies, with railroads, ports and fleets of ships, Vale also operates in the electric energy sector, participating in several consortia and running nine hydroelectric plants. Originally government-owned, Vale became a private company in 1997.

9. SADIA

Company BRF – Brasil Foods SA
Brand Value US$1,496 million
Brand Value Change -24%
Headquarter City Itajaí
Industry Food
Year Formed 1944

SADIA IS A LEADING PRODUCER OF PROCESSED AND FROZEN FOODS SUCH AS HAMBURGER PATTIES AND PIZZA. IT EXPORTS TO MORE THAN 65 COUNTRIES.

Founded in 1944 and listed on the stock market in 1971 as Sadia Concórdia SA Indústria e Comércio, Sadia also produces dairy products and serves both consumers and commercial customers, including fast-food chains. Sadia is part of BRF - Brasil Foods SA, a public company formed in 2009 by the merger of Sadia with another food giant, Perdigão (see no.9). Exporting activities began in the 1970s with the sale of frozen halal-certified chicken to the Middle East.

10. ANTARCTICA

Company Companhia de Bebidas das Américas – AmBev
Brand Value US$851 million
Brand Value Change +6%
Headquarter City São Paulo
Industry Beverages
Year Formed 1885

ANTARCTICA IS A LEADING BRAZILIAN BEER AND SOFT DRINK BRAND.

Launched in 1885 in São Paulo, Antarctica adopted the image of two penguins as its logo in 1935. It continues to symbolize the brand. Antarctica beer is positioned as "the beer for the good moments of life." Antarctica's most popular soft drink is a soda called Guaraná made from the tropical Guaraná berry. In 1999, Antarctica combined with Brazil's other large beer brand, Brahma, to form AmBev, which subsequently joined with Belgium's Interbrew, becoming the world's largest beer marketer, now called AB InBev.

CARLOS COTOS
Managing Director
Kantar Worldpanel

BRAND BRAZIL

New vitality and the forces shaping it

Brazil is one of the most multicultural and ethnically diverse nations on the planet. In its history, over 10 million people have immigrated to Brazil, mainly from Italy, Germany, Spain, Japan, Poland, and the Middle East. Brazil lives up to the government's slogan: Brazil, everyone's country.

Despite being the largest country in South America, with a population of roughly 191 million, Brazil in the past lacked visibility on a global scale. But the eyes of the world are now focused on Brazil not for samba, Sugar Loaf Mountain and Copacabana beach, but because of its booming economy and potential for investment. Brazil is now gaining a level of attention that matches its size and resources.

Brand Brazil has come to mean vitality and joy accompanied by confidence in the future earned by overcoming a challenging economic past. Fuelled by the resourcefulness of the Brazilian people, four forces are shaping the growth of the new brand Brazil: optimism, social inclusion, international involvement and interpersonal connection.

OPTIMISM

In 2007 Brazil was named host of the 2014 World Cup and in 2009 defeated tough competition to host the 2016 Olympics. The level of optimism among the Brazilian population has been growing ever since.

The famous "Brazilian way" is culturally ingrained in its people. When asked about their personal circumstances, Brazilians usually are more optimistic about their own future than the country as a whole. People believe that circumstances in Brazil will continue to improve.

SOCIAL INCLUSION

Brazil's growing consumer class was the main force driving change throughout the last decade. While in 2005 low-income earners accounted for 44 percent of the population, today they represent just 35 percent. Thanks to more jobs and increased availability of credit, Brazil's middle class continues to expand and spend, helping to drive the economy through rising domestic demand.

Inflation stability and income distribution programs subsidized by the government contributed to increased purchasing power among lower-income households. The shopping baskets of Brazilians have grown, mainly among consumers who aspire to have "a lot of food on the table," "a clean house" and the "I deserve it" attitude in their purchase of personal care products.

INTERNATIONAL INVOLVEMENT

Brazilians are opening themselves up to new experiences. Due to this, they are seen all around the world because they travel abroad more. Central Bank data shows an increase of more than 40 percent in Brazilian spending overseas.

Brazil is rapidly expanding its influence in the Americas as well as forging ties with other developing nations, obtaining more international influence through the BRICs.

Brazil has truly stepped into the spotlight. Its valuable resources, growing economy and prospective hosting of the world's biggest sporting events, the FIFA World Cup and the Olympic Games, have changed foreign perceptions of this Latin American giant. Global interest in the world's seventh-largest economy has never been greater.

INTERPERSONAL CONNECTION

Brazil is a world leader in social networking. In the face of this trend is an obsessive need for connectivity that has materialized in the digital space through social networks (Facebook, Orkut, Myspace, Twitter). Social media is profoundly impacting people's lives and changing the way they connect and communicate.

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels.
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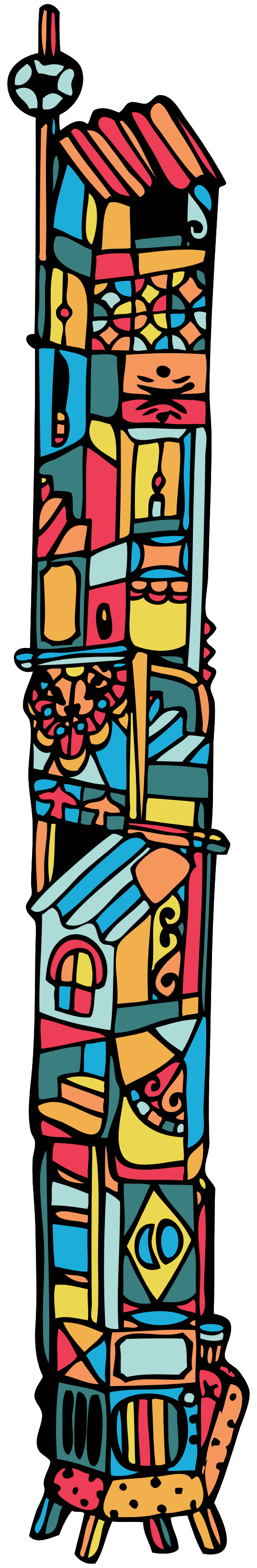


BECOME GLOBAL, ACT SOCIAL

Despite the great potential generated by the growing domestic market, Brazilian brands have two major challenges.

The first challenge is to become international brands, competing with well- established global brands. Until the 1990s, Brazilian companies didn't have to worry about foreign competition. Now international brands increasingly invest in Brazil. This trend is further fueled by Brazil's role as host of the World Cup in 2014 and the Olympic Games two years later.

Brazil needs to have strong brands to compete not only domestically but also in the global economy. Although the degree of internationalization of Brazilian companies has increased in recent years, they remain relatively unknown abroad. Brazilian companies should invest more in promoting their corporate reputation and their brands overseas.

The second challenge for Brazilian brands is the digital media and social networks that are starting to play an increasingly more important role in business communications strategies. In addition to using resources such as Twitter, Facebook, Orkut and blogs to reach their consumers, employees and investors, these companies are also watching the online channels very closely to analyze the behavior of Internet users and to learn more about how they purchase.

FRANCISCO CARVALHO
CEO & Managing Director
Burson-Marsteller Brazil

11. VIVO

Company Vivo Participações SA
Brand Value US$817 million
Brand Value Change -5%
Headquarter City São Paulo
Industry Telecommunication
Year Formed 2003

WITH OVER 60 MILLION USERS, VIVO IS THE LARGEST MOBILE PHONE SERVICE PROVIDER IN BRAZIL AND SOUTH AMERICA.

The result of a joint venture between Telefónica, the Spanish telecommunications provider, and Portugal Telecom (PT), Vivo invests heavily in advertising to deliver its message, "Best coverage in Brazil." In 2010, Telefónica bought PT's shares, and Vivo has advanced Telefónica's strategy by building brands around the convergence of phone, TV, and Internet communication.

12. PERDIGÃO

PERDIGÃO

Company BRF – Brasil Foods SA
Brand Value US$778 million
Brand Value Change -60%
Headquarter City Itajaí
Industry Food
Year Formed 1934

THE 2009 MERGER OF PERDIGÃO AND SADIA INTO BRF CREATED THE WORLD'S LARGEST POULTRY COMPANY.

Perdigão is one of Brazil's largest food producers, specializing in frozen and chilled products. Its range of about 3,000 items is distributed throughout Brazil and to more than 100 countries. The company's scale enables it to pursue a low-cost producer strategy. Established in 1934, as Brandalise, Ponzonie & Cie, the company changed its name to Perdigão SA in 1958. It began exporting in 1975 and went public in 1980.

13. LOJAS AMERICANAS

LOJAS AMERICANAS

Company Lojas Americanas SA
Brand Value US$762 million
Brand Value Change +13%
Headquarter City Rio de Janeiro
Industry Retail
Year Formed 1929

LOJAS AMERICANAS OPERATES A NATIONAL CHAIN OF DISCOUNT DEPARTMENT STORES.

One of Brazil's largest non-food retailers, Lojas Americanas sells over 60,000 items in categories including apparel, health and beauty, home furnishings, and toys. With distribution centers in São Paulo, Rio de Janeiro, and Recife, the company has approximately 550 stores in Brazil as well as an online presence. The brand has a long heritage in Brazil—it was established in 1929—and is popular with both low and high income groups.

14. BOHEMIA

BOHEMIA

Company Companhia de Bebidas das Américas AmBev
Brand Value US$697 million
Brand Value Change N/A
Headquarter City São Paulo
Industry Beer
Year Formed 1853

BOHEMIA IS A LEADING PREMIUM BEER IN BRAZIL.

Established in 1853, Bohemia enjoys the distinction of being the oldest beer brand in Brazil as well as the leader in the premium segment thanks to a strategy of limiting distribution to select locations and introducing limited edition offers. The Bohemia brand is available in four variations, including wheat and dark beers, which were introduced last year.

Bohemia was acquired by fellow Brazilian brewer Antarctica Paulista in 1961. The brand became part of an even larger brewer in 1999 when Antarctica Paulista and Brahma brewery merged to created AmBev. Then in 2004, Belgium-based InterBrew acquired a majority interest in AmBev to form a new global brewing giant known as InBev. Another major merger in 2008 between InBev and Anheuser-Busch resulted in Bohemia becoming part of a still larger company known as Anheuser-Busch InBev whose shares are traded on the New York Stock Exchange under the symbol BUD.

15. IPIRANGA

Company Ultrapar Participações
Brand Value US$670 million
Brand Value Change -20%
Headquarter City São Paulo
Industry Energy
Year Formed 1937

IPIRANGA IS BRAZIL'S LARGEST PRIVATE FUEL DISTRIBUTION COMPANY, WITH A NETWORK OF APPROXIMATELY 5,500 SERVICE STATIONS.

After expanding in rural Brazil during the 1960s and 70s, Ipiranga became a national brand through its acquisition of Atlantic in 1993. In 2008, Grupo Ultra bought both Ipiranga (in most regions), and Texaco, as Chevron was known in Brazil, and began to consolidate the gas stations under the Ipiranga banner. Because the brand name enjoys strong equity, it plays a role in swaying consumer decisions in a highly commoditized category where convenience is often the key driver.

16. OI

Company Telemar Norte Leste SA
Brand Value US$600 million
Brand Value Change -15%
Headquarter City Rio de Janeiro
Industry Telecommunication
Year Formed 1998

OI IS BRAZIL'S LEADING TELECOMMUNICATION PROVIDER, OFFERING LANDLINE, MOBILE PHONE, AND INTERNET SERVICES.

Following the acquisition of Brasil Telecom in early 2009, Oi became one of South America's largest providers of fixed-line services. The company operates in three Brazilian regions that together represent 190.5 million people and 99.8 percent of the country's GDP. Oi was the first telecommunication services provider to use GSM technology in Brazil.

17. CASAS BAHIA

Company Grupo Pão de Açúcar
Brand Value US$589 million
Brand Value Change -39%
Headquarter City São Paulo
Industry Retail
Year Formed 1957

A RETAIL CHAIN SPECIALIZING IN FURNITURE AND HOME APPLIANCES, CASAS BAHIA WAS ACQUIRED IN DECEMBER 2009, BY GRUPO PÃO DE AÇÚCAR.

The acquisition positions the company to benefit from spending by Brazil's rising middle class. Since its establishment, in 1957, Casas Bahia has appealed to low-income customers with store credit and a reputation for quality and affordability. By 2010, Casas Bahia reached customers throughout Brazil, with more than 500 stores and a Web presence.

18. TOTVS

Company Totvs SA
Brand Value US$569 million
Brand Value Change -3%
Headquarter City São Paulo
Industry Information Technology
Year Formed 1969

TOTVS IS BRAZIL'S LARGEST PROVIDER OF INTEGRATED INFORMATION TECHNOLOGY SOLUTIONS AND THE SECOND-LARGEST IN LATIN AMERICA.

Known for its innovation and high level of customer service, TOTVS has been raising its brand profile with extensive advertising featuring a Brazilian media personality. The company, which traces its origins to a service bureau called SIGA (Sistemas Integrados de Gerência Automática Ltda, formed in 1969), has been growing rapidly and delivering strong financial results. In March 2006, in advance of an IPO, the company changed its name from Microsiga Software SA to TOTVS SA.

19. TAM

Company TAM SA
Brand Value US$560 million
Brand Value Change -30%
Headquarter City São Paulo
Industry Airlines
Year Formed 1961

TAM IS THE LARGEST AIRLINE OF BRAZIL AND LATIN AMERICA.

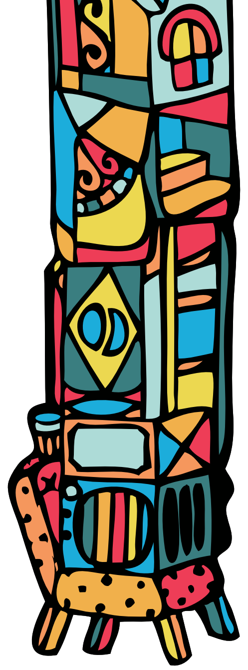
Although TAM is now known for its domestic and international passenger service, the airline began in 1961 as an air freight company, operating small one-engine planes from its base in Marília in the state of São Paulo. As the company grew, it acquired regional carriers and developed a reputation for good customer service. In 2010, the company signed an agreement with LAN, the Chilean airline, to form the LATAM Airline Group.

20. CIELO

Company Cielo SA
Brand Value US$555 million
Brand Value Change -13%
Headquarter City Barueri
Industry Credit Cards
Year Formed 2009

CIELO IS THE LEADER IN PERSUADING MERCHANTS TO JOIN A CREDIT CARD NETWORK, AND IN HANDLING THE PAYMENT PROCESS.

Formed in 1995 by several financial organizations, including Visa International, Bradesco, Banco do Brasil, Banco Real and the now obsolete Banco Nacional, Cielo was initially known as Visanet. The company was renamed in advance of its initial public offering (IPO), which was the largest in Brazil's history. In an industry challenged by deregulation, Cielo surpasses its competition in profitability thanks to its competitive pricing and its reputation for a high level of customer service.



THE OLYMPICS & THE WORLD CUP

A hurdle race for brands

What brand or company doesn't want to be part of the World Cup or the Olympics?

Like the athletes competing, brands that want to be present during these events face trials, and the one clear guideline is no pain, no gain.

Sounds easy to pay zillions of dollars to set your logo up along aside the big brands that are the Olympics and the World Cup, but to really get it right, things are not that simple.

Imagine the brand as an athlete facing a hurdle race. It has to overcome each and every hurdle to get to the end as a champion.

HURDLE 1. TO BE STRATEGIC

Half of Brazil's consumers cannot associate a single brand with the 2014 World Cup. Clearly, sports marketing is much more than logo placement. The first questions each brand has to ask are: what do I want my brand to take away from these events? How do I take advantage of people's passion for sports to really become relevant to them?

HURDLE 2. IT IS A LONG DISTANCE, FOUR-YEAR RACE

Assuming that the first hurdle, acting strategically is cleared, the work must begin as soon as possible. Some companies organize entire departments just to activate these events properly. At least three years before the events, brands should have their plans, campaigns and activities designed to consolidate their positioning and their presence as a sponsor.

HURDLE 3: CREATE PARNTERSHIPS

Most times, official sponsors are more likely to fight for space than to join forces. In a world where cooperation is key for economic success and co-creation rules all marketing initiatives, it makes no sense for a brand to work alone. To increase exposure and gain other synergies, a service brand can work with a retail sponsor or a retailer can partner with a consumer goods brand. The key to make this happen is to find the right interlocutor.

HURDLE 4. CONSUMERS ARE HERE EVERYDAY

The events happen only once every four years, but your consumers are there everyday. To be meaningful and capitalize on the benefits the Olympics and the World Cup can bring, it is important not to wait until those events arrive, but to work side-by-side with your customers now. Particularly as the events become an important daily topic of interest, your brand can invite consumers to participate in this conversation and transform their engagement into sales.

HURDLE 5. BUSINESS HAPPENS OUTSIDE THE VENUES

There are business opportunities everywhere; most of them are outside the arenas. Think about the digital environment and you will see lots of opportunities, considering that Brazil is one of the countries with the best rates for social and commercial engagement online. Think about how big Brazil is, that the tourism industry grew 15 percent in 2011, and you can picture many possibilities for hotel chains, airline companies and entertainment enterprises.

Finally, think about new business that can be created just to supply new needs that can show up during these next years. Just to manage your brand is not enough. You need to know how to make real money out of these very special moments.

In the end, both in the sports field as well as in the communication field, there is no formula for winning. There is only a good strategy, lots of preparation and a beautiful game to be played.

9ine is a leading, Brazil-based sports and entertainment marketing agency. www.9ine.com.br

RONALDO NAZÁRIO
President
9ine

COMMENTARY

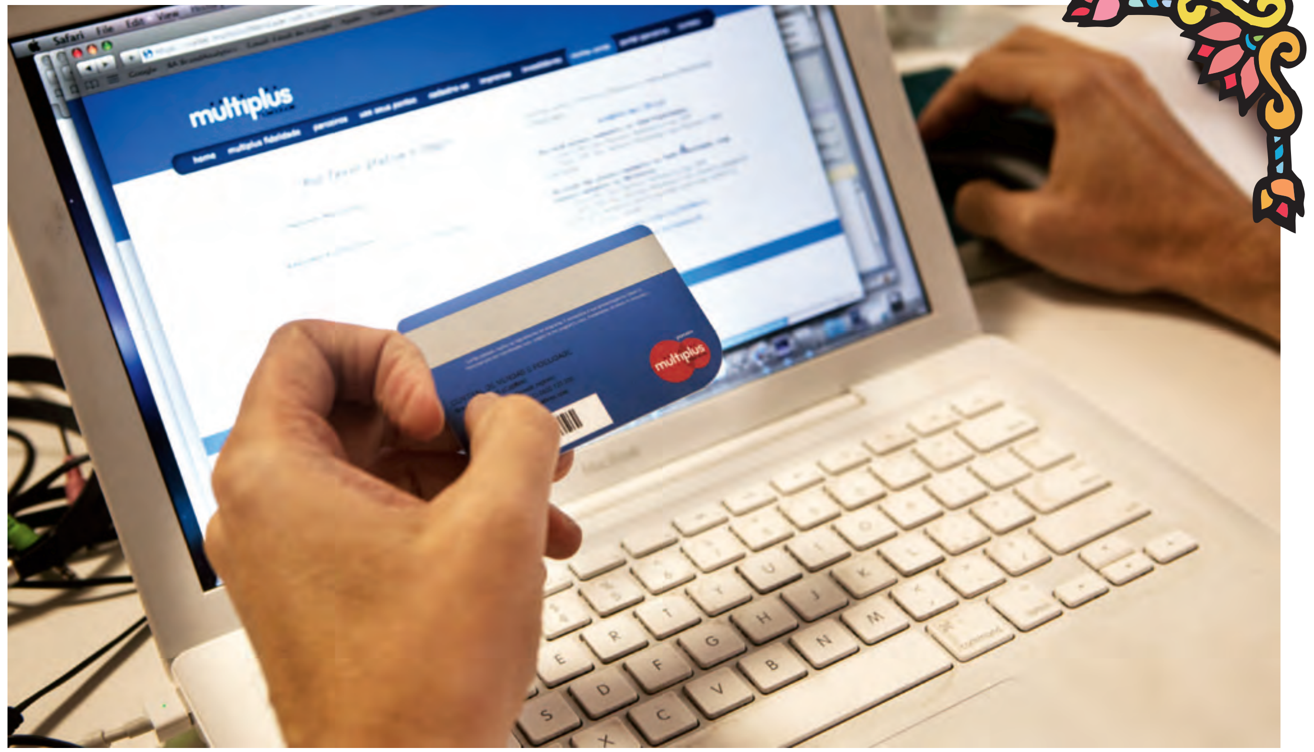
ON THE WORLD STAGE AS GLOBAL PLAYERS FIND ROLES IN BRAZIL

Brazil has finally emerged as a powerful player in world markets and is here to stay. Having said this, Brazilians have been savvy marketers for many years and are recognized globally for their creativity and strategic prowess.

Some of the world's most famous brands, across many sectors, are Brazilian, such as: TAM (airlines), Brahma (beer), Itaú (banking), Petrobras (energy), Pão de Açúcar (supermarkets) and Casas Bahia (specialty retailing). Brazilian brands are influential both globally and locally.

At the same time, leading global brands play an increasing important role in Brazil too, as they have invested in understanding the people and culture. With the World Cup and Olympic events coming soon, "Cool Brazil" is leading the "Decade of Latin America."

RICCARDO FERRARIS
Chairman
Grey Latin America



21. MULTIPLUS

Company Multiplus SA
Brand Value US$519 million
Brand Value Change -18%
Headquarter City São Paulo
Industry Loyalty Programs
Year Formed 2010

MULTIPLUS PROVIDES A NETWORK OF LOYALTY PROGRAMS ACROSS DIVERSE BUSINESS SECTORS.

The sectors include airlines, hotels, rental cars, retail, banking and gas stations. Multiplus members enjoy the flexibility of earning and redeeming points without restriction within the network. TAM Airlines formed the company in 2009 to expand and strengthen its own frequent flyer program. Today, besides TAM, participating brands include Oi, the telecommunications giant, Livraria Cultura, Brazil's largest bookstore and the hotel management firm, Accor. Multiplus also provides services for managing, administering, interconnecting and operating customer loyalty programs.

22. PORTO SEGURO

Company Porto Seguro SA
Brand Value US$500 Million
Brand Value Change -63%
Headquarter City São Paulo
Industry Insurance
Year Formed 1945

ONE OF BRAZIL'S LEADING INSURANCE COMPANIES, PORTO SEGURO OFFERS A COMPREHENSIVE PORTFOLIO OF INSURANCE PRODUCTS.

With products spanning vehicle, health, casualty, life and personal injury insurance, Porto Seguro offers policies to individuals, families, companies, and governmental agencies in Brazil and Uruguay through direct and indirect subsidiaries. Since the company established an alliance with Itaú in August 2009, Porto Seguro products are now available at the bank's branches.

23. MAGAZINE LUIZA

Company Magazine Luiza SA
Brand Value US$479 million
Brand Value Change N/A
Headquarter City São Paulo
Industry Retail
Year Formed 1957

MAGAZINE LUIZA IS ONE OF BRAZIL'S LARGEST APPLIANCE RETAILERS.

The chain focuses on serving the nation's low-to-middle income consumers. It employs more than 21,000 people and operates a network of 728 stores, including 103 small format virtual stores where sales associates help customers order merchandise online. The company's stores are located in 16 Brazilian states and supported by a network of eight distribution centers.

Magazine Luiza opened 124 stores in 2011, including 24 new units and 100 stores acquired from Lojas da Báu. The company also completed an initial public offering with shares traded on the Brazilian exchange. An early adopter of the multichannel approach to retail, Magazine Luiza is Brazil's second largest online retailer and an innovator in the use of social media to drive online sales, which grew 40 percent last year and now account for 11 percent of total company sales.

24. GOL

Company Gol SA
Brand Value US$450 Million
Brand Value Change -23%
Headquarter City São Paulo
Industry Airlines
Year Formed 2001

GOL IS A BUDGET AIRLINE SERVING LATIN AMERICA.

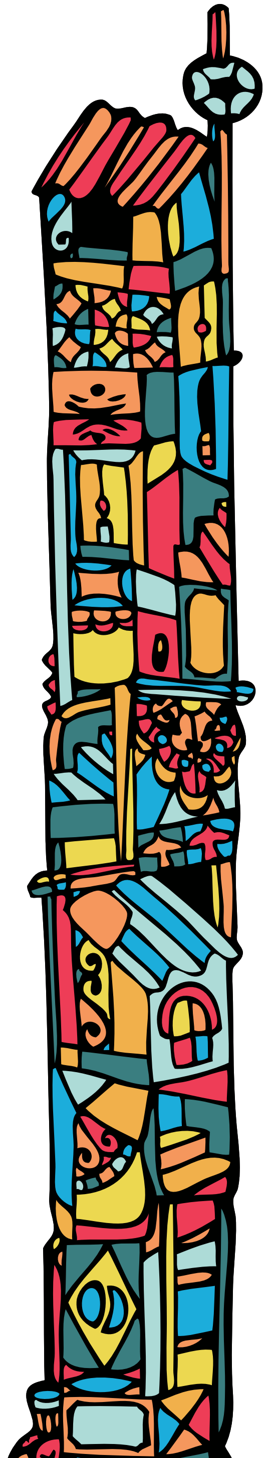
A subsidiary of Gol Linhas Aéreas Inteligentes, GOL enjoys two key competitive advantages: its strong presence in Brazilian airports and its low-cost strategy. The only low-fare airline providing frequent connections to Brazil's major cities, GOL also flies to key destinations in South America and the Caribbean. Like the rest of the industry, the company should benefit from improvements in airport infrastructure made in advance of the World Cup and Olympic games in Brazil.

25. REDECARD

Company Redecard SA
Brand Value US$439 million
Brand Value Change -29%
Headquarter City Barueri
Industry Credit Cards
Year Formed 1970

REDECARD IS BRAZIL'S SECOND-LARGEST COMPANY FOR DEVELOPING A NETWORK OF MERCHANTS THAT ACCEPT PARTICULAR CREDIT CARDS.

The brand was created in 1996 by three financial institutions—Citibank, Itaucard and Unibanco—to spin off merchant acquisition and payment processing from a credit card company that the three partners had founded in 1970. Today, Redecard is now the leader in merchant acquisition for MasterCard and Diners Club International in Brazil.



26. NET

Company NET Serviços de Comunicação SA
Brand Value US$436 million
Brand Value Change -34%
Headquarter City Rio de Janeiro
Industry Communication
Year Formed 1996

NET IS LATIN AMERICA'S LARGEST MULTI-SERVICE CABLE COMPANY, OFFERING PAY TV, BROADBAND INTERNET ACCESS, AND VOICE SERVICES.

Merged with Embratel, Brazil's second largest telecommunications company, after being acquired by communications entrepreneur Carlos Slim in 2010, NET Serviço serves more than 11.3 million homes in 93 cities. The combination of NET's cable business with Embratel's phone service created an integrated telecommunications giant.

27. EXTRA

Company Grupo Pão de Açúcar
Brand Value US$412 million
Brand Value Change -31%
Headquarter City São Paulo
Industry Retail
Year Formed 1989

EXTRA IS A MULTI-SECTOR BANNER OF BRAZIL'S LARGEST RETAIL CONGLOMERATE, GRUPO PÃO DE AÇÚCAR.

Extra operates about 115 hypermarkets called Extra Hiper. The convenience store banner Extra fácil offers a limited selection of about 3,000 items. In addition, the company operates about 83 full-line supermarkets called Extra Supermercado as well as pharmacies called Drogarias Extra, which are located within existing Extra outlets. Similarly, the brand operates Extra gas stations at some retail locations. It runs home appliance stores as well, and is present online as Extra.com.br.

28. BM&F BOVESPA

Company BM&F BOVESPA SA
Brand Value US$386 million
Brand Value Change -26%
Headquarter City São Paulo
Industry Stock Exchange
Year Formed 2008

BM&F BOVESPA IS THE LEADING STOCK EXCHANGE IN LATIN AMERICA AND THE SECOND-LARGEST IN THE AMERICAS.

One of the largest stock exchanges in the world in terms of market value, BM&F BOVESPA was created in 2008 through the integration of the Brazilian Mercantile & Futures Exchange (BM&F) with the São Paulo Stock Exchange. BM&F BOVESPA introduced stock investment to a wider popular audience while at the same time gaining credibility in the corporate segment with its record of successful IPOs.

29. BANRISUL

Company Banrisul SA
Brand Value US$383 million
Brand Value Change +11%
Headquarter City Porto Alegre
Industry Financial Institution
Year Formed 1928

BANRISUL IS THE LARGEST BANK IN BRAZIL'S SOUTHERNMOST STATE, RIO GRANDE DO SUL.

With 434 branches, the bank covers more than 80 percent of the state's cities and serves 2.9 million account holders. Its positioning as "the local bank of Rio Grande do Sul" connects the bank to the particular culture and values of the customers in the region it serves. Banrisul was founded in 1928 as a public agricultural loan and mortgage bank whose main activity was long-term mortgage loans.

30. HERING

Company Cia Hering SA
Brand Value US$351 million
Brand Value Change -14%
Headquarter City Blumenau
Industry Fashion
Year Formed 1880

HERING IS BRAZIL'S LARGEST MANUFACTURER AND MARKETER OF CLOTHING FOR MEN, WOMEN, AND CHILDREN.

Its merchandise is sold throughout South America in both company-owned and franchise stores as well as online. The brand is represented in 347 stores in Brazil alone. Sales grew dramatically during the past several years, suggesting that customers value the brand's combination of quality casual apparel and enjoyable shopping experience. Two German immigrants formed the company, then called Hering Textil, at the end of the nineteenth century.

TO SELL BRAZILIANS, TOUCH THEIR HEARTS

Brazilians are emotionally driven. They expect to form emotional relationships with the brands that fill their lives.

For brands, establishing emotional affinity with the consumer generates loyalty. While meeting performance and price expectations is extremely important, it's not enough. To succeed with Brazilians, brands must bring something true and that touches the heart.

Brand managers entering or considering the Brazilian market will need to gain the affection of the Brazilian people. To become part of the national culture, the brands will need to differentiate in ways that win over another part of the Brazilian heart, the curious part.

Established brands also face an important challenge. They need to keep pace with the rapidly evolving Brazilian customer.

VALKIRIA GARRÉ
Managing Director
Millward Brown Brazil

THE IMPACT OF DIGITAL

Broadband inclusion transforms a nation

GAL BARRADAS
CEO
F.biz

In Europe, the economy is troubled, in the US it's struggling and in Brazil… In Brazil the economy is growing. This contrast has produced a 180-degree turnaround in migration flow. In the 1980s and 90s we watched tens of thousands of Brazilians escape the nightmare of hyperinflation to pursue their dreams in other countries. Today, Brazil is the destination—and the dream—of many.

We witness the change daily—during work meetings and in crowded restaurants, where crisscrossing conversations echo the myriad language of Brazil's growing international population. Everyone is welcome in Brazil. Brazil is a heterogeneous country. We have pluralistic cities like São Paulo. Salvador, one of the oldest cities in the Americas, is renown as a center of Afro-Brazilian culture. Many people with an indigenous heritage inhabit Manaus, a city in the Amazon region. And cities in the South are considered European gems set in the "New World."

This mixture is part of what makes us Brazilian. We believe that diversity fosters energy and creativity. And it is exactly because of this Brazilian characteristic that we welcome people of all backgrounds. We are open and affective folks. We accept differences. Here you will find people from just about every nation and every religion living together peacefully. We like that.

LEGACY OF POVERTY PRESENTS COMPLEX CHALLENGES

The problem is, as composer Tom Jobim and author of the famous song "The Girl from Ipanema" put it, "Brazil is not for amateurs." We live with great complexity. Although we are growing economically, we have not yet rid ourselves of the sad legacy of poverty.

Despite all the virtue, Brazil still has not taken large strides towards making modernity widely available. In 2011, around 70 percent of Brazilians were inhibited by some level of illiteracy. This situation is tragic and unacceptable and it affects business, marketing and communication.

Although there is no quick fix—literacy cannot be imported like the newest product—digital provides a great opportunity. Brazilians are connected. Almost half the population uses the Internet. That makes usage in Brazil the highest among the BRIC countries. And it can be even higher.

Internet is already the second most significant means of communication in the country, following TV, and the most influential in terms of purchase. Brazilians spend an average of 48 hours per month on the Internet, the highest usage in the world. And Brazilians are avid users of social media, with 86 percent of Internet users regularly accessing social networks. Mobile penetration also is high, with 246 million mobile phones in circulation for a population of 190 million people. Brazilians upgrade their cell phones every 18 months, on average, demonstrating their inclination to be eager adopters of new technologies. Already, 10 percent of mobile phone owners use their device to access the Internet. And this rate will rise with the drop in smartphone prices.

DIGITAL CAN BE AGENT OF POSITIVE CHANGE

For the first time, a national plan for broadband has been addressed seriously. Broadband will take distance learning to the most remote areas of the country, and e-commerce will take creative capitalism to hidden corners of the Amazon.

Digital has the potential to make the lives of Brazilian's better and the nation's economy stronger. It will help our citizens become better educated and more prepared to improve their lives economically, participate in the political process and enjoy the widest possible choice of brands and consumer goods.

The starting point is the Brazilian soul itself. We are already the most connected people in the world. No longer a country that revolves around the Rio-São Paulo axis, Brazil will become a fully unified nation. No longer ashamed of being underdeveloped, Brazil will become proud as one of the world's largest economies. As a Brazil of total digital inclusion, we will become Brazil 3.0, not merely a receiver of ideas and information, but a country that thinks, influences and has a voice in world affairs.

F.biz is a major digital agency based in Brazil and focused on strategic brand positioning.
www.fbiz.com.br

COMMENTARY

TNS Digital Life: Brazil

SOCIAL NETWORKS PROVIDE BRAND OPPORTUNITY

Digital strategies across multiple platforms are already having a significant impact in Brazil for a number of the top 50 brands. Although Internet penetration is relatively low, around 40 percent, there is an extremely active base, over a quarter of the online population, researching brands and products across nearly all offline and online touch points.

Brazilians are heavy social networkers with an extremely large group of online friends, an average of 481. The growth of the middle class, combined with increased purchasing power, have provided brands enormous opportunity to connect with these consumers, particularly in the online environment.

Until now, traditional barriers to increased mobile usage, such as the high cost of data plans and smartphone devices, have impacted heavily on mobile Internet use. Most people still access the Internet from a PC. However, this is changing as telecoms introduce cheap pay-as-you-go cell phone plans and devices continue fall in price.

In fact, a third of mobile Internet users would be happy conducting all their Internet surfing via their mobile device. An explosion in mobile Internet usage is now due in Brazil, and as prices also fall for tablets, this device will be included heavily in the mix.

By Juan Alexander Londoño, Regional Manager, TNS Digital, Latin America

31. IGUATEMI

Company Iguatemi Empresas de Shopping Centers
Brand Value US$349 million
Brand Value Change +3%
Headquarter City São Paulo
Industry Retail
Year Formed 1979

IGUATEMI IS ONE OF THE LARGEST SHOPPING MALL OPERATORS IN BRAZIL.

The company designs, develops and operates regional centers throughout the country. Formed in 1979, the company initiated its shopping center activity with the acquisition of Construtora Alfredo Matias SA. The transaction included an ownership interest in Iguatemi São Paulo, which was constructed in 1966 as the first shopping center in Brazil. The Company also developed the first shopping center in the Brazilian countryside—Iguatemi Campinas—and the first shopping center in the southern region of Brazil—Iguatemi Porto Alegre. Iguatemi is among the 500 largest companies operating in Latin America.

32. ODONTOPREV

Company Odontoprev SA
Brand Value US$342 million
Brand Value Change +29%
Headquarter City Barueri
Industry Health Care
Year Formed 1987

ODONTOPREV IS THE LARGEST DENTAL BENEFITS COMPANY IN BRAZIL, WITH OVER 5 MILLION MEMBERS.

The organization develops dental plans for corporate, institutional and not-for-profit clients. The OdontoPrev network includes approximately 25,000 certified dentists, of which roughly 16,000 are specialists and post-graduates, located in more than 2,000 cities throughout Brazil. To reach people in the underserved rising middle class, OdontoPrev recently launched an initiative to sell dental plans directly to consumers. Since its Initial Public Offering in 2006, the company's success has been rewarded with strong stock appreciation.

33. PÃO DE AÇÚCAR

Company Grupo Pão de Açúcar
Brand Value US$332 million
Brand Value Change -15%
Headquarter City São Paulo
Industry Retail
Year Formed 1948

PÃO DE AÇÚCAR OPERATES AROUND 200 SUPERMARKETS THROUGHOUT BRAZIL.

A part of the giant retail conglomerate Group Pão de Açúcar, which began as a pastry shop in 1948 and now includes more than 1,800 stores, Pão de Açúcar is known for quality, innovation, and strong customer service. The chain enjoys high levels of shopper loyalty, and was among the first supermarkets to offer imported products during the 1990s.

34. UNIÃO

Company Cosan Ltd.
Brand Value US$322 million
Brand Value Change N/A
Headquarter City São Paulo
Industry Sugar
Year Formed 1910

UNIÃO IS THE LEADING BRAND OF SUGAR IN BRAZIL.

The União brand has existed for more than a century and became part of Cosan Ltd. following a 2009 acquisition of União parent company NovAméricas. The União brand was established in 1910, by Giuseppe and Nicola Puglisi Carbone who organized the sugar refiners of São Paulo to create a single company and launch the União brand, which translates as "Union" in English.

Today, the brand is providing a broader range of sweeteners for both the consumer and the industrial and food service channels. União parent company Cosan is a vertically integrated renewable energy company focused on the ethanol and sugars markets. Founded in 1936, its shares began trading on the New York Stock Exchange in 2007, under the symbol CZZ.

35. EMBRATEL

Company Embratel SA
Brand Value US$318 million
Brand Value Change -16%
Headquarter City Rio de Janeiro
Industry Telecommunication
Year Formed 1998

EMBRATEL IS BRAZIL'S SECOND-LARGEST TELECOMMUNICATION COMPANY, OFFERING VOICE AND DATA SERVICE, INTERNET, AND PAY TV.

Present throughout Brazil, with about five million broadband lines and six million voice lines in more than 4,000 cities, Embratel was formed in 1998 as one of the holding companies resulting from the spin-off of the Telebras System. In 2004, Teléfonos de México S.A. de C.V. (Telmex) acquired Embratel because it fit with Telmex's strategy of communication convergence.

36. ANHANGUERA

Company Anhanguera Educacional Participações SA
Brand Value US$318 Million
Brand Value Change -40%
Headquarter City Valinhos
Industry Education
Year Formed 1994

ANHANGUERA EDUCACIONAL IS ONE OF BRAZIL'S LARGEST PRIVATE EDUCATION COMPANIES.

Founded in 1994 by a group of professors, Anhanguera Educacional Participações provides post-secondary education to prepare individuals for productive roles in Brazil's fast-developing economy. With more than 50 campuses and hundreds of long-distance learning centers, the organization serves more than 300,000 students, many of whom come from lower income and rural backgrounds.

37. AMIL

Company Amil participações
Brand Value US$295 million
Brand Value Change -24%
Headquarter City Rio de Janeiro
Industry Health Care
Year Formed 1972

AMIL IS BRAZIL'S LARGEST PROVIDER OF MANAGED HEALTH CARE.

From its beginnings in 1972 with the acquisition of Casa de Saúde São José (a small maternity clinic in the city of Duque de Caxias), Amil has expanded both organically and through strategic acquisitions and now has about five million members. The company provides medical plans for both individuals and businesses, and its network of providers includes more than 3,000 hospitals and tens of thousands of clinics, private practices, and laboratories.

38. LOJAS RENNER

Company Lojas Renner SA
Brand Value US$292 million
Brand Value Change -24%
Headquarter City Porto Alegre
Industry Retail
Year Formed 1912

LOJAS RENNER IS BRAZIL'S SECOND-LARGEST DEPARTMENT STORE CHAIN.

It expanded rapidly during the past few years following a public offering in 2005, when the US department store JC Penney divested its interest. Lojas Renner now operates around 130 stores in 21 of Brazil's 26 states and in the Capital District. The organization began in 1912 as AJ Renner, a retailer specializing in outdoor gear for gauchos in rural areas. The style became popular with city customers. The company transformed into a department store retailer, with an expanded range, during the 1940s. It was renamed Lojas Renner in 1965 and became publicly traded in 1967.

39. MRV

Company MRV Engenharia e Participações
Brand Value US$266 million
Brand Value Change -42%
Headquarter City Belo Horizonte
Industry Real Estate
Year Formed 1979

THE MRV GROUP IS ONE OF BRAZIL'S LARGEST REAL ESTATE DEVELOPMENT COMPANIES.

Operating in 85 cities in 14 states as well as the Federal District, MRV focuses on building affordable housing for middle-class and low-income customers. In 2010, growth in market capitalization and brand equity made the MRV Group the most valuable Brazilian real estate brand.

40. MARISA

Company Marisa SA
Brand Value US$258 million
Brand Value Change -7%
Headquarter City São Paulo
Industry Retail
Year Formed 1948

MARISA IS BRAZIL'S LARGEST DEPARTMENT STORE CHAIN SPECIALIZING IN WOMENS CLOTHING.

The size designation is based on number of stores, which totals 280 located throughout Brazil. Marisa is known for designing and selling fashionable merchandise at competitive prices. The company recently extended the brand to lingerie (Marisa Lingerie) and menswear. The company tag line "From Woman to Woman" reflects the composition of Marisa's staff, which is 70 percent female. The company opened its first store, Marisa Bolsas (Marisa Handbags), in 1948 under the leadership of its founder, Bernardo Goldfarb.

MERGERS AND ACQUISITIONS

And the need for effective brand communications

SHEILA MAGRI
General Manager
Hill+Knowlton Strategies Brazil

Brazil is experiencing an intense period of corporate consolidation. As the economy grows dramatically, Brazilian companies seek the scale necessary to compete effectively both at home and abroad. This activity has significant implications for brands and brand communications.

The number of mergers and acquisitions surpassed several records in 2010, when the KPMG audit recorded 707, beating the previous record of 699 in 2007. The government's more free-market policies, compared with the past approaches, in part drive the activity. Between the 1950s and the 1980s, the government supported protectionist principles, restraints of trade, nationalization, and granting incentives to stimulate the private sector.

The surge in consolidations touches brands across many sectors including financial, aviation, telecommunications, communications, technology, retail and food. It has heightened concern about effective corporate communications and inspired demand for press relations, internal communications, branding and brand communications.

BRAZIL'S LARGEST RECENT MERGERS AND ACQUISITIONS

Brands	Industry Sector	Year	Value
Itaú and Unibanco	Finance	2009	US$ 65.7 Bil.
AmBev and Interbrew	Beverages	2004	US$ 53.4 Bil.
Vale and Inco	Mining	2006	US$ 22.0 Bil.
BM&F and Bovespa	Stock Exchange	2008	US$ 21.2 Bil.
Santander and Banco Real	Finance	2007	US$ 18.7 Bil.
Submarino and Americanas.com	E-commerce	2006	US$ 4.3 Bil.
Oi and Brasil Telecom Participações	Telecommunication	2009	US$ 3.9 Bil.

The role of brand and brand communications is critical when uniting companies, regardless of their size. Poor communications can weaken a strong brand. The right strategies, however, can increase the value of a company's brand portfolio. The ideal branding solution reduces costs and increases the return on capital by strengthening the brand's ability to influence consumers and other stakeholders.

The biggest challenge is increasing the company's value, not just the value of its brand not band. Achieving this objective requires navigating among the often-competing interests of brand manager, understandably advocating for their own brands. Deciding which brand or brands to invest in following a merger is delicate, emotionally charged, and tremendously important. It is a crucial area where public relations firms and other outside professional consultancies can improve the process with objective perspective and strategic vision.

Corporate success can pivot on making the right branding decision. A brand builds the company image. Over time, the image builds reputation, and reputation is confirmed by the opinions of the company's audiences, or stakeholders, which in turn brings credibility. That's why successful companies make brand management a cornerstone in their overall mergers and acquisition strategy.

As Brazil's period of consolidation continues, and perceptions of companies remain subject to sometimes unpredictable fluctuation, the role of brands and the need for effective and sophisticated branding will become even more important.

Hill+Knowlton Strategies, a leading international communications consultancy serving local, multinational and global clients, has been active in Brazil since 1996. www.hillandknowlton.com.br

LEAD FROM STRENGTH, LEARN FROM COMPETITION

Characteristics that people associate with Brazil include: creativity, flexibility, professionalism and the continuous quest for improvement and opportunity. Brazilian brands should make the most of the country's exponentially growing visibility in the world to highlight these key elements of Brazilian culture.

It is also important for Brazil's global brands to incorporate knowledge and technology from other countries, and adapt and improve them for use in Brazil.

DEBORAH JACOB
Account Executive Director/VP
Hill+Knowlton Strategies Brazil

41. DURAFLOOR

Company Duratex SA Indústria e Comércio
Brand Value US$249 million
Brand Value Change N/A
Headquarter City São Paulo
Industry Flooring
Year Formed 1951

DURAFLOOR IS THE FIRST LAMINATE FLOORING BRAND MANUFACTURED IN BRAZIL.

Durafloor is the leading brand of laminate flooring in Brazil and is available in nine different product lines. The brand is readily identifiable by its iconic charging rhinoceros logo which symbolizes key products attributes such as toughness and durability.

The Durafloor brand is manufactured by parent company Duratex, a leader in the home improvement and building materials industry that also markets brands with the rhinoceros logo under the Duratex, Deca and Hydra names. The company's logo received extensive exposure in 2011 as Duratex observed its sixtieth anniversary with an advertising campaign called Rhino Mania that included a series of free concerts.

Controlled by the financial and industrial conglomerate Investimentos Itaú SA and Companhia Ligna de Investimentos, Duratex is a publicly traded company on the Brazilian stock exchange.

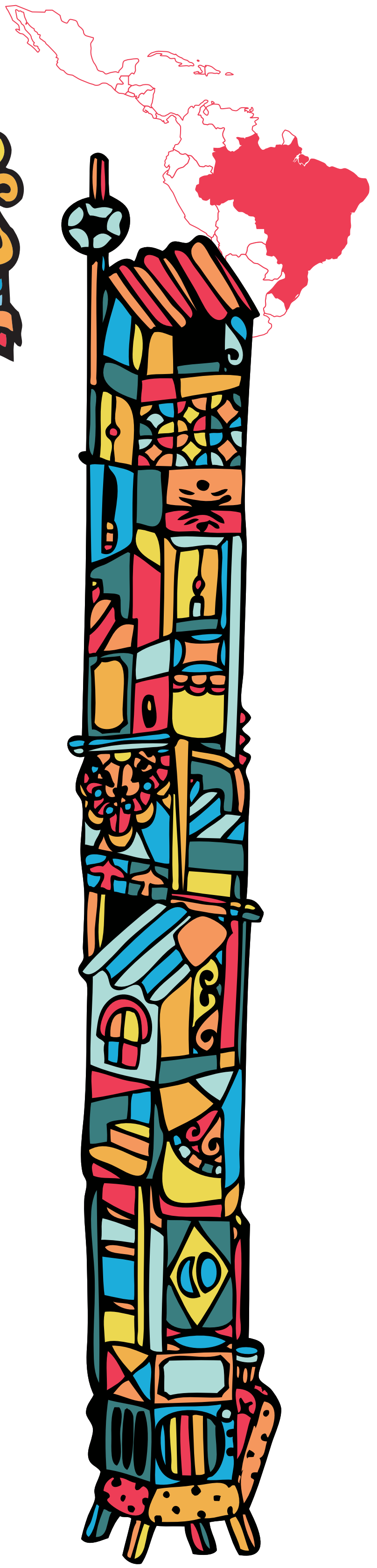
42. AREZZO

Company Arezzo Indústria e Comércio SA
Brand Value US$236 million
Brand Value Change N/A
Headquarter City Campo Bom
Industry Retail
Year Formed 1972

AREZZO IS A LEADING RETAILER OF WOMEN'S FASHION FOOTWEAR.

Two brothers, Anderson and Jefferson Birman, created the Arezzo brand 1972. Today Arezzo is Brazil's leading retail brand of women's fashion footwear and accessories. The brand focuses on high quality and contemporary designs and introduces about eight new collections annually. Arezzo operated 288 Arezzo brand franchise stores and 14 company stores along with five outlets at the end of 2011.

The brand was present in almost 1,000 other locations in Brazil. The Arezzo Company also markets under three other brands: Schutz, Anacapri and Alexandre Birman. Including these brands, the company is present in about 2,500 points of sale. An initial public stock offering last year on the Brazilian stock exchange raised capital to fund further store expansion.



43. GERDAU

Company Gerdau SA
Brand Value US$232 Million
Brand Value Change -19%
Headquarter City Porto Alegre
Industry Steel
Year Formed 1901

GERDAU IS THE LEADING PRODUCER OF LONG-ROLLED STEEL IN THE AMERICAS AND NUMBER TWO IN THE WORLD.

Long rolling is a process that presses steel bars into sheets or plates. The company serves the auto, construction and agriculture industries. Founded in 1901, Gerdau now has operations in 14 countries: Argentina, Brazil, Canada, Chile, Colombia, the Dominican Republic, Guatemala, India, Mexico, Peru, Spain, the United States, Uruguay and Venezuela.

44. DROGASIL

Company Drogasil SA
Brand Value US$219 million
Brand Value Change -40%
Headquarter City São Paulo
Industry Retail
Year Formed 1935

DROGASIL IS BRAZIL'S SECOND-LARGEST RETAIL DRUGSTORE CHAIN BY SALES REVENUE.

It operates more than 280 stores in five Brazilian states and more than 75 cities. The company has been a retailer of pharmaceutical healthcare, skin care and personal care products for the past 75 years. Since its IPO in 2007, the financial results have earned the company a positive reputation in the investment community.

45. SWIFT

Company JBS SA
Brand Value US$217 Million
Brand Value Change -29%
Headquarter City São Paulo
Industry Food
Year Formed 1855

SWIFT IS ONE OF THE WORLD'S LARGEST MEAT-PROCESSING COMPANIES.

Since 2007, the brand has been owned by Brazil's meat processing multinational JBS Friboi, which is present on all continents, with major operations in Brazil, Argentina, Italy, Australia, the United States, Uruguay, Paraguay, Mexico, China, and Russia. The company has business interests in other food categories as well as in leather, pet products, and biodiesel.

46. HAVAIANAS

Company São Paulo Alpargatas SA
Brand Value US$216 Million
Brand Value Change -35%
Headquarter City São Paulo
Industry Fashion
Year Formed 1907

HAVAIANAS PRODUCES THE WORLD'S MOST RECOGNIZABLE FLIP-FLOP SANDALS.

It sells roughly 200 million pairs annually in about 80 countries. The company introduced the sandals in the early 1960s, adopting a Japanese design made from rice straw and producing it in rubber. With an emphasis on color and design, starting in early 1990, Havaianas transformed the shoes from inexpensive and utilitarian to fashion statements.

47. DECA

Company Deca SA
Brand Value US$215 million
Brand Value Change N/A
Headquarter City Bela Vista
Industry Bath products
Year Formed 1947

DECA IS A LEADER IN THE BRAZILIAN HOME FURNISHINGS MARKET.

Deca is the leading brand in Brazil for bathroom fixtures and accessories and also provides finished materials to the building construction industry. The Deca brand is positioned as a quality product offering focused on design and innovation. The brand was created in 1947 by engineers Olavo Egydio Setubal and Renato Refinetti and was originally called, "Artefactos de Metal Deca."

The Deca brand is part of the Duratex company, which is one of the main industrial companies within the diversified portfolio of Itaúsa, Brazil's major financial and industrial holding company.

48. PDG REALTY

Company PDG Realty SA
Brand Value US$200 million
Brand Value Change -37%
Headquarter City Rio de Janeiro
Industry Real Estate
Year Formed 2003

PDG, A LARGE BRAZILIAN REAL ESTATE COMPANY, DEVELOPS AND MANAGES MAJOR COMMERCIAL AND RESIDENTIAL PROJECTS.

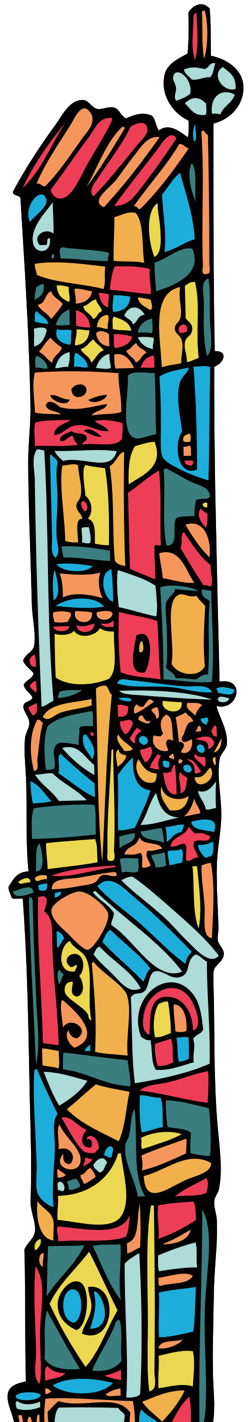
Present in 100 cities in Brazil and also operating in Argentina, PDG Realty is Brazil's largest real estate company in market value. The company's portfolio includes properties suitable for all income groups. Founded in 2003 as a real estate division within an investment bank, PDG became an independent publicly traded company just a few years later.

49. LOCALIZA

Company Localiza SA
Brand Value US$187 million
Brand Value Change -29%
Headquarter City Belo Horizonte
Industry Car Rental
Year Formed 1973

LOCALIZA OPERATES THE LARGEST CAR RENTAL NETWORK IN BRAZIL.

It has 422 branches in 246 cities throughout Brazil and eight other countries in Latin America. The franchising of Localiza's branches, which started in 1983, enabled the company to expand its operations beyond Brazil. The fleet totals over 72,000 cars. Along with car rentals, Localiza is present in two related businesses: commercial leasing and used car sales. Localiza established its rental operations in 1973, with six used and financed Volkswagen Beetles in the city of Belo Horizonte.



50. RIACHUELO

Company Guararapes
Brand Value US$185 million
Brand Value Change -45%
Headquarter City Natal
Industry Retail
Year Formed 1947

RIACHUELO IS BRAZIL'S LARGEST FAST FASHION RETAILER, WITH 128 STORES LOCATED THROUGHOUT THE COUNTRY.

Established in 1947 as a chain of small shops selling fabric, Riachuelo shifted its focus in 1979 when Guararapes acquired the business. The company has gained a reputation for making affordable fashion available to men, women and children, and since 2007 has attempted to sustain its competitive edge by manufacturing its own clothing.

THE RISING MIDDLE CLASS

And how new expectations impact brands

Brazil's rising middle class increasingly drives the growth of brands. More than 100 million people, or about half the country's population of roughly 191 million, now are considered middle class.

These households earn an income of at least 1,1 28 Reais per month (US$727), which locates them in socio-economic Class C, Brazil's official designation for middle class. Many of these households have recently risen from poverty, which the Brazilian government calls Classes D and E. Households in Class D earn around 798 Reais per month (US$514); those in Class E earn less than 486 Reais (US$313).

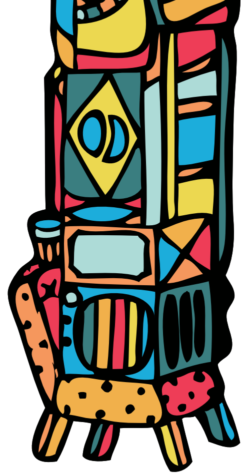
Even with fluctuations in the economy, these changes are narrowing the inequities of Brazilian society, expanding the number of people in the middle while reducing the ranks of both the very poor and the very rich, and exposing many more people to consumer goods and brands for the first time.

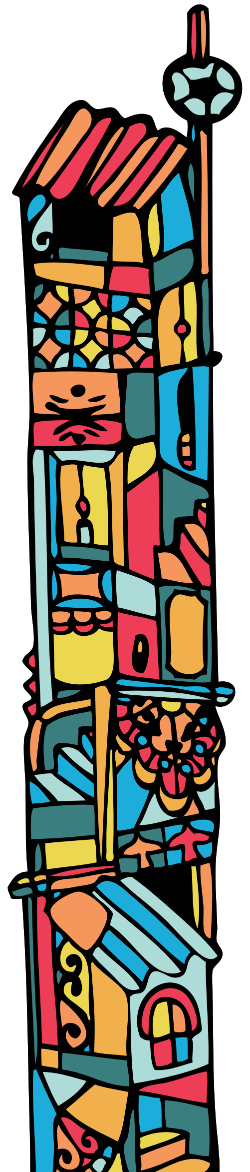
POLICIES AND PROGRAMS DRIVE CHANGE

The economic stability resulting from the Plano Real (1994) drastically reduced the runaway inflation of prior years to acceptable levels. With inflation under control, Brazilian consumers feel more inclined to save or purchase on credit. Other factors that contribute to the health of Brazil's economy and the overall rise in income and purchasing power include:

- The steady growth of GDP (US$2.2 trillion; US$10,800 per person), demonstrating the evolution of the country's productivity;
- The availability and ease of obtaining credit; and
- The strength of the Brazilian Real, which facilitates access to imported brands and opens up the possibility of tourism outside country.

Particularly significant is the government's anti-poverty program called Bolsa Família, which provides supplemental financial support to more than 12 million underprivileged families throughout Brazil. The families access the funds with a government-issued ID that acts like a debit card. Bolsa Familia changes how people shop and increases their purchasing power. Using the card frees a family from shopping daily with available cash or being dependent on store-issued credit, sometimes at high interest rates.





COMMENTARY

AURORA YASUDA
Business Development Director
Millward Brown Brazil

BRANDS OFFER MORE THAN BASICS

Brands traditionally treated the middle class as if it represented limited sales potential. Brands served these consumers with simpler packaging and smaller sizes, offering the basic benefits of the respective category and no added value, with the intention of keeping prices affordable.

Today, the nature of the middle class has changed. Middle class individuals desire premium products and can afford them. They consider high added value brands as a basic part of the household needs. Brazilian consumers prefer the leading brands, with appealing advertising, strong equity and good distribution.

Disposable income not only has increased purchasing, it has changed the composition of the shopping basket. Certain items, such as dairy cream, ready sauces, facial and body creams, seasonings, chocolate mixes and yogurts, had been purchased only occasionally. Now they are part of the family's habitual grocery list.

MORE LUXURY GOODS AND SERVICES AVAILABLE

Shoppers fill "wants" as well as "needs." Beauty and cosmetic retail departments are more prominent, even in stores with lower income clientele. Similarly, the number of salons recently opened in less privileged neighborhoods is extremely high as women increasingly spend money to beautify their hair and nails. They believe that spending on appearance is an investment and part of the process of social inclusion, according to qualitative studies by Firefly Millward Brown.

Economic stability also has opened up access to aspirational consumer goods. The dream of acquiring a brand new, low-priced car can become a reality in 60 or more installments with few formal prerequisites. The payment of the installments—"the amount I am able to pay"—is viewed as a form of savings, even if the interest rate and final total amount paid can be excessive.

Getting into debt, making too free use of credit or credit cards has always been a serious threat for those with limited financial means. Credit has become an option, however, because of reliable employment and income stability. Despite easy access to credit and the widespread availability of credit cards, lower income consumers remain somewhat skeptical of the financial institutions that denied them credit in the past.

THE NEW MIDDLE CLASS HAS CHANGED RETAILING

The collective clout of middle class consumers has influenced major retailers to reevaluate their standard formats and focus their efforts on the growth of so-called "atacarejo," a hybrid model combining wholesale and retail in no-frills megastores.

At the same time, the major retail groups have begun to invest in smaller stores with limited assortment intended to conveniently serve the more immediate needs of local residents.

Regardless of expectations about the global economy, Brazil's new middle class is not a passing phenomenon. It expects much and its expectations will influence brands and corporate strategies for a long time.

Millward Brown is a leading global research agency specializing in advertising, marketing communications, media and brand equity research. It has more than 10 years of experience in Brazil. www.millwardbrown.com

BRAND VALUATION

In collaboration with Millward Brown Optimor, BrandAnalytics, Brazil's leading brand valuation and strategy consultancy, provided brand analysis and valuation for this BrandZ™ Top 50 Most Valuable Latin American Brands report.

The BrandAnalytics approach to brand valuation is based on a brand's economic impact—for example, its ability to generate long-term earnings for shareholders and sustained demand among customers.

This approach is consistent with the methodology used by Millward Brown Optimor for its BrandZ™ Top 100 Most Valuable Global Brands and related studies. BrandZ™ is the only valuation that peels away all of the financial and other component factors of brand value and gets to the core—how much brand alone contributes.

BrandZ™ valuation starts with the corporation. In some cases, a corporation only owns one brand. Therefore, all corporate earnings come from the brand. In other cases, a corporation owns many brands. Therefore, we need to apportion the earnings of the corporation across a wide portfolio of brands.

STEP 1: CALCULATING BRANDED EARNINGS

To make sure we apply the relevant portion of Corporate Earnings to the brand we first obtain financial information from annual reports and other sources, such as Kantar Worldpanel.

Then, by multiplying Corporate Earnings by a metric called the Attribution Rate we arrive at Branded Earnings. Branded Earnings refers to the amount of earnings attributed to a particular brand. If the Attribution Rate of a brand is 50 percent, for example, then half the Corporate Earnings are identified as coming from that brand.

STEP 2: CALCULATING FINANCIAL VALUE

What happened in the past or even what's happening today is less important than the prospects for future earnings. Predicting future earnings requires adding another component to our BrandZ™ formula. This component assesses future earnings prospects as a multiple of current earnings. We call this component the Brand Multiple.

It's similar to the calculation used by financial analysts to determine the market value of stocks (Example: 6 X earnings or 12 X earnings). Information supplied by Bloomberg data helps us calculate a Brand Multiple. We take the Branded Earnings and multiply that number by the Brand Multiple to arrive at the future earnings potential, which we call Financial Value.

STEP 3: DETERMINING BRAND CONTRIBUTION

We now have the value of the branded business. But this value is still not quite the core that we are after. To arrive at Brand Value, we need to peel away a few more layers, such as the rational factors that influence the value of the branded business, for example price, convenience, availability and distribution.

Because a brand exists in the mind of the consumer, we have to assess the brand's uniqueness and its ability to stand out from the crowd, generate desire and cultivate loyalty. We call this unique role played by brand, Brand Contribution.

We have the only brand valuation methodology that obtains this customer viewpoint by conducting worldwide on-going, in-depth quantitative research, online and face-to-face, building up a global picture of brand on a category-by-category and a country-by-country basis. Our research now covers over two million consumers and more than 50,000 brands in over 30 countries.

STEP 4: CALCULATING BRAND VALUE

Now we take the Financial Value and multiply it by Brand Contribution, which is expressed as a percentage of Financial Value. The result is Brand Value, a figure that's expressed in dollars.

WPP COMPANY CONTRIBUTORS

BURSON-MARSTELLER

Burson-Marsteller is a leading global public relations and communications firm. As B-M Latin America it's the region's largest wholly owned PR & public affairs group. Established in São Paulo 1976, B-M's network now has the largest agency footprint in Latin America with 15 offices across the region. Our strategic insights and innovative programming build and sustain strong corporate and brand reputations.

www.burson-marsteller.com

ETCO

Etco is a full service agency that believes in the mobility of people, disciplines and ideas. It develops strategic media and creative work for clients like Magazine Luiza, the second largest retailer in Brazil. Etco joined the WPP Group in 2007 operating under the Ogilvy & Mather Brazil Group.

www.etco.com.br

GOLDFARB CONSULTANTS

Goldfarb Consultants is a research-based consultancy founded in 1965, providing insights and information for leading companies in industries including automotive, technology and retail. Goldfarb Consultants services include custom research solutions to clients in areas such as brand equity, customer loyalty, communication effectiveness, market segmentation, product development, digital strategy and innovation. Goldfarb Consultants Mexico has helped global brands to establish and grow in Mexico and Latam since 1995, providing effective strategies to overcome challenges and take advantage of the best business opportunities.

www.goldfarbmexico.com

DCS

DCS is a full-service advertising agency based in the south of Brazil , with a remarkable performance even though away from the country's economic center. Founded in 1986 DCS has a long history of building leader brands in categories like footware, consumer goods and retail. DCS's work has national and international recognition with awards in Cannes Lions, Clio Awards, Effi e Awards and Wave Festival.

www.dcsnet.com.br

F.BIZ

With 12 years of activity, F.biz is one of the largest agencies in Brazil. It has a brand-oriented approach, focusing in interactivity, combining strategic planning, creativity and technology. F.biz creates experiences, experiences that should engage and inspire and for relationships with the brand. The agency has 270 employees and a portfolio of clients that includes major brands such as Unilever, Gruppo Campari, Pepsico, Itaú, and Netshoes, among others.

www.fbiz.com.br

GREY GROUP

Grey Group ranks among the world's top advertising and marketing organizations. The company operates in 154 cities in 96 countries with 10,000 employees and serves one-fifth of the FORTUNE 500 under the banner of "Grey Famously Effective Since 1917."

www.grey.com

GROUPM

GroupM, the world's leading full-service media investment management operation, was created by WPP to oversee its assets in this sector. These assets include MediaCom Worldwide, MEC Global, Mindshare Worldwide and MAXUS. The focus of GroupM is the intelligent application of volume and scale in trading, innovation and quality of services, in order to bring benefit to clients and the companies it operates.

www.groupm.com

JWT

JWT is the world's best-known marketing communications brand. Headquartered in New York, JWT is a true global network with more than 200 offices in 90 countries, employing nearly 10,000 marketing professionals. JWT's creative philosophy of making things inspired by the world enables the agency to forge deep relationships with its clients.

www.jwt.com

KANTAR WORLDPANEL

Kantar Worldpanel is the world leader in consumer knowledge and insights based on continuous consumer panels. Its High Definition Inspiration™ approach combines market monitoring, advanced analytics and tailored market research solutions to deliver both the big picture and the fine detail that inspire successful actions by its clients.

www.kantarworldpanel.com

HILL+KNOWLTON STRATEGIES

H+K Strategies seeks to expand its global reach by offering stellar senior strategic counselling services, providing relevant world-class research and case studies and ensuring timely, well-executed results for our clients. H+K Strategies has been in the wisdom business for more than 80 years. Our world-class teams of trusted advisors and creative experts are experienced in strengthening our clients' brands, reputations and bottom lines. Our teams collaborate across time zones, languages and cultures to engage in public conversations to help our clients make solid decisions and craft clear communications.

www.hkstrategies.com

KANTAR MEDIA

Kantar Media provides a broad range of insights to more than 20,000 of the world's leading brands, publishers, agencies and industry bodies, helping them to navigate and succeed in a rapidly evolving media industry. This range includes: audience research, competitive intelligence, vital consumer behavior and digital insights, marketing effectiveness and online influence.

www.kantarmedia.com

MEDIACOM

MediaCom is one of the world's leading media agencies. MediaCom is a people-driven agency: Our People First philosophy makes us different from other media agencies. It means we focus on people: consumers, clients and staff. It means we look at all areas of consumers' lives, understanding the connections and implications of their world and how they as individuals interact with clients' brands. Our services include media planning and buying, interactive planning and buying (including digital, direct and search), ROI research (encompassing direct response media), online/search engine marketing, consumer insights, media strategy and branded content. Specialist divisions include MediaCom Interaction and MediaCom Business Science.

www.mediacom.com

MILLWARD BROWN

Millward Brown is one of the world's leading research agencies and is expert in effective advertising, marketing communications, media and brand equity research. Through the use of an integrated suite of validated research solutions—both qualitative and quantitative—Millward Brown helps clients build strong brands and services.

www.millwardbrown.com

MILLWARD BROWN OPTIMOR

Millward Brown Optimor is the global brand strategy and fi nancial consultancy of Millward Brown. The organization helps companies maximize the fi nancial returns on their brand and marketing investments. Millward Brown Optimor developed the methodology and performs the valuations for the BrandZ™ most valuable rankings, including the Global Top 100, the most comprehensive annual ranking of brand value, and the China Top 50. We collaborated on this Latin America Top 50 report with BrandAnalytics, a leading brand valuation and strategy consultancy in Brazil.

www.millwardbrown.com/mboptimor

MINDSHARE

Mindshare is a global media and marketing services network with 113 offi ces in 82 countries throughout North America, Latin America, Europe, Middle East, and Asia Pacifi c, each dedicated to forging competitive marketing advantage for businesses and their brands. Mindshare is part of GroupM, which oversees the media investment management sector for WPP.

www.mindshareworld.com

9INE

9ine is a collaboration between WPP and Ronaldo Luis Nazário de Lima (Ronaldo Fenômeno). 9ine is based in São Paulo, Brazil, but has global reach. Its mission is to give clients support and consultancy to exploit the great marketing opportunities surrounding sports in Brazil, home of the 2014 FIFA World Cup and 2016 Rio Olympic Games. The 9ine offering includes branded events, activation, public relations, and other marketing and communications activities.

www.9ine.com.br

OGILVY & MATHER

Ogilvy & Mather is one of the largest marketing communications companies in the world. Through its specialty units, the company provides a comprehensive range of marketing services including: advertising; public relations and public affairs; branding and identity; shopper and retail marketing; healthcare communications; direct, digital, promotion and relationship marketing. Ogilvy & Mather services Fortune Global 500 companies as well as local businesses through its network of more than 450 offi ces in 120 countries.

www.ogilvy.com

OGILVYACTION

OgilvyAction is the activation arm of the Ogilvy Group with 82 offi ces across 61 countries and over 2000 employees. We are focused on better understanding consumer behaviour and how shoppers decide what to buy so we can develop creative ideas that will help our clients sell more of their brands. We call it "Creating Purchase Behavior".

www.ogilvyaction.com

TGI

Established in 1969, TGI (Target Group Index) is a global network of single-source market research surveys conducted face-to-face or online. They provide invaluable, comparable consumer insights into products and services, demographics, media, attitudes and beliefs to aid client marketing and advertising decisions. TGI is present in over 67 countries across 6 continents, conducting over one million interviews annually representing over 1.5 billion consumers. TGI is present in eight countries in Latin America and has been operating in the region since 1999.

www.globaltgi.com

THE FUTURES COMPANY

The Futures Company is the leading global foresight and futures consultancy, formed from the coming together of The Henley Centre, HeadlightVision and Yankelovich. Through a combination of subscription foresight services and custom research and consultancy, we help clients unlock new sources of growth and take control of their futures.

www.thefuturescompany.com

TNS

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviors and attitudes across every cultural, economic and political region of the world.

www.tnsglobal.com

YOUNG & RUBICAM

Y&R is one of the world's leading full-service advertising agencies, distinguished by our proprietary knowledge, analytic rigour and creative solutions. Y&R ignites brand energy through big ideas - before and beyond advertising. Y&R pioneered integrated marketing more than 30 years ago. Through our collaborative efforts with our Young & Rubicam Brands partners, we are uniquely positioned to help our clients with best in-class solutions.

www.yr.com

BRANDZ™ MOBILE

Free downloads for smartphones and tablets

Commissioned by WPP with research conducted by Millward Brown, BrandZ™ is the world's largest brand analytics and equity database. Created in 1998 and continually updated, BrandZ™ is an invaluable resource, containing data gathered from more than 2 million interviews about over 7,000 brands in 40-plus countries. BrandZ™ informs marketing decisions with salient metrics and analytics available exclusively to WPP clients through their WPP agencies.

BRANDZ™ ON THE MOVE - FREE APPS

Get the BrandZ™ Top 100 Most Valuable Global Brands, China Top 50, and Latin America data, brand news and a lot more on your smart phone.

To download the apps go to www.brandz.com/mobile (for iPhone and Android).

The iPad interactive magazine BrandZ™ Top 100 packed with exclusive content is available from the Apple App store (search for BrandZ™100).

To learn more about BrandZ™ data or studies please visit www.brandz.com or contact any WPP group company or:

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THE TOP 100 MOST VALUABLE GLOBAL BRANDS 2012

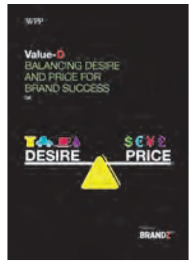
The report includes brand valuations along with analysis and insights about building and sustaining strong brands worldwide.

BRANDZ™ TOP 50 MOST VALUABLE CHINESE BRANDS 2012

The repor profiles Chinese brands and includes commentary on the growing influence of Chinese brands at home and abroad.

BEYOND TRUST: ENGAGING CONSUMERS IN THE POST-RECESSION WORLD

TrustR is a new metric for understanding and strengthening the bond between consumer and brand.



VALUE-D: BALANCING DESIRE AND PRICE FOR BRAND SUCCESS

ValueD is a critical tool for finding the most productive balance between Desire and Price.

WITH THANKS

BrandAnalytics, a leading brand strategy consultancy in Brazil, produced the brand valuations and analysis for this BrandZ™ Top 50 Most Valuable Latin American Brands report, in collaboration with Millward Brown Optimor (Please see WPP Contributors).

BRANDANALYTICS

BrandAnalytics provides expert analytical and quantitative support for branding programs. It focuses on brand valuation/scorecards, brand strategy and ROI. By combining thorough analytics with an understanding of financial, marketing and strategic issues of the business, BrandAnalytics produces evidence-based branding recommendations that are linked to shareholder value generation.

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BRANDZ™

BrandZ™ is the world's largest brand equity database. Created in 1998 and continually updated, BrandZ™ is an invaluable resource, containing data on brands gathered from interviews with over two million consumers in 41 countries and covering more than 200 different categories. Calculations use financial data from sources including Kantar Worldpanel and Bloomberg.

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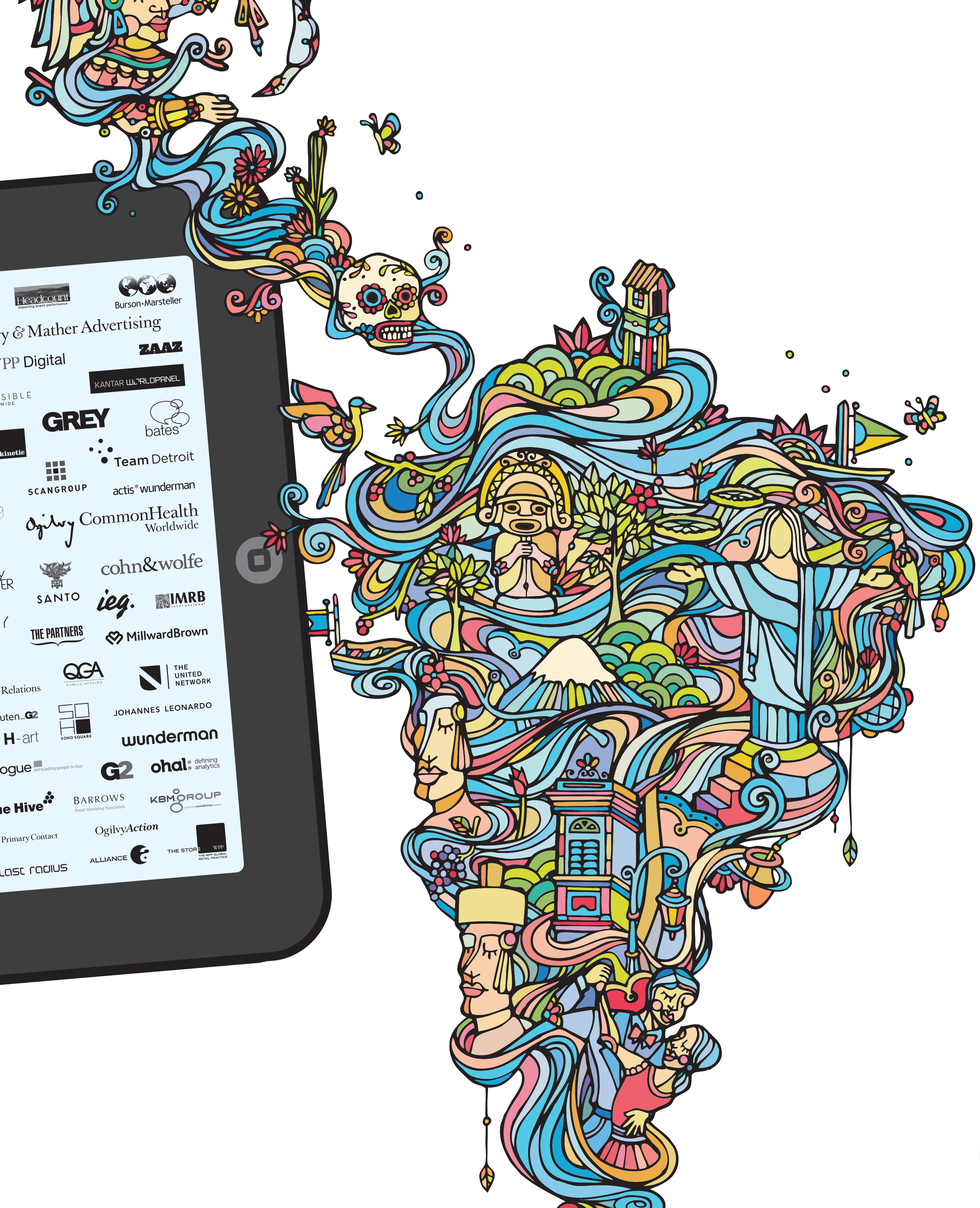
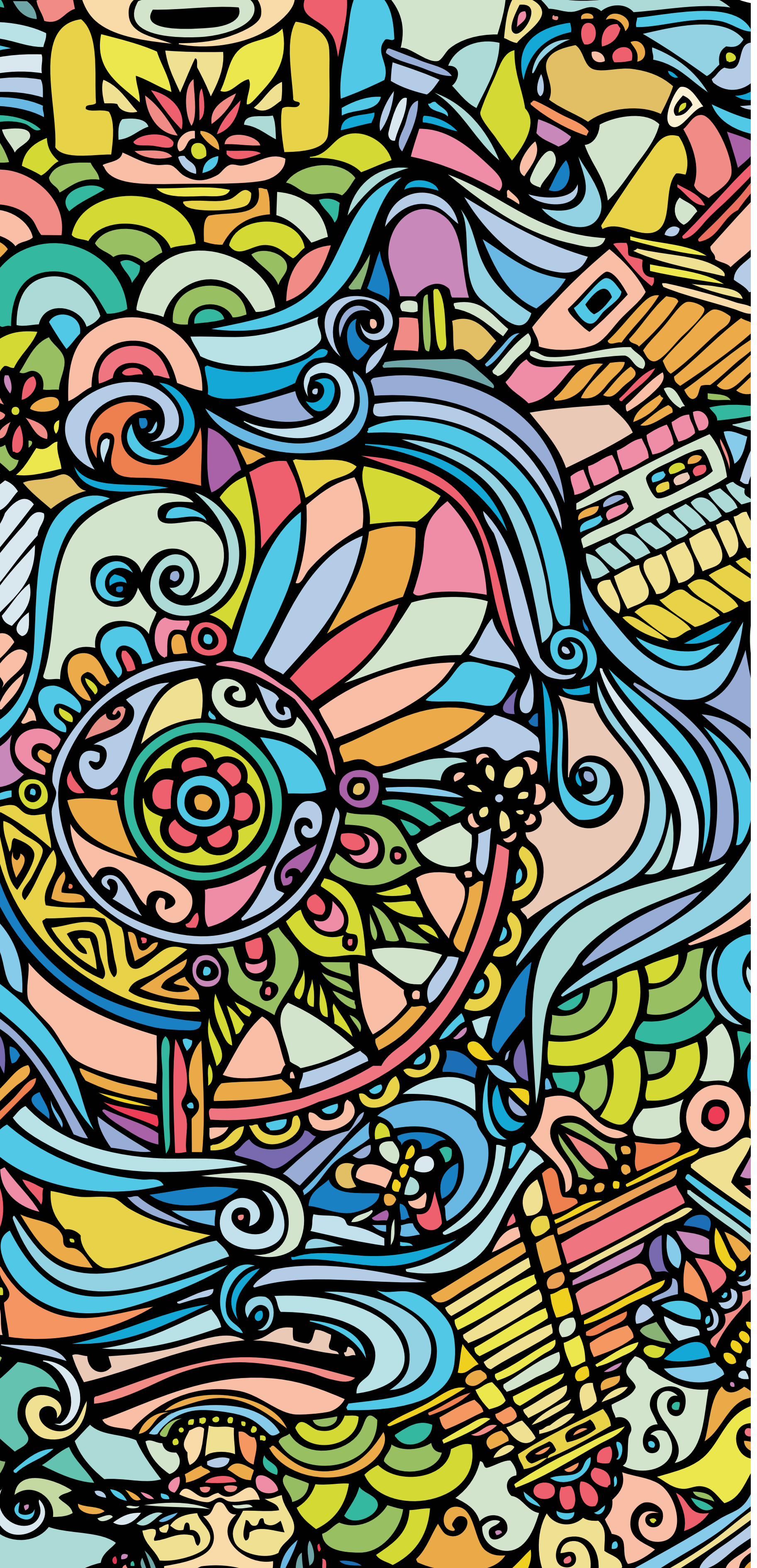


WPP RESOURCES

WPP is the world's leading communications services group, providing national, multinational and global clients with advertising; media investment management; consumer insight; public relations & public affairs; branding & identity, healthcare communications, direct, digital, promotion & relationship marketing and specialist communications. WPP companies provide communications services to clients worldwide including 344 of the Fortune Global 500; 63 of the NASDAQ 100 and 33 of the Fortune e-50. Collectively, WPP employs over 158,000 people (including associates) in 2,400 offices in 107 countries.

www.wpp.com



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