

FOR IMMEDIATE RELEASE

UK corporate reputations value soar close to £1trn – cause for celebration or case for concern?

LONDON 18TH May 2017 - The combined value of corporate reputations in the FTSE350 rose to £986bn in January 2017, or 39% of all shareholder value, the highest recorded since tracking by Reputation Dividend began ten years ago. In this latest study, Royal Dutch Shell displaces Unilever in the top slot of reputation value, with GSK posting the biggest gain.

Now in its tenth year, the [2017 UK Reputation Dividend Report](#) summarises the health of corporate reputation in the United Kingdom and its impact on shareholder value. With similar analyses in the USA, the study determines how well, or not, reputations are working for companies by quantifying its value and drivers among the investment community.

Explains Reputation Dividend's founder Simon Cole, "In the post Brexit, Trumpfled market, corporate reputation directly accounted for just under a third of the rise in market capitalisation across the index over the year. While reputation has long been one of the cornerstones of corporate value as a foundation of confidence and the lens through which investors consider their positions, sizeable reputation impacts tend to occur in times of market stress, which is what we are seeing now."

The Most Economically Impactful Reputations in the UK 2017

Company	Reputation Contribution	Change (% points)	Rank 2016	Reputation Value (Jan/Feb 2107)
	57.6%	3.8%	2	£104,063m
	56.3%	-1.5%	1	£57,126m
	50.3%	7.1%	11	£2,016m
	50.1%	5.4%	8	£40,589m
GlaxoSmithKline	49.6%	10.1%	40	£38,132m
	49.4%	6.6%	18	£27,447m
	49.2%	0.9%	3	£24,027m
	49.1%	6.4%	19	£44,635m
	48.8%	1.4%	5	£27,701m
	48.5%	5.5%	17	£7,276m

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Reputation Contributions across the 350 companies currently range from well below 0 where they actively destroying value, to highs over 50%. Royal Dutch Shell displaced Unilever in the top spot as its \$30bn post BG divestment programme gathered pace and the company was seen to be reshaping itself during an extended period of low oil prices. Unilever, by contrast, suffered from critical murmurings relating to its prowess in innovation and the standing of its leadership. It remains to be seen whether the fallout from the short-lived bid from Kraft Heinz in February provided the fillip the company needed and indeed, claims to have secured. The biggest mover in this year's Top Ten was GlaxoSmithKline (up 10.1% points to 49.6%) as Emma Walmsley took over from Sir Andrew Witty.

Added Sandra Macleod, Director of Reputation Dividend, "understanding the importance of this asset called reputation is essential as so much confidence and ultimately, behaviour, are tied up in it. Putting a price on reputation helps to focus management attention, and insight into which particular elements create or destroy it helps to establish priority areas to further secure its impact going forward."

The full study is freely available at <http://www.reputationdividend.com/recent-studies/>

BACKGROUND

Founded by ex Interbrand specialists and a team of analysts, Reputation Dividend is the only recognised index of the financial value of corporate reputation as measured as a percentage of market capitalisation. This is the tenth Annual Report, covering some 160 of the largest companies in the UK. The 2017 UK study was run in parallel with its sister US study, and is based on data reported from late 2016 through to the start of 2017.

Clients include Aetna, Airbus, Allstate, Amgen, ARM, Arrow, Bayer, eBay, GE, GKN, Hikma, Johnson & Johnson, MetLife, Phillips 66, Serco, Shire, United Technologies, Zurich, Xerox

FOR FURTHER INFORMATION:

Simon Cole
Founding Partner
+44 (0) 795 642 3843
simon@reputationdividend.com

Sandra Macleod
Director
+44 (0) 7770 328 724
sandra@reputationdividend.com

www.reputationdividend.com