

## The twenty most potent corporate reputations in Brazil contributing US\$89bn of shareholder value

*Regardless of tough economic conditions some Ibovespa blue-chips are managing to buck the trend and use their reputation assets to shareholder advantage and make the intangible tangible*

**São Paulo, July 5, 2016** - Reputation Dividend ([www.reputationdividend.com](http://www.reputationdividend.com)), in association with MZ" ([www.mzgroup.com](http://www.mzgroup.com)), announced today the 2016 Brazil Reputation Dividend Report. This second annual report confirms that strong corporate reputations continue to underpin the value of many of Brazil's leading companies in the Bovespa Index ("Ibovespa") and in that, represent substantial economic assets.

Leading the way, the twenty companies with the most economically active reputations are commanding properties that are, individually, accounting for between 15% and 43% of their corporate value. As a group, the combined value of their reputations stood at US\$89bn as at May 2016, 30% of the total market capitalization.

| Position            | Company           | Ticker       | Reputation Premium | Reputation Value<br>(US\$ million) May/16 |
|---------------------|-------------------|--------------|--------------------|---|
| 1                   | Ambev             | ABEV3        | 43%                | 35,682                                    |
| 2                   | Klabin            | KLBN3, KLBN4 | 39%                | 2,316                                     |
| 3                   | Weg               | WEGE3        | 37%                | 2,435                                     |
| 4                   | Cielo             | CIEL3        | 36%                | 7,273                                     |
| 5                   | Ultrapar          | UGPA3        | 36%                | 3,934                                     |
| 6                   | Raia Drogasil     | RADL3        | 35%                | 1,703                                     |
| 7                   | ISA CTEEP         | TRPL3, TRPL4 | 32%                | 746                                       |
| 8                   | Embraer           | EMBR3        | 31%                | 1,411                                     |
| 9                   | CCR               | CCRO3        | 30%                | 2,251                                     |
| 10                  | Lojas Americanas  | LAME4        | 28%                | 1,612                                     |
| 11                  | Porto Seguro      | PSSA3        | 28%                | 689                                       |
| 12                  | BRF               | BRFS3        | 27%                | 3,091                                     |
| 13                  | Totvs             | TOTS3        | 24%                | 325                                       |
| 14                  | BB Seguridade     | BBSE3        | 24%                | 3,937                                     |
| 15                  | Hypermarcas       | HYPE3        | 24%                | 1,200                                     |
| 16                  | Tractebel Energia | TBLE3        | 23%                | 1,582                                     |
| 17                  | Lojas Renner      | LREN3        | 23%                | 869                                       |
| 18                  | Itaú Unibanco     | ITUB3, ITUB4 | 22%                | 10,936                                    |
| 19                  | BM&FBovespa       | BVMF3        | 18%                | 1,498                                     |
| 20                  | Banco Bradesco    | BBDC3, BBDC4 | 15%                | 5,957                                     |
| <b>TOP 20 TOTAL</b> |                   |              |                    | <b>89,447</b>                             |

Overall, these results are a strong testament to the capacity of many Brazilian companies to develop their reputation assets. However, they also reveal clear signs of a growing polarisation between "winners" and "losers". The economic impact of the reputations of 40% of companies in the Ibovespa was up, whereas for the other 60%, it was down. Indeed, the average Reputation Premium – the proportion of market capitalization directly attributable to the company's corporate reputation – in those companies where it rose, was 10.9% points higher over the year, compared with an average

decline of 16.2% points in the companies where it fell. The Ibovespa has been a difficult place for many investors but the pain was much reduced for shareholders in those companies that successfully managed to build their reputation assets.

Commenting on the results, Simon Cole, Founding Partner of Reputation Dividend, said "although the equity market in Brazil has had to deal with unusually tough conditions a number of companies are succeeding in easing the pain and mitigating downward pressure through more effective reputation management. As a result, we are seeing them perform more like their counterparts in the S&P and FTSE where Reputation Value Management is some respects more developed".

"Our association with Reputation Dividend has evolved and we are incorporating its overall rationale for quantitative reputation analytics into Engage-x ([www.engage-x.com](http://www.engage-x.com)). It is our just launched disruptive platform that enables stakeholders to have unique access to corporate information, news/comments with sentiment analysis, indexes and gaps (value and reputation), analyst reports and group comments for public and private companies. Engage-x provides real time information and contributes with proactive management of corporate reputation and value", commented Rodolfo Zabisky, Chairman and CEO of MZ".

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**About Reputation Dividend** ([www.reputationdividend.com](http://www.reputationdividend.com)): Reputation Dividend is an independent corporate reputation and brand research consultancy specialising in quantitative reputation analytics and is the publisher of the Annual Reputation Dividend Report. Reputation Dividend developed the methodology that underpins its analysis seven years ago. Reputation Dividend has published studies ([www.reputationdividend.com/recent-studies/](http://www.reputationdividend.com/recent-studies/)) covering both the UK and US equity markets and undertaken bespoke analysis on behalf of a number of leading companies in the US, UK and Europe.

**About MZ"** ([www.mzgroup.com](http://www.mzgroup.com)): MZ" is the #1 consulting firm in Latin America, #4 in Asia and #7 in the world in business communication, reputation and value. The company innovates in communication so as to impact its clients' business as required by them. MZ" is organized into five major business units: reputation and value; communication and engagement; digital and experience; investor relations; and government affairs. MZ" currently has 250 professionals serving more than 400 clients in 14 countries, through its offices in São Paulo, Rio de Janeiro and Campinas in Brazil, in addition to Chicago, Hong Kong, New York, San Diego, Sidney, Taipei and Vancouver. Jardim Botânico Private equity fund owns 26% of MZ".