

ABF Fact Sheet

About ABF

Associação Brasileira de Franchising (ABF) – *Brazilian Franchising Association* – is a nonprofit organization, founded in 1987 to divulge, defend and promote the technical and institutional development of the business model known as Franchising. Thus, ABF brings together all parts involved in the franchising activity – franchisers, franchisees, consultants and service providers – to ensure and spread good franchising practices in Brazil.

ABF provides guidance on how to properly survey a franchise; indicates oriented texts; and provides data on franchising companies in Brazil and abroad. For companies interested in expanding their business through the franchising system, ABF indicates the actions required to format the business, as well as lists franchising consultants to help in the process.

Year Founded: 1987

Headquarters: São Paulo – Avenida Faria Lima, 1739 – 3rd floor

Branch Office: Rio de Janeiro

President elected for the 2005/2006 period: Artur Grymbaum (O Boticário)

Executive Director: Ricardo Camargo (*took office in May 2004*)

Board elected for the 2005/2006 period:

Position	Name	Company
President	Artur Grynbaum	O Boticário
Vice-President	Robinson Shiba	China in Box
Administrative-Financial Director	Mário Gasperini	CNA
General Counsel	Luiz Henrique do Amaral	Dannemann
Institutional Relationships Director	Ricardo Figueiredo Bomeny	BOB's
International Relationships Director	Fernando Leite Perri	Vivenda do Camarão
Expansion Director	Jorge Eduardo Antunes da Silva	Mundo Verde
Training and Events Director	João Batista da Silva Junior	Rei do Mate
Communication and Marketing Director	André Friedhein	Francap
Franchisees Director	Tomás Carlos Crhak	Jani King

Number of Members: 600 (franchisers, franchisees, consultants, law firms and other contributors to the system)

Activities Masters: ABF provides guidance on how to properly survey a franchise; indicates oriented experts texts; and provides data on franchising companies in Brazil and

abroad. For companies interested in expanding their business through the franchising system, ABF indicates the actions required to format the business, as well as lists franchising consultants to help in the process.

In addition to providing all support services, information and consulting, ABF offers and extensive schedule of courses and events destined mainly to people who want to enter in the Franchising System as franchisees, franchisers or service providers.

Another major activity is the relationship with public and private institutions, with a view to build partnerships and open new possibilities of safe and fast development of the franchising system in Brazil, by means of funding and incentives.

How to Become an ABF Member:

To become to ABF member, you have to complete and sign the membership application form, and pay the Single Enrollment Fee.

After this process, the application and the proof of payment of the Single Enrollment Fee should be submitted to ABF, along with all related documents. The application form can be requested through the e-mail address recad@abf.com.br.

All documents will be reviewed and approved by ABF's Ethics Committee, which will have 60 days to decide on the application.

The membership categories are governed by ABF's bylaws, namely:

Franchiser: companies that distribute their products and services using, at least partly, the corporate franchising system.

Contributor: individuals or companies with activities linked to franchising or interested in enhancing the system in Brazil.

Franchisee: individuals or companies that hold franchises granted by franchisers that are members of ABF or not.

Franchisees Council or Association: associations with or without legal status, representing at least $\frac{2}{3}$ (two thirds) of the franchisees network (in number of units) and ant least 10 franchised units representing a single franchising system (either a member of ABF or not).

Franchising Data for Brazil

Number of Franchises (brands): 971 (90% of the brands operating in Brazil are all-Brazilian)

Number of franchising units: 59 thousand, countrywide.

Annual income of the segment:

2002 – R\$ 28 billion

2003 – R\$ 29 billion

2004 – R\$ 31 billion

2005 – R\$ 35 billion

Number of employees in the Brazilian system: 553 thousand overall. The system opens 22 thousand new jobs every year

The franchise segment is a major investor in professional training and education.

For more information: www.abf.com.br

ABF also promotes **ABF Franchising Expo** through **Portal de Franchising (*Franchising Portal*)** and through **Guia Oficial de Franquias (*Official Franchising Guide*)**.

ABF Franchising Expo: the largest franchising trade show in Latin America

ABF, in conjunction with Messe Frankfurt Feiras, is also responsible for the design and promotion of the largest franchising trade show in Latin America. ABF Franchising Expo is held every year since 1992 in São Paulo (SP).

In 2006, ABF Franchising Expo brought together over 200 exhibitors in a 3.5-acre area.

With the purpose of monitoring and preserving the system, ABF and Messe Frankfurt are restricting, since last year, the participation in the event only to ABF members. Yet, the audience at the event reached the record number of 30 thousand visitors. According to the participants, the event generated approximately R\$ 25 million in closed business.

In addition to the franchisers exhibits, ABF Franchising Expo promotes focused seminars and courses to those who want to enter the system, and also has a space named “Ponto Comercial” (*Business Spot*), which brings together entrepreneurs in the real estate segment who provide the applicants guidance on the possibilities and news regarding business spots on a countrywide basis.

“Portal do Franchising”

Portal do Franchising (*Franchising Portal*) is an initiative by ABF to facilitate the access to information about the segment. It's the most comprehensive and quickest communication channel to current or future members of the franchising world.

At the Web site www.portaldofranchising, tips area available to those interested in buying a franchise, a list of franchises operating in Brazil (sorted by segment), regulations and news on the segment, courses agenda, information on ABF Franchising Expo, ABF Annual Convention, Ethics Committee, Excellence Seal and more.

Guia Oficial de Franquias (*Official Franchising Guide*)

ABF (Brazilian Franchising Association) Official Franchising Guide, published annually in conjunction with “Empreendedor” publishing house, is, today, the major reference in the industry. It’s the most comprehensive publication on franchising networks, suppliers and consultants in the Brazilian market.

The editorial section is devised and adapted to generate knowledge information and expand the franchising management, counting on the collaboration of various expert consultants and other businesspeople involved with the system in Brazil.