

Capital Markets Communication

Agenda

Who is Zemi?

What does Zemi do?

What are some success stories?

Who at Zemi?

Who is Zemi Communications?

Zemi provides strategy-based communication counsel and services to clients who believe that world class communications are critical to achieving their core operating and financial objectives.

Who is Zemi Communications?

Since 1996, we have been developing and managing communications programs for major corporations as well as governments that are based on our strategic insights reflecting our experience in business, finance, economics, politics, government, media, and public relations.

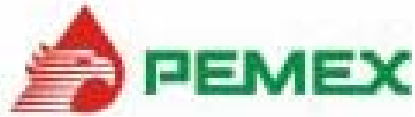
Our client work is focused in the Americas and in Europe.

We are based in New York, with representatives in Mexico City and Washington.

Why clients choose Zemi

- Across the broad range of our clients, three characteristics stand out:
 - Organizations whose leaders understand that communications is a **key tool** for achieving **strategic goals**.
 - Who need to **communicate across borders**, reaching audiences outside their home country.
 - Are undergoing **major transformations**, and need to achieve external and internal understanding and support for the changes taking place.

We are a trusted resource for high-profile clients



Selected clients 2000 - 2007

How are we different?

We are, fundamentally, strategists.

- We are also effective communicators with a wealth of experience in a broad range of industries and circumstances; every client benefits from the lessons we are continually learning.
- We combine the advantages of a highly specialized boutique consulting firm—focused attention to the needs of each client—with the resources of a large network.
- We are relentlessly devoted to quality, in the strategies we recommend and the tactics we execute.
- We understand capital markets from the perspective of principals, as well as of analysts and communicators, and know how to leverage that understanding on behalf of our clients.

The core of our approach

- Strategy is hard; tactics are easy.
- Strategy should drive communications; publicity for its own sake is useless.
- A communication strategy will succeed only if top management is fully engaged.
- Execution—investor relations, leadership positioning, media relations, internal communications—should be creative and flawless.
- All audiences are created equal, at least in the sense that none should be ignored.

What do we do for our clients?

We define the communication strategy to support our clients' business, financial, or political goals...

We develop key messages and communication tactics ...

We execute strategy-driven communication programs, in five areas.



Capital markets communication

Leadership communication

Media relations

Internal communication

Crisis management

This presentation focuses on capital markets communication.

Principles of capital markets communication

- Investors need to have an integrated understanding of a company: not only of its financial results, but of its operations, strategy, and people.
- Credibility is management's greatest asset: it takes persistence and engagement with the markets to build, and it can be destroyed overnight.
- Institutions don't communicate, people do: perceptions of a company are strongly shaped by the individuals who represent the company.
- Competition for capital is intense: a good story will not sell itself.
- Successful communication is always tailored to the specific audience, but contradictory messages to different audiences will fail.
- Effective communications is also intelligence gathering. Investors and analysts can provide insight into industry trends, competitors, and—at times—a company's own strengths and weaknesses.

Tactical capabilities

- Disclosure processes and best practices.
- Periodic financial reporting: quarterly and annual results, operating reports.
- Investor presentations.
- Investor and corporate websites.
- Management speeches.
- Media and presentation training; interview preparation.
- Financial media management.
- Investor and analyst day events.
- Roadshow support.
- Transaction communication: IPOs, secondary offerings, bond issuances, bond exchanges.
- Investor identification and targeting.
- Fact sheets and other tools.
- Perception audits and surveys.
- Crisis communication planning and execution.
- Coordination with media relations and internal communications.
- Multi-lingual/multi-jurisdictional capability.

Industries served

- We are generalists. However, over the years we have worked with clients across a broad range of industries, and understand the specific issues that are relevant to these industries.
- Beverages: beer and soft drinks
- Cement and building materials
- Telephony: wireless and fixed line
- Software and information technology
- Capital goods
- Auto parts manufacturing
- Oil and gas
- Airlines
- Infrastructure operation
- Broadcast media: Television and radio
- Print media: Newspapers and magazines
- Biotechnology
- Banking
- Retailing

Success stories

The launch



- Zemi assisted Mexican airport operator OMA prepare for its simultaneous IPO on the NASDAQ and Mexican stock exchange.
- We worked intensively with the CEO, CFO, bankers, and attorneys during the IPO preparation to define core messages, to shape the presentations and speeches, and to prepare for road shows in U.S., Europe, Mexico, and Brazil.
- We created a full suite of communication materials: new IR page for the corporate website; quarterly financial reports and conference calls; post-IPO corporate presentations; and annual report.
- **Results:** the IPO was 18 times oversubscribed. In six months the OMAB share price increased more than 50% from the IPO level. Stock was included in the benchmark Mexican IPC index based on trading volume and market cap. Coverage established by all major brokerage houses.

Success stories

Going global



- The controlling shareholders of Bavaria, Colombia's largest brewer, resolved to change the company's strategy to ensure success in a consolidating global industry through the rapid internationalization of the company.
- Working closely with a new senior management team and the shareholders, Zemi created an integrated communications program to support the operational transformation of the company, including investor relations, corporate communications, internal communications, crisis management, and leadership positioning.
- The program facilitated the rapid international expansion of the company and integration of new subsidiaries in four countries, first ever eurobond offering, and a revitalization of international interest in the locally listed shares at a time when few investors were willing to travel to Colombia.
- **Results:** Market cap rose by 480% in 3-1/2 years. Bavaria agreed to merge with SABMiller in an all stock transaction that ratified the creation of shareholder value.

Success stories

The repositioning



- Zemi worked with the new CEO of Intentia, Europe's second largest ERP software company, to execute a rapid repositioning of the company. The need was to build credibility and support for a turn-around strategy with internal and financial audiences.
- We designed and executed a new communications approach that conveyed the commitment of the new leadership team to revitalize the company and to meet credible financial and operating targets, through speeches, presentations, and interviews.
- By convincing the market of the correctness of the goals, and meeting or exceeding them, the company was rewarded by a sharp resurgence of its share price and increased access to bank finance. The new CEO was able to establish credibility that the prior leader had lost. Management was able to boost internal morale even while downsizing staff.
- **Results:** The strategy paid off with a 150% increase in Intentia's share price in 25 months, a rebuilding of management's credibility with the financial markets, and - ultimately - a 'merger of equals' with Lawson Software of the U.S.

Success stories

The restructuring



- Zemi assisted ICA, Mexico's leading construction and engineering company (NYSE and BMV: ICA), through a multi-year restructuring that changed the company profoundly. The goal was to keep the confidence of the markets as management sold assets, cut costs and payroll, repaid debt, and then to reactivate interest in the company as it shifted back to a growth and profitability track.
- As the company re-emerged, we also assisted in a redefinition of the corporate image to reflect the transition from the old to the new and the change in corporate strategy with a complete rethinking of the website and financial reports.
- **Results:** The company convinced the markets of its medium term promise, even as it dealt with its past difficulties. From the trough to a recent high, the company increased its stock price by a factor of 10 in less than five years.

Success stories

Making a state-owned company market friendly



- Zemi was engaged by PEMEX, Mexico's state-owned oil and gas company, to develop an investor relations area that would meet international standards for quality and transparency.
- Working with the IR staff and CFO, we converted the company from public sector accounting to GAAP financial disclosure, developed PEMEX's first-ever quarterly conference calls and a new suite of investor materials, and designed disclosure procedures that were consistent with the company's legal framework.
- We broadened financial markets' understanding of the company's strengths by involving senior management from operating areas in investor events.
- **Results:** the company was able to keep its presence as one of the best names in the market, even while increasing its borrowing program, and facing major financial and operational challenges.

Who are we?

Alan Stoga

- Alan Stoga is President of Zemi, which he organized in 1996. Mr. Stoga focuses on developing client strategies, on counseling top management, and on developing the firm's resources. He is Vice Chairman of the Americas Society and serves as a director of number of profit and non-profit organizations.
- From 1995 to 1998, Mr. Stoga managed Zemi Investments, a private equity company investing in small and medium size companies, primarily in Brazil and Mexico.
- Mr. Stoga was Managing Director of Kissinger Associates, from 1984 until 1996. Previously, he was an executive of the First National Bank of Chicago and an official of the U.S. Treasury.
- He received an M.A. in International Relations from Yale and a B.A. from Michigan State University.

Who are we?

Daniel Wilson

- Daniel Wilson is Managing Director of Zemi. He oversees capital market activities, and manages full-spectrum communication programs for several clients.
- Mr. Wilson was Managing Director of Zemi Investments, a private equity investor. He was responsible for investment analysis, negotiating and structuring transactions, and overseeing due diligence.
- From 1981 through 1995, Mr. Wilson held a variety of positions with First Chicago Corporation, including Managing Director/Head of Research in the Emerging Markets Division and Vice President in the International Risk Management Department.
- He earned a M.A. in International Relations from Yale and a B.A. from the University of Chicago.

Who are we?

Mariana Campero

- Mariana Campero is a Zemi Vice President. She manages several key relationships from our office in Mexico City.
- Ms. Campero joined Zemi in 1998. She has developed a broad experience in media relations and in internal communications and has managed projects in the United States, Mexico, Argentina, and Brazil.
- She holds an M.A. in Art History from Columbia University and a B.A. in Business Administration from the Instituto Tecnológico Autónomo de México (ITAM).

Who are we?

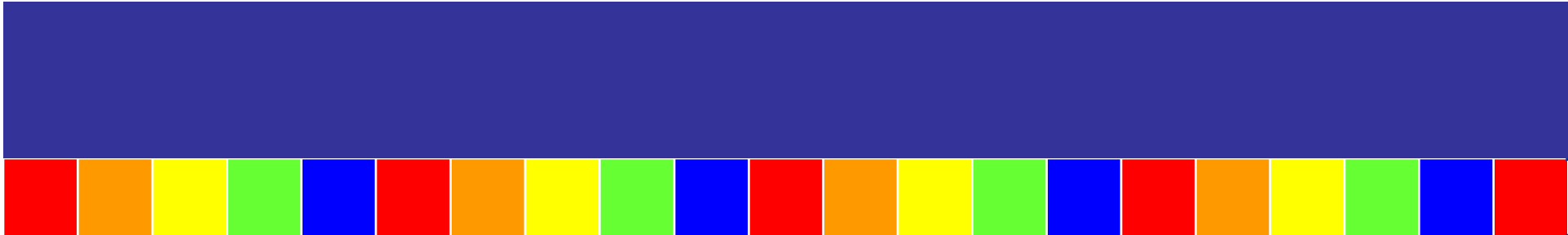
Steve Meeter

- Steve Meeter represents Zemi in Washington, D.C. For over 15 years, he has provided public affairs and media relations services to many foreign governments, as well as to numerous multinational corporations, multilateral development agencies, and non-profit organizations.
- Mr. Meeter was previously a Vice President and Deputy Director of the International Trade Practice at Hill & Knowlton, served as special U.S. advisor to the Chairman's office of Japan's largest media conglomerate, and was a legal editor at the Bureau of National Affairs, Inc.
- Mr. Meeter holds a J.D. from Boston College. He also attended The Hague Academy of International Law.

Who are we?

Liliana Toro

- Liliana Toro has worked with all our capital market clients since joining Zemi two years ago, and specializes in websites and other electronic media tools.
- Ms. Toro previously was marketing director for the Congreso de Latinos Unidos, one of the largest Latino non-profits in the U.S., and in the communications departments of the Comptroller General's Office and British Petroleum in Colombia.
- Ms. Toro holds an M.A. in communications from New York University, and is a graduate of Universidad de los Andes in Bogota.



10 east 40th street • suite 1900 • new york • ny • 10016
212 • 689 • 9560

washington dc • mexico city

www.zemi.com