

# Capital Markets Communication

Investor Relations  
Crisis Communications

# Agenda

Who is Zemi?

What does Zemi do?

What are some success stories?

# 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.

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

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

# 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 our 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 should be creative and flawless.
- All audiences are created equal, at least in the sense that none should be ignored.

# 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 clients in the Americas and Europe.
- 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 to 1995, Mr. Wilson held a variety of positions with the First National Bank of Chicago, including Managing Director in the Emerging Markets Division. As a banker, he was deeply engaged in the Latin American debt crisis, including risk management, restructurings, debt-equity swaps, and the emergence of secondary debt and bond trading markets.
- He earned a M.A. in International Relations from Yale and a B.A. from the University of Chicago.

# 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.



# Investor relations principles

- 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 IR 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.

# Crisis management principles

- Preparation: risk evaluation, scenario preparation, 'war games,' intelligence networks, establish procedures and lines of responsibility.
- Managing the paradoxes of actual crisis communication:
  - Everyone wants information, but reliable information is scarce.
  - Open communication is a must, but there must be tight centralized control.
  - Minimizing the impact of the crisis is the goal, but direct actions to do so are often counterproductive.
- Lessons learned analysis: review and revise.

## 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
- Cement and building materials
- Mobile and fixed telephony
- Software and information technology
- Capital goods
- Auto parts manufacturing
- Construction and engineering
- Oil and gas
- Infrastructure operation
- Airlines
- 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 a US\$7.8 billion 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, the renegotiation of credit lines on better terms, 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



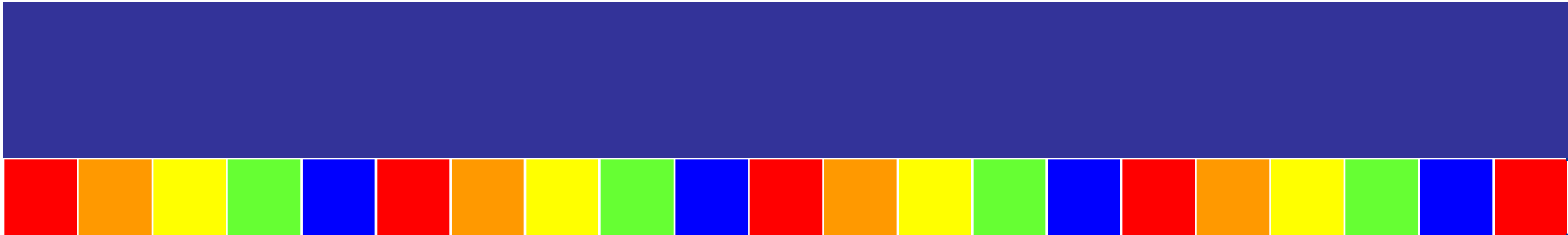
- Zemi assisted ICA, Mexico's leading construction and engineering company through a multi-year restructuring that changed the company profoundly. The goal was to keep the confidence of the markets as management sold assets, cut costs and payroll, repaid debt, and then to reactivate interest in the company 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 all communications materials 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 CFO and IR staff, 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 Mexican names in the bond market, even while increasing its borrowing program, and facing major financial and operational challenges.



10 east 40<sup>th</sup> street • suite 1900 • new york • ny • 10016

+1 212 • 689 • 9560

[www.zemi.com](http://www.zemi.com)