

## Opening Doors. Focusing on Reputation. Ensuring Return on Investment.

In today's global economy, the long-term growth strategies of successful businesses in emerging market countries often include plans for expansion into international markets. Those businesses look to grow by entering into strategic alliances, opening plants and facilities, and planning acquisitions and other investment transactions. Among the target markets of the world, the United States and Western European markets continue to lead the way for investment because of the appeal of their open-market economies, strong and vibrant consumer bases, political stability, transparent financial reporting practices and traditions of product innovation.

Over the past few years there have been many instances when these kinds of long-term trade and investment strategies have been hampered by regional political tensions. In fact, anxieties over rising trade deficits, fears of terrorism, perceptions around national sovereignty and concerns about possible loss of control over critical infrastructure systems have created a strong backlash against inward investment by some companies – mainly those from some of the more dynamic economies in the world, such as China, Russia, India and the Middle East.

Given the realities of today's world, companies with plans to enter new global markets need to prepare well in advance with proactive, strategic communication programs. This requires considerable active outreach to both the political and investment communities in the target country, and a strong emphasis on corporate reputation. There is no substitute for well-executed investment planning, coupled with unquestioned personal leadership by the company's chief executive. Planning is vital to overcome some of the potential challenges which companies may face.

APCO Worldwide (APCO) assists companies entering American and European markets by conditioning the environment through dialogue with key stakeholders and enhancing companies' reputations in advance of any potential transaction. We ensure that the dynamics of a company and industry sector are mutually understood and that the broader economic and business issues are communicated. The result is an informed stakeholder community that has an understanding of the industry under scrutiny and the rationale for the company's actions.

### CAPABILITIES

#### Research

Sound research guides all successful communication activity. APCO employs traditional and cutting-edge techniques that incorporate intelligence gathering, reputation research, political risk and market analysis, as well as economic impact and opinion research audits

to help develop communication strategy and convey the right messages to the right audiences.

#### Communication strategy and execution through stakeholder audits

APCO conducts perception audits and regulatory audits to navigate through regulatory processes. Based on the findings of the audits, APCO consults on strategic direction and supports investment facilitation execution to ensure successful business and regulatory outcomes. APCO works closely with other C-suite advisors to ensure the communication strategy is holistic and supports leadership decision making.

#### Reputation building

APCO assists clients in building a strong reputation and gaining trust from key stakeholders before an investment is made. APCO helps clients earn a return on reputation (ROR) by defining their missions, goals and strategies to establish a uniquely favorable and value-driven corporate position through branding, materials development, online outreach, executive positioning, media relations and corporate responsibility. Building trust through such proactive efforts is also like putting a deposit in the bank. In good times interest grows, and in times of crisis it gives the ability to draw down the deposit without draining the account.

#### Media relations

How the media covers a prospective investment deal can make or break the success of the transaction. APCO's expert media relations team monitors media perceptions surrounding the transaction and ensures messages are communicated properly, setting the stage for accurate, balanced and timely coverage and conditioning the stakeholder environment to ensure the most favorable conditions. We help manage communication strategies by providing media outlets with an appropriate and managed flow of information. APCO also offers comprehensive media and message training for the organization's spokespeople.

#### Coalition building

APCO's award-winning coalition-building practice helps influence decision makers and shape public opinion by crafting compelling messages and recruiting effective political allies. We identify third-party spokespeople and organizations, including EU and member state officials, senators and congressmen, and industry associations to speak out on a client's behalf. We also conduct a thorough analysis of the potential impact of a transaction on the domestic economy and its citizens.

#### Government relations

APCO monitors issues and develops strategic campaigns that effectively influence policy makers and assure regulatory approval for deals. Armed with

knowledge and in-depth experience with government institutions, we build support for a client's cause with the Committee on Foreign Investment in the United States (CFIUS); senators and congressmen from target states; relevant congressional committees; parliaments; EU institutions; or other governing entities at regional, national and international levels. APCO's International Advisory Council members, many of whom have firsthand political experience, are available to help guide these campaigns.

#### **Investor relations**

From meeting with influential financial analysts to announcements in markets, APCO designs investor relations communication programs that connect with the investment community and, in the process, help to achieve optimum valuation and lower cost of capital. We approach investor relations from a strategic positioning perspective that reflects the increasing attention investors pay to the integration of financial and nonfinancial messages.

#### **Internal communication**

Communicating with employees during a time of change is critical to business continuity and success. APCO helps clients build understanding and loyalty through multi-channel employee communication to solidify seamless internal operations during a financial transaction or structural change.

### **EXPERIENCE**

#### **Interros**

This Russian holding company enlisted APCO to help build its global awareness, thus improving the company's ability to secure business opportunities in the United States and ensure approval of its proposed acquisitions of publicly traded U.S. companies. Through the implementation of strategic initiatives and a network of relationships with key decision makers, APCO coordinated an executive-level positioning and messaging campaign that positioned Interros as a global leader in business. As a result, Interros was able to invest in a majority shareholding in the largest U.S. producer of palladium and a minority interest in a U.S. power company.

#### **Norilsk Nickel**

Russia's largest mining company, Norilsk Nickel, was interested in investing in Stillwater Mining, a Montana-based and New York Stock Exchange-listed company. APCO created an overall positioning and message platform that convincingly articulated the strategic and financial rationale of Norilsk Nickel's expansion into the West. APCO also developed and implemented a government relations program to introduce Norilsk Nickel to decision makers in Washington, D.C., and Montana. The deal was approved by all government entities in time to save Stillwater Mining from going out of business and falling into bankruptcy.

#### **Plug Power**

Through a joint venture, Smart Hydrogen, Interros and Norilsk Nickel planned to make a US\$217 million investment in Plug Power, a U.S. leader in providing clean, reliable, global hydrogen. APCO helped Plug Power develop all the materials and messaging for the sensitive announcement, making certain everything was consistent across all three companies and compliant with both U.S. and Russian standards. When it came time to deliver the details of the transaction, APCO provided all of the information for investors and the media on the Web, which ensured complete transparency. As a result, a 35 percent stake in Plug Power was approved.

#### **China Ocean Shipping Company (COSCO)**

Faced with discriminatory treatment under U.S. trade laws, COSCO was placed at an economic disadvantage compared to competitors and was suffering from negative perceptions among U.S. policy makers and the media. COSCO retained APCO to combat the negative political environment. APCO engaged the U.S. Congress and federal agencies to build relationships among key decision makers. APCO also developed arguments and key messages to justify COSCO's request for an exemption from discriminatory trade laws and to reposition the company in the eyes of policy makers and the media. APCO developed and coordinated fact sheets, meetings and press interviews to highlight the issues and redefine COSCO's image. APCO also established a network of political allies from the public and private sectors. As a result, the U.S. government agreed to exempt COSCO from laws discriminating against state-owned shipping companies. Today, media coverage of the company remains positive, and the relationships built with the U.S. government are still strong.

#### **Altimo**

After a series of highly visible corporate disputes around the world, Alfa Telecom was perceived by the international business and media communities as an aggressive, litigious Russian investment group. APCO was commissioned to help shed this image by re-branding Alfa Telecom and re-positioning the company with its business, financial and political stakeholders as the "Partner of Choice" for Western investors looking for opportunities in emerging telecommunications markets. Drawing on the results of international focus groups, APCO designed and implemented a comprehensive re-branding and positioning program across all markets in which Alfa Telecom operated. This included the development of a new company named Altimo. APCO served as a partner to Altimo throughout the transition by drafting key materials, developing a corporate brochure and DVD, and designing a new corporate Web site in English and Russian. As a result, Altimo was successfully launched at a reception attended by more than 80 potential investors and partners and received wide coverage in the international business media.

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