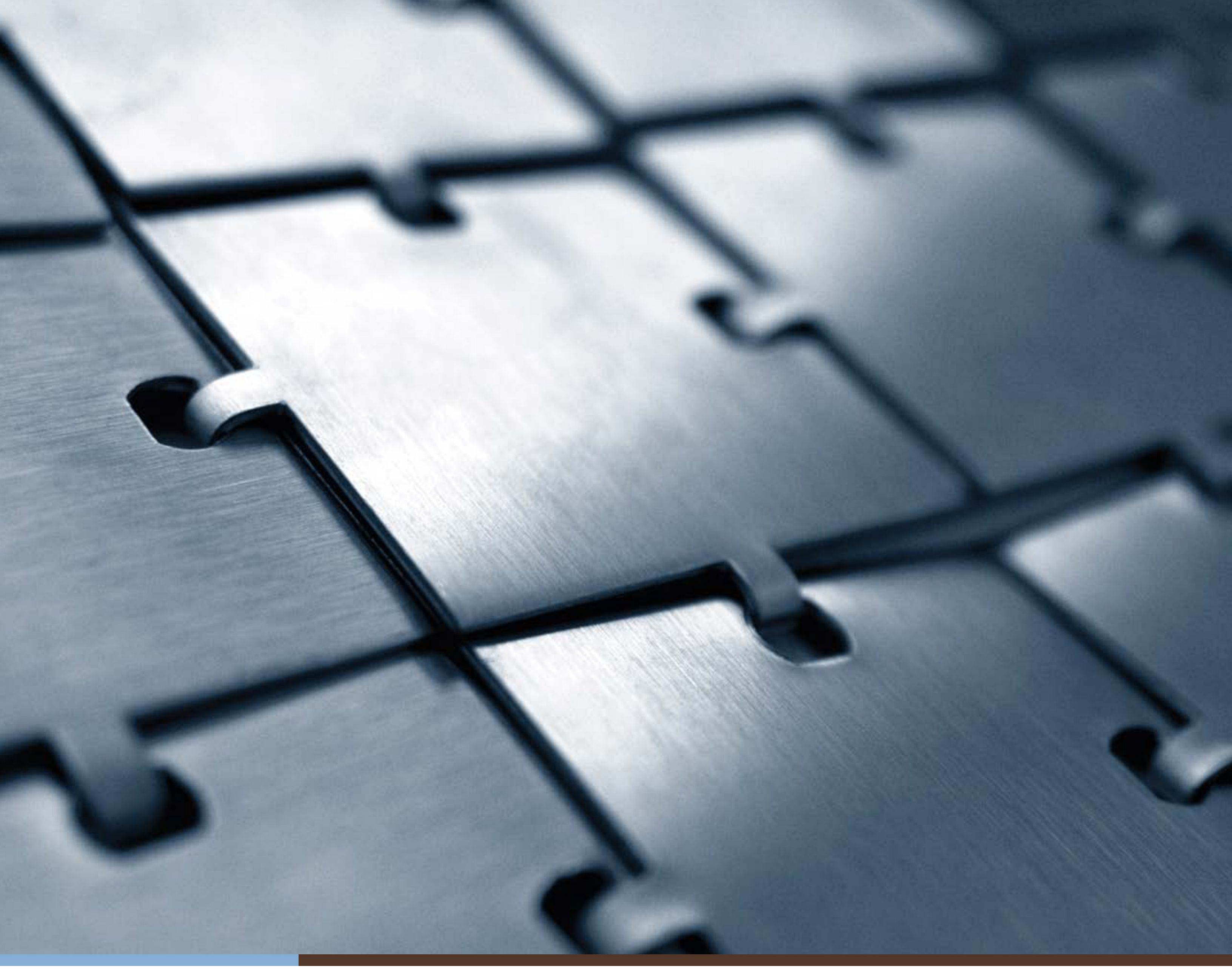

North American and European Investor Opinions of Latin American Companies

2014

J.P.Morgan

INTRODUCTION

Candice Teruszkin
Latin America Regional DR Head
Depository Receipts Group
J.P. Morgan

J.P. Morgan's DR Group: A history of leadership in Latin America

First-ever Latin American ADR program (Telefonos de Mexico: 1960)

Depositary bank for Graña y Montero's 2013 $413 million IPO

Depositary bank for world's largest DR capital raising (Petrobras - $10 billion: 2010)

First-ever Hong Kong Depositary Receipt (Vale: 2010)

J.P. Morgan Latin American ADRs are consistently #1 in average annual volume and value

Five new clients in 2013: Braskem, CTEEP, Gerdau, Graña y Montero and OMA

34 sponsored issuers across Latin America

Latin American equities have recovered much of the ground they lost earlier this year, when they had extended their fourth-quarter decline. However, challenges remain, such as the upcoming elections in Brazil and Colombia and the uncertain growth of China's economy, on which the economies of many Latin American countries rely.

During challenging times like these, market intelligence can be crucial for maintaining an effective investor relations program and for your company's overarching capital strategy. It is an integral part of the service that our depositary bank delivers to issuer clients and includes annual investor surveys, such as this one.

Like our previous surveys, this year's reveals North American and European investors' prevailing opinions of Latin American companies. Our study explores a range of issues important to institutional investors, including their principal concerns about Latin America. Within this report, you can learn which countries and sectors investors are bullish on and which ones they are avoiding. We also reveal their three-year outlook for Latin America. Another area we explored with investors is the merits of going public in the current market environment. Although market conditions have changed since we conducted the survey, their views are instructive for any company contemplating an IPO.

There is a wealth of other market insights that can be found within these pages. I am sure you will find them useful, whether you are considering an ADR program as part of your financial strategy or seeking to optimize an existing one.

Warm regards,

Candice Teruszkin

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SURVEY METHODOLOGY

J.P. Morgan's Depositary Receipts Group commissioned Corbin Perception to conduct a perception study assessing European and North American investor sentiment on investing in Latin America.

Contributing analysts and portfolio managers are currently invested, plan to invest or have previously invested in Latin American equities.

Conversations with the financial community took place in December 2013 and January 2014.

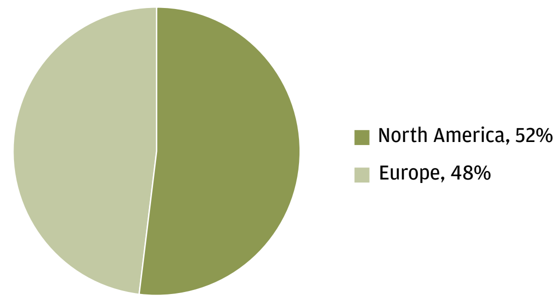
In aggregate, the 44 contributing institutions have $76 billion invested in Latin American companies.

Contact with the financial community was conversational in nature, with the majority of questions structured as open-ended to foster unsolicited comments and capture essential perceptions. When appropriate, follow-up questions that were not part of the original interview framework were asked of respondents during the course of the conversation.

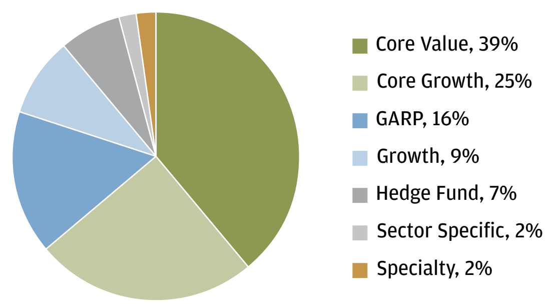
Areas of discovery focused on factors that impact investment decisions about Latin American public or pre-IPO companies.

For scalar questions, a 5.0-point rating system is employed, where 5.0 is the highest possible score.

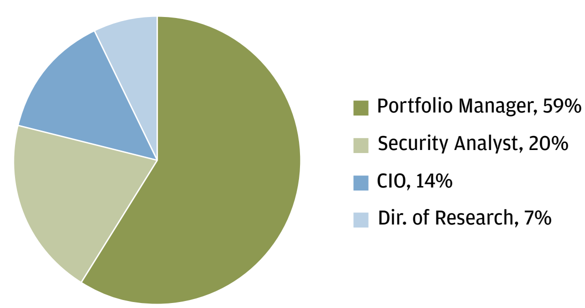
Region[1]



Investment Style



Responsibility



[1] North America comprises United States and Canada

QUESTIONNAIRE

1	Which three Latin American countries look the most promising over the next one to three years and which three would you avoid? Why?
2	Which sectors in Latin America do you favor/are avoiding? Why?
3	Are you bullish, bearish or neutral on Latin American equities looking out the next 12 months? Why?
4	What are your top concerns regarding Latin American companies?
5	Would you recommend that a Latin American company undertake a public offering in today's markets? Why or why not?
6	What are the main challenges that Latin American issuers face with regard to maintaining a fair market valuation in today's markets?
7	How many meetings and/or conference calls with senior management do you typically require before you make a decision to invest in their company?
8	On a scale of 1.0 to 5.0 where 5.0 is the highest, how relevant is Corporate Social Responsibility in making your investment decision? What factors do you consider? Why are these factors important?
9	What are the most desirable qualities in an IR director?
10	In general, what advice would you give Latin American companies seeking to attract your investment capital?

EXECUTIVE SUMMARY

In general, surveyed institutional investors in Europe and North America hold a complex, nuanced view towards Latin American equities, noting that each country offers its own unique challenges and opportunities for the investor, including strengthening or weakening currencies and greater or lesser government interference in business. In addition, concern about subpar corporate governance is a consistent theme and serves as a hurdle for many investors.

According to investors, Latin American issuers can differentiate themselves and attract more investment by increasing financial disclosure, communicating a compelling long-term investment thesis, executing on strategic goals and employing good corporate governance.

Summary of key findings and investor recommendations:

- Study participants' three-year outlook for Latin America is generally neutral given currency weakness and an uncertain macro outlook.
- 57% of investors reveal that government intervention in business is the top concern in the region; other leading concerns include currency issues and slowing global GDP growth.
- Investors currently consider Mexico, Peru and Brazil the most promising countries in the long term, while Venezuela and Argentina are the least attractive from an investment standpoint.
- Sectors currently in favor include Financials and the Consumer Goods, while Energy and Materials are being avoided.
- Just over one-quarter of investors, comprising mostly European institutions, would recommend a public offering in today's market.
- Identified challenges facing Latin American issuers seeking a fair market valuation include inconsistent financial performance and below average corporate governance standards.
- 59% of investors require at least one meeting with management prior to making an investment decision, a requirement more prevalent among survey participants based in Europe.
- European institutions consider Corporate Social Responsibility a more important factor in the decision-making process than do those in North America.
- Investor suggestions for capturing their attention include: execute consistently; enhance transparency; communicate a clear investment thesis and business model; and increase engagement levels.
- Qualities most desirable in an investor relations officer include strong communication skills, company/industry knowledge and the ability to answer questions effectively.

Outlook on Latin America

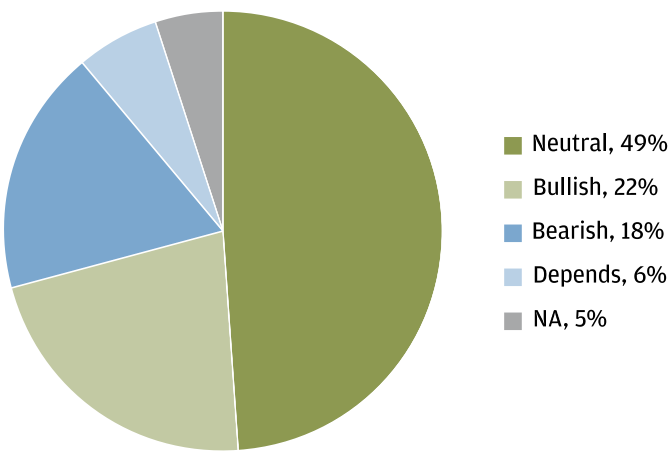
Nearly half of investors, or 49%, have a neutral outlook on Latin American equities over the next 12 months, with nearly two-thirds of this number comprising respondents based in Europe. Investors' attribute their caution largely to an uncertain macroeconomic environment along with the recent sharp rise in global equities, noting that "markets are a little ahead of themselves" and the "outperformance is not likely to be sustained."

Continuing, investors note that Brazil, a large piece of the Latin American puzzle, "is still plagued by a plethora of problematic issues," which "tends to drag down the sentiment of the overall region," thus dampening investor conviction.

However, 22% of investors, most of whom are based in North America, are bullish on Latin American equities, believing the bad news is priced in and that "valuations are compelling" at current levels. Commenting that "Latin America has been oversold," these investors attribute their bullishness to compressed valuations and a potential "rebound in global trade," which could lead to "a surprise to the upside."

A minority of investors, evenly split between Europe and North America, are bearish on the region, citing fiscal and political risks, rising interest rates in the U.S. and skepticism about viable earnings growth within the region.

What is your 12-month Outlook on Latin American Equities?



As an aside, a number of investors provided opinions regarding the U.S. Federal Government's recent reduction of quantitative easing ("QE"). While the majority of this group believes that the global markets have "priced in" the Fed's tapering of QE, 40% anticipate future currency weakness and capital outflows in Latin America.

Investor Commentary

"I am neutral, as Brazil will continue to hold down the region for some time."

"Over the next 12 months, I am neutral on Latin American equities as the recent underperformance in the market has been offset by the Fed."

"I am bullish on Latin American equities over the next one to three years. In 2014, Mexico is going to turn around, along with Brazil. Chile might take more time to recover but in the longer-term it will succeed. Colombia will be okay. Colombia in the short-term is not looking great but long-term it will be solid."

"The outlook is relatively weak because of rising rates in the U.S. The cycle has turned in terms of quality of loans, but I am bearish. This is the wrong point in the cycle as interest rates begin to rise."

"I am cautiously bullish. We need to see reforms come through in Brazil and Mexico in particular to make a difference."

"There is undoubtedly some risk in certain countries. Emerging markets have benefitted from increased inflows over the last few years."

Investor Commentary Continued

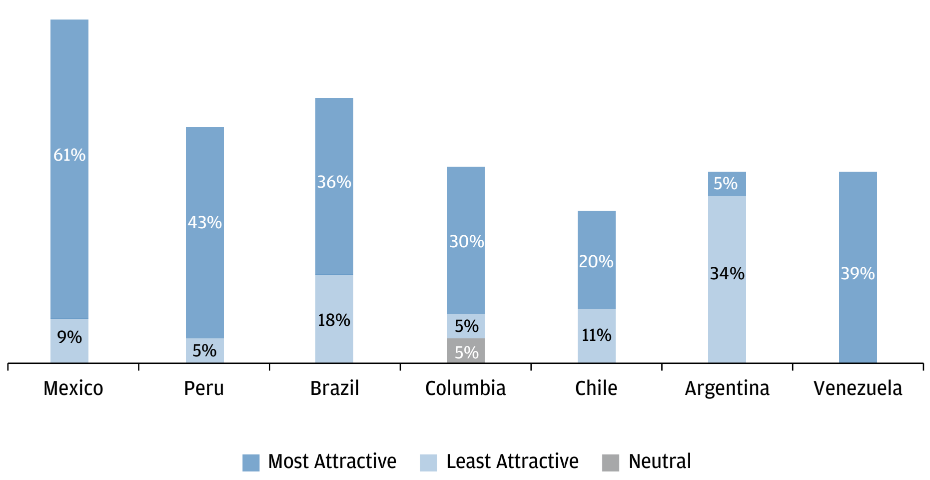
"Countries with high current account deficits must begin to find ways to reduce their deficits once the easy money policies begin to wind down. One method of accomplishing this would be through currency depreciation. That is particularly critical for Brazil and Peru, two countries with large current account deficits. Within Latin America, Argentina and Venezuela are most vulnerable to QE tapering. In a post-QE world, you have the reversal of easy money and consequently, interest rates will rise. Generally speaking, you will see currency flows out of emerging markets as their returns will not compensate investors sufficiently. In that particular environment, there will be winners and losers whereas in a QE world, everyone's a winner in emerging markets."

"Generally, the consensus view is that less money in the system will lead to less money bidding up asset prices. At the end of the day, I do not think that the Fed's potential reduction of bond purchases is a game changer. The larger long-term story is intact for Latin America and that is what investors should really be focused on: the fundamentals. The media is focused on the Fed but investors should turn their attention to the true fundamental value of this region."

Country Views

Investors were asked which Latin American countries they consider the most promising over the next three years and which countries they are avoiding. The clear favorite among this group is Mexico, due to the ongoing economic reforms the current government has enacted. Peru was also cited as attractive, although at only 43% of investors versus 61% for Mexico. Investors consider Venezuela and Argentina the least attractive countries in region.

Investor Views on Individual Countries



Investor Commentary

"Mexico looks promising due to its reforms within the energy space in addition to its underpenetrated credit system. I would avoid Argentina because there is no political transparency."

"We really like Mexico because of the play on the U.S. As the U.S. recovers, Mexico will be pulled along."

"I like Peru because the country has resilient growth along with attractive companies."

"Brazil and Mexico look the most promising as both have growing middle classes and Brazil happens to be the host of the World Cup. I would avoid Venezuela due to political currency risk. I am not overly familiar with any of the other markets."

"We are avoiding Venezuela and Argentina because of the stability factor, specifically regarding outstanding political issues that need to be solved over time."

"As for Brazil, I am concerned about government interference and its current political situation, which may be exacerbated going into an election year."

KEY FINDINGS

MOST ATTRACTIVE

Mexico	Investors consider Mexico the most attractive country in Latin America, citing the current government's ongoing economic reforms, "particularly in the energy space." Indeed, the perception that Mexico is "getting its fiscal house in order" is prevalent among investors, as is the positive sentiment that the country is "closely integrated to the U.S. recovery."
Peru	Following Mexico, Peru is favored by 43% of investors who cite the "seemingly stabilizing" political situation, reforms and infrastructure investments as likely leading to GDP growth and a market correction "to the upside."
Brazil	Thirty-nine percent of investors are bullish on Brazil from an investment perspective, believing that the country's "recent turmoil has brought valuations down substantially." Moreover, they perceive that growth estimates are "probably underestimated" and its "interest rate cycle is likely peaking." Additionally, investors view the 2014 World Cup and the 2016 Summer Olympics as generating positive sentiment in a country where the middle class continues to grow, further necessitating and supporting sound economic development. Still, 18% of investors are bearish on Brazil due to the "lack of reforms and anemic growth" along with an economy "distorted by government and monetary policy." Additionally, investors are concerned about increased political instability, "which may be exacerbated going into an election year."
Colombia	Investors favoring Colombia point to "structural changes and signs of growth" and "many attractive companies," and anticipate an uptick in investment.
Chile	Those who are positive on Chile, 20%, cite its "steady government," while an anticipated recovery in raw material prices is seen as "benefiting the exporter nation." Investors expressing a negative view, or 11%, point to high valuations.

LEAST ATTRACTIVE

Venezuela	Venezuela is seen as the least attractive country in which to invest, given "political headwinds and currency risk" along with extreme government intervention and a "lack of economic reforms and private sector rights."
Argentina	Thirty-four percent of those surveyed indicated they are avoiding Argentina. The country is "lacking a transparent rule of law," which combined with a "market-unfriendly government," leads to the perception of a "poorly run country" with political leaders who "are simply destroying [it]."
Other	"Other countries that investors are avoiding include Bolivia, Ecuador, Paraguay and Uruguay."

Sector Views

MOST ATTRACTIVE

30%	Financials ▪ "Low valuations" ▪ "Very good reserves"
27%	Consumer Goods ▪ Growing middle class
14%	Industrials ▪ "Pick-up in exports"
9%	Infrastructure ▪ Opportunities in an underdeveloped region
7%	Energy ▪ "Positive reforms"

LEAST ATTRACTIVE

25%	Energy ▪ "Significant regulation" ▪ "Weak capital to cash flow positions" ▪ China growth waning
14%	Materials ▪ Commodity price declines
9%	Consumer Goods ▪ Rich valuations
7%	Metals and Mining ▪ Global growth concerns
7%	Utilities ▪ Regulation ▪ Lower growth

Investor Commentary

"I like the financial sector because it is very solid given Latin America was bankrupt many times. In its most recent bankruptcies, all of the banks subsequently became very well positioned. They have very good reserves and no bad debts. All the bad debts were taken by programs they had established in the last 10 years. Consequently, the financial sector in Latin America is looking sound."

"We favor consumer-oriented sectors such as retail and derivative plays off that, including financials. We believe the consumer space has a solid 10- to 20-year outlook based on population growth and structural values that are strong over the long-term."

"I favor industrials because as currencies weaken, which many countries within Latin America have experienced, you will see a pickup in exports."

"I favor domestic sectors with secular growth that will benefit from the demographics of the region. I am avoiding utilities due to their limited upside potential. I am also avoiding mining and oil companies due to their weak capital and cash flow positions, which prevent them from engaging in meaningful capital expenditures for growth."

"I am avoiding materials as it seems like the downgrade cycle within the space is still upon us. Commodity prices continue their decline, which is bearish for the sector."

"I am avoiding retail because I believe the space will suffer should we continue to see growth slow. Furthermore, valuations in the space seem stretched."

"The only sector that I do not like is the mining sector because it is inherently riskier, despite the fact that it is an important sector in Latin America. It is not that I dislike the sector but I am waiting to see what will happen with global growth, China in particular."

Investor Commentary

"Risks relating to currency, politics, corporate governance and a global macroeconomic slowdown are my top concerns regarding Latin American companies."

"My top concerns regarding Latin American companies include currency devaluation, inflation and overreaching government legislation."

"Concerns for us emanate mostly from governments and the extent to which they interfere with free market forces."

"The global slowdown has affected all Latin American countries, as GDP has slowed, similar to the rest of the world. The slowdown in global GDP has hurt the momentum for Latin America."

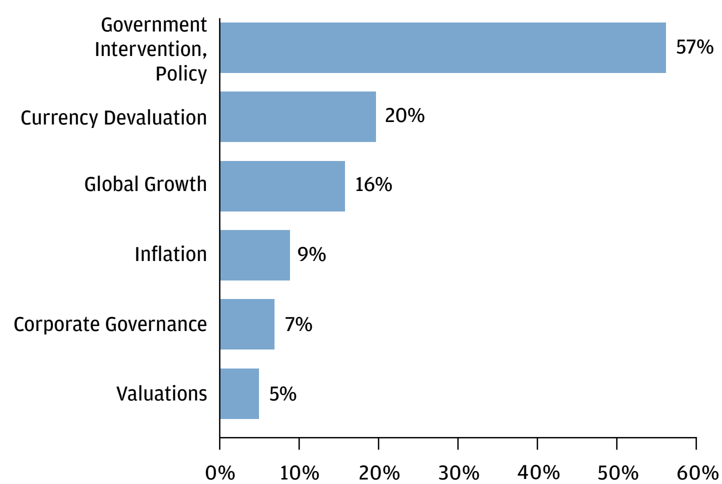
"My top concerns include liquidity issues and excessive government intervention. In addition, miscommunication between companies and shareholders is a concern."

Investor Concerns

Investor concerns about Latin American companies generally have less to do with companies themselves and more to do with the environments in which they operate. The leading issue mentioned is excessive government intervention. Burdensome regulations create "overhangs" on many sectors, including mining, banking, utilities, energy and telecom, note investors, while politically-driven "policy mistakes" lead to uncertainty in markets.

Moreover, currency devaluation throughout the region, particularly in Brazil, has left many hesitant to establish or grow long positions, given the risk of further "currency depreciation against the U.S. dollar." Furthermore, macroeconomic conditions including slowing global GDP, declining demand in China, domestic inflation concerns, and the Federal Reserve's tapering all have the potential to impact Latin American economies in the near-term, even if "the long-term story remains intact."

Investor Concerns



Latin America's IPO Market

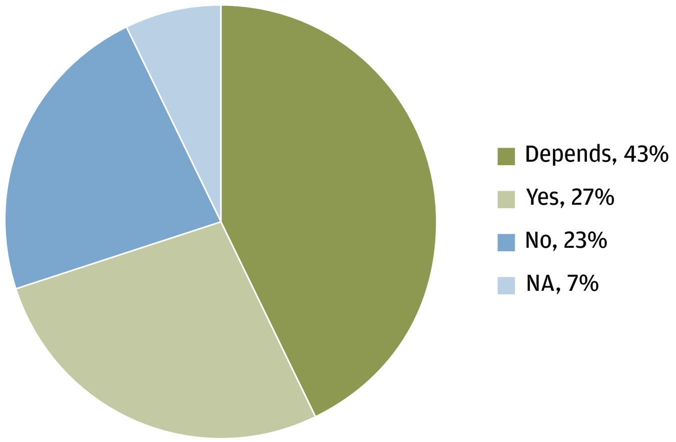
In general, when asked if they would recommend Latin American companies undertake an initial public offering in the current market, 43% of investors - a group comprising 68% of North American-based institutions - note that "it depends" on the circumstances. Specifically, the company's prospects and financial strength should be considered, while the sector in which they operate and the country in which they are choosing to list shares should also be considered.

Findings indicate that North American-based investors are less enamored with Latin American IPOs than their European counterparts, which generally tend to take a longer term view.

Twenty-seven percent of investors, including 75% of European institutions, would recommend an IPO in the current market, noting that there is "sufficient cash and appetite on the sidelines." IPOs "provide improved financing options and facilitate improvements in corporate governance," they add.

Nearly one-quarter of investors, equally split between North America and Europe, would not recommend a Latin American go public today, suggesting that investor sentiment in the region is "fragile" and "demand is not there." As well, they recommend waiting for "further clarity regarding the U.S. Fed's tapering plans."

Is Now a Good Time for Latin American Companies to IPO?



Investor Commentary

"If a company is more geared toward the macro story, it may be more difficult. There could be appetite for a more niche, underpenetrated area in the region."

"It depends on the business type and the country where the business operates, but in general, I am hesitant. There are certain areas where government intervention is less of a concern, resulting in greater investor appetite. In general, it seems like a lot of money has flowed out of emerging markets as investors take a wait-and-see approach with the unwinding of quantitative easing and other macro-related issues."

"Short-term, assets are moving away from Latin America, so it can be a tricky place to raise money right now. Mexico and Colombia are probably most favorable right now in terms of a company coming to market. I would stay away from Brazil, Chile and Argentina."

"I would recommend coming to market because public offerings provide improved financing options and facilitate improvements in corporate governance, which in turn makes companies more attractive to investors."

"[No] given the sentiment and fundamentals."

KEY FINDINGS

Challenges to Maintaining Fair Market Valuation

Investors cite a variety of challenges facing Latin American issuers in maintaining a fair market valuation, specifically:

- **23% -** Financial fundamentals, including "viability of the company," being able to achieve "sustainable top-line growth," good returns and earnings, as well as meeting investor expectations
- **23% -** Negative sentiment toward Latin American/emerging markets, due to their perceived dependence on the "commodities cycle" and concerns over "so much volatility"
- **16% -** Corporate governance issues, including the rights of all shareholders
- **11% -** Unfavorable government policies/interference
- **11% -** Poor transparency/investor communication
- **11% -** Ability to compete globally for both revenue growth and investor capital
- **11% -** Trading liquidity constraints
- **11% -** Currency risk in the region, especially in Brazil

Investor Commentary

"Macroeconomic uncertainty resulting in a downbeat profitability outlook is the main issue."

"Latin American issuers' expectations are set too high by the bankers and many of these IPOs tend to over promise and under deliver, thus resulting in misplaced valuations."

"The main challenge is in countries that promise reforms and do not follow through. Some countries in Latin America are doing very well, such as Colombia and Peru. The problem is that when governments change, you do not always know what to expect. Another challenge is maintaining a strong currency."

"When determining whether to come to market, it is critical to pick a country that is most hospitable to capital formation."

"Competition from U.S. equities is the main challenge that Latin American issuers face."

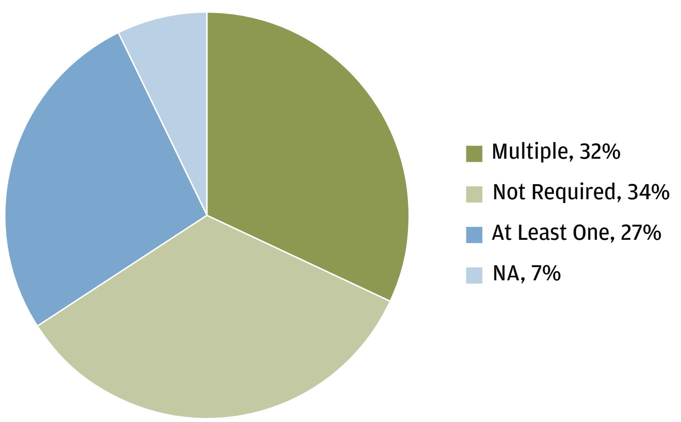
Management Meetings

More than half of surveyed investors, or 59%, report that meeting with management is required before they will commit to invest capital in a company. This view is predominantly held by investors based in Europe.

Notably, far more survey participants in North America, or 52%, indicate that a meeting with management is not always a necessity, an opinion held by just 14% of those based in Europe.

(For more information on this subject see the Attracting Investor Capital from Outside Latin America section on page 16.)

Preferred Meeting Frequency with LatAm Companies?



Investor Commentary

"We do not require any meetings, but typically we may meet with management once or twice."

"We need at least three meetings prior to investing; one with the company and subsequent internal meetings. That is an absolute minimum as we normally engage in five meetings. Our investment process requires heavy due diligence and it is imperative to meet with the prominent players within an organization."

"Meeting with management is highly important. Ideally, you are able to meet management face to face and get a tour of their facilities, which does not always happen. I certainly have investments in companies where I have never seen their facility or met their management face to face, but I always desire to meet with senior management."

"It is difficult given companies' geographic location and so you obviously cannot meet with the management teams in many cases. It is also difficult to meet with the CEOs. Regarding Latin American companies, we typically see investor relations and you may get to see them once a year if you're lucky. In most cases, interaction is more through conference calls and working with analysts. Management needs to make themselves more available and sometimes they do not; it would help investors' conviction if we saw and heard more from them."

KEY FINDINGS

Investor Commentary

"Lack of knowledge can be attributed to not being involved enough in the decision-making process; they are not close enough to management. My advice is to integrate IR in the strategic planning or financial aspect of the business, therefore allowing them to obtain a critical understanding of company operations. Having a dedicated IR department that is separate from other key departments in the business means they are cut off from the actual decision-making process."

"Transparency, communication and status within the company are all very important factors. The higher-ranking, more valuable IR personnel are often the people who have been with the company the longest. They are very much viewed as senior figures by the company itself and are able to create a dialogue about the company rather than push out a simple, preventive line that management has spun."

"Desirable qualities of IR include strong communication skills and providing seamless access to investor information. In addition, IR should work to get management in front of investors. Knowing the availability of management is key to investors."

"Responsiveness, a willingness to help and deep knowledge of the company, strategy and industry are critical."

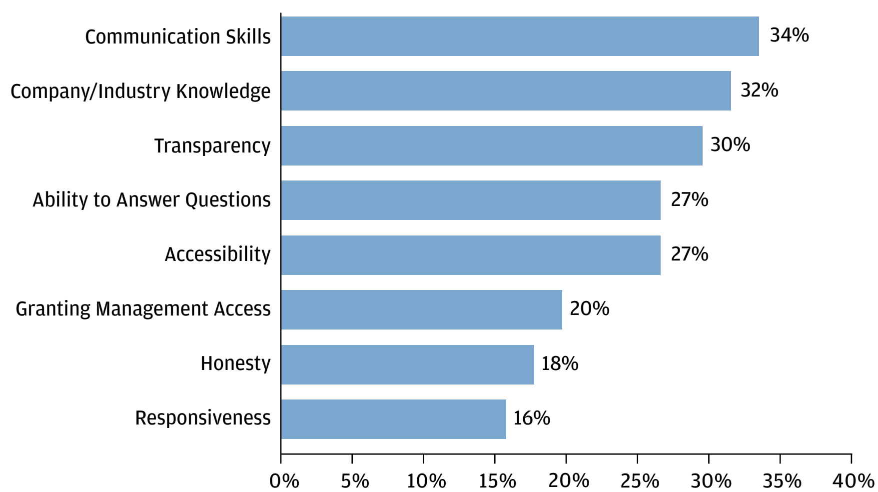
Desirable Qualities in an IR Officer

According to the majority of investors, communication skills, as it relates to being articulate and having the ability to "describe the true nature of the business rather than overselling," is the most desirable quality of an investor relations officer.

As well, IROs should possess a high level of knowledge about the company and the industry, in order to "articulate their company's story, vision and business model," as well as the ability to answer questions effectively. Many investors recommend that IR officers have an "understanding of investors' requirement for information" and provide "good access to management in order to explain the goals of strategic initiatives." Indeed, investors say that an IRO should be able to "echo the CFO or CEO" in discussing the company with the financial community.

Providing transparency and clarity on the factors that drive company performance, as well as remaining accessible are also appreciated by investors.

Most Desirable Qualities



Corporate Social Responsibility

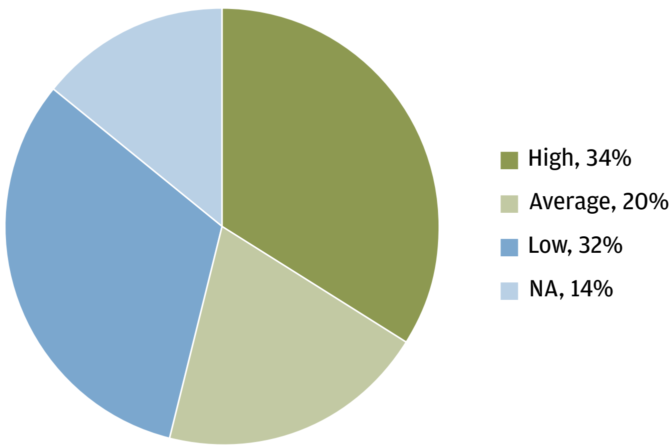
Using a 5.0 point scale, where 5.0 is the highest possible score, investors were asked to rate the level of importance that Corporate Social Responsibility ("CSR") plays in their investment decisions.

In general, a "solid and clean track record" adds to a management team's credibility, while respect for "environmental issues, human and labor rights" is also viewed positively.

A deeper dive reveals that CSR is a much greater consideration for European investors than it is for their North American-based counterparts.

- 55% of European investors report that CSR is of very high importance to their investment decisions, with 33% indicating it is a "critical" factor.
- Only 19% of North American-based investors indicate it is of high importance while 24% say while it is an "important fundamental," it is not necessarily an investment factor.
- 48% of North American investors say that CSR "is not necessarily a consideration" and thus rate it low in terms of importance to their investment decision; conversely, just 10% of European investors share this sentiment.
  - This group acknowledges that certain industries, such as mining and materials, are often "defined by such criteria."

How Much Importance Do You Place on CSR in Your Investment Decisions?



Investor Commentary

"NA – We do not necessarily avoid an investment due to corporate responsibility. However, any sustainable investment needs to be good for all stakeholders, including stockholders, debt holders, taxpayers, state government and the communities where they operate. Ultimately, corporate responsibility is part of the sustainability process that we look for in companies."

"1.0 – Corporate social responsibility is not a primary investment characteristic that we look at, although it can certainly detract from the investment case. At the end of day, corporate responsibility does not factor into our investment theses."

"2.0 – On a broader scale, we look at many facets related to a company prior to investing, corporate responsibility included. However, there is no single factor that we focus on and, in general, it plays a small role in our investment thesis."

"2.5 – It is considered and factors into any sort of reasonable company analysis as it can become quite problematic if not a focus."

Investor Commentary

"3.0 – While I find corporate responsibility to be moderately important, I do not consider many factors when making an investment decision."

"4.0 – It is a very important issue. We run sustainability and impact funds, so we look at these issues consistently. In addition, governance, shareholder structure, environmental issues and how companies treat their workers are all elements we consider."

"5.0 – It is critical. Factors that I consider pertain to environmental protection, social equity and economic growth and human rights. In addition, I look at workplace and employee issues, including occupational health and safety, unfair business practices and organizational governance."

Key CSR factors considered include:

- Strong business practices in terms of management credibility, track record, ROI and engagement of fair business practices;
- Governance policies and structures, "which would include board composition, management incentives and the manner in which companies define those targets";
- Respect for minorities, employees, clients and shareholders; and
- Environmental protection, remediation

Attracting Investor Capital from Outside Latin America

The leading piece of advice investors have for Latin American companies seeking to attract their capital is to be “as transparent as possible” in reporting company information. Specifically, companies need to “thoroughly explain their financial metrics” and make their financial information clearly understood and as widely available as possible. Further, investors urge companies to communicate a balanced “long-term story.”

As well, investors say that information should be easily accessible and that senior management and IR staff should communicate regularly with investors and make themselves more accessible. These interactions give management the opportunity to help investors better understand the business, its value and its growth prospects. As one investor put it, “it goes back to that track record of how well they do in creating the story and delivering on their strategy.”

Investors also urge companies to focus on improving corporate governance standards and to remain disciplined when it comes to capital allocation.

- **39% -** Increase transparency “particularly on the reporting side,” provide guidance and manage investor expectations
- **34% -** Communicate a “long-term investment thesis” and business model; messaging should be balanced
- **25% -** Execute on strategic goals, underscore “global competitiveness” and deliver consistent results
- **25% -** Increase interactions with investors via more non-deal road shows and industry conferences, and consider having “an office in a prominent, well-known city such as New York or London”
- **18% -** Employ a disciplined capital allocation strategy, as investors “want to see if they [management] are good stewards of other people’s money”
- **18% -** Provide easy-to-access information via the website and “pay more attention to the English versions”
- **16% -** Improve corporate governance, “which can often, if not always, result in a higher multiple”

Investor Commentary

“My advice is to take time to prepare, be transparent and hire good IR officers and CFOs that are prepared to deal with investors. In addition, always keep your identity and do not let advisors spin your story. Transmit your enthusiasm and knowledge of your business.”

“Make sure they have financials that are easy for us to read and understand. I see that in some of the Mexican companies, although it varies; some have much better financials than others. Even if you find a company with a great story, it is hard to become interested if one cannot evaluate it in the same way as American or European companies.”

“Some companies and their teams do not have a Q&A session [on the earnings call] as they just give guidance on the quarter. We always prefer to have a Q&A session for quarterly results. Usually, coming to New York and having a chance to meet with management is helpful.”

“Do the right thing in terms of managing your company efficiently and treating all shareholders equally. That is the route to doing better. You cannot affect the sector that you are in but you can affect how you run a company in terms of governance and execution.”

Investor Commentary Continued

"Give conservative guidance; meet it and beat it. Focus on your strengths as a company and try to build an empire off diversifying and releasing businesses."

"I would like to see these companies make themselves more available even through conference calls or webcasts. They really need to showcase their businesses through investor presentations and conferences. Interaction with shareholders and conveying the story is critical to receiving a fair valuation. Those who complain that they are not receiving a fair valuation may very well be those who sit in their offices rather than selling their stories."

"Thoroughly describe your business. You do not need to be bullish all the time. Give a balanced perspective as we are investors not traders."

"Regular contact is all that they can do. We go back to what we regard as important, which are margins, top-line growth, cash conversion and dividends."

"My advice is to make the case for a stable macro environment. Companies need to have good disclosure on a regular basis and provide seamless access to management."

"My advice is to explain the rationale of the CapEx, such as maintenance and growth, innovation and training policies. On the financial side, companies should thoroughly explain their financial metrics, including top-line, EBIT margin evolution, ROE, FCF yield and Net Debt/EBITDA levels."

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Contacts

Candice Teruszkin
Latin America Regional DR Head

Praia De Botafogo 228, Bloco B, Sala 1402, Floor 01
Rio De Janeiro, 22250-040, Brazil
+55 212 554 2620
candice.c.teruszkin@jpmorgan.com

Dennis Bon
Global Head, DR Group

1 Chase Manhattan Plaza, Floor 58
New York, NY, 10005-1401, United States
+1 212 552 3721
dennis.bon@jpmorgan.com

David Shulman
Head of Product Management, DR Group

1 Chase Manhattan Plaza, Floor 58
New York, NY, 10005-1401, United States
+1 212 552 3727
david.shulman@jpmorgan.com

Ivan Peill
Head of IR Advisory, DR Group

1 Chase Manhattan Plaza, Floor 58
New York, NY, 10005-1401, United States
+1 212 552 3739
ivan.m.peill@jpmorgan.com

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