



[Southworth will leave no
stone unturned in its
relentless and dedicated efforts
to employ the most efficient,
cost effective and productive
solutions for its clients
worldwide. Southworth devotes
its time and efforts to
transactions that culminate in
the improvement of the quality
of life of people within the
reach of its focused and
organized efforts.]

On the Cutting Edge of Finance Technology.

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Southworth International's philosophy and experience demonstrate the essence of world finance. Southworth employs multiple structures and investment strategies, which are responsive to a diverse set of conditions and circumstances.

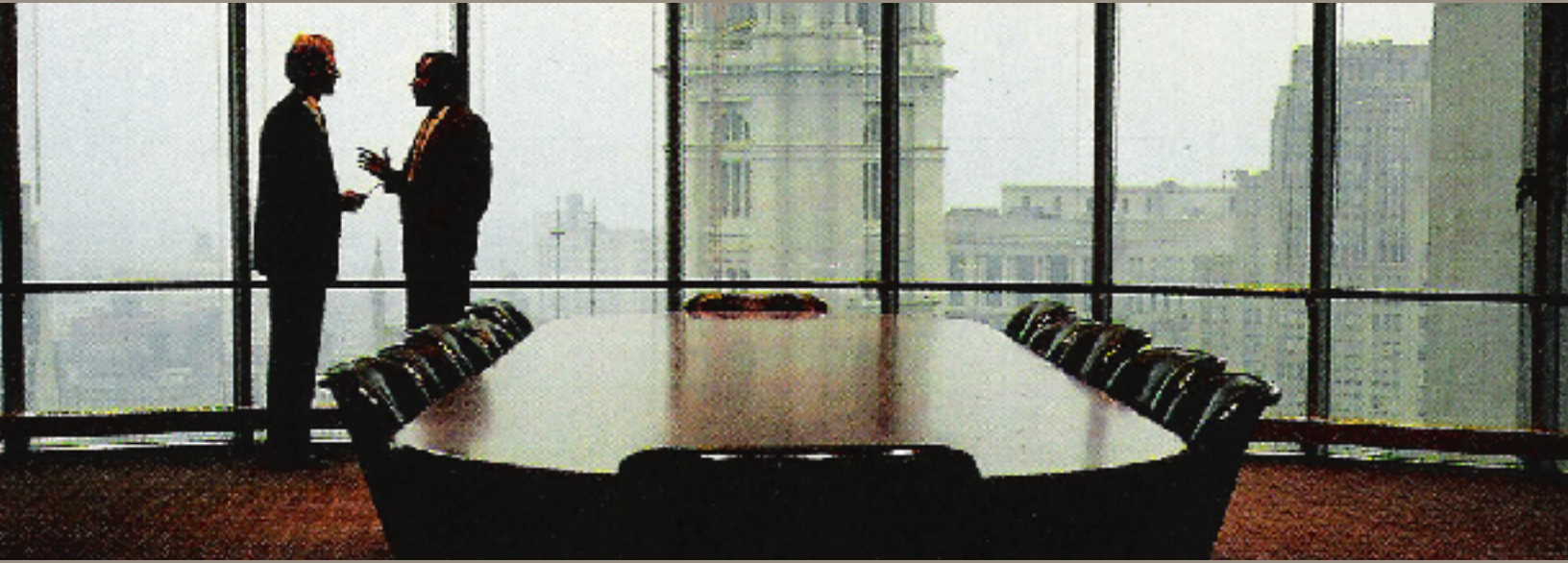
International Finance is a constantly evolving science that corresponds to a diversity of conditions. Financial

Products are often engineered to be versatile and responsive to changing environments-- These changes may be in the form of government regulation, multi-lateral support, investor resources, financial or product market fluctuation, asset risk, or tax and accounting policy. Southworth International employs innovative financial engineering tools, investment products and creative business strategies, which arise as a continuous by-product of its entrepreneurial spirit.

Global Economy

Today, we live in a 'Global Economy'. The days of darkness that once enshrouded developing countries is being lifted with technological advances, educational resources, continuous development of global resources, lower production costs and expanding markets. These evolving dynamics influence peoples wants and needs so that they are now driven by macro-cosmic awareness and global perspective. Likewise nations are shifting from being isolated and virtually self-sufficient economies to being part of an interdependent global economy. Southworth International has as its focal point a concept of added value through international networking such that its clients benefit from an emerging pool of World Class resources. Southworth believes that improved accessibility to informational resources, capital, and services make project development in the developing world much more appealing and self-actualizing. Southworth International acts as the catalyst between its clients and world-wide economic integration. In this way, the world becomes smaller and essential development resources become much more accessible.

Understanding the Client's Needs



Southworth has developed its international expertise by understanding its customers' needs and then providing an appropriate solution. Often a client is faced with a financial or strategic challenge that stands in the way of their success. Southworth relies on its broad range of experience and global resources to engineer a solution for its customer. This pattern for success is what sets Southworth apart from other business or financial consultants who rely on a limited toolbox of resources that are typically provided by their own company or lending institution. Southworth is not prejudiced or confined by narrowly defined parameters of one or two financial partners. Its international network of investors, lenders, multi-lateral agencies and government resources provide a diverse network of resources that can be accessed and promoted based upon the most efficient and cost-effective solution for its client.

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Analysis and Problem Solving

In an effort to provide an efficient solution to complex problems, Southworth carefully studies each transaction using a variety of evaluation techniques. These techniques include a thorough financial review and industry comparison of the project and its sponsor based upon local and world class comparables. This provides a unique perspective to Southworth relative to the strengths and weaknesses of a specific transaction. The exercise will often produces recommendations that include useful strategies that may be used in dealing with situational or material obstacles and impediments. These recommendations often form a basis for a strategic solution. Financial Engineering relies heavily on a careful quantitative analysis. Nevertheless, a thorough qualitative based analysis will often expose and identify issues that once understood and carefully considered will often hold the key to project resolution.

Building Success Through Strategic Partnerships & Alliances

Southworth International relies heavily upon strategic partnerships to resolve complicated nuances of international finance. In a perfect world the merger of two entities; one strong and one weak, can produce a new entity that takes on the characteristics of the stronger party. Complicated transactions are often structured with this idea in mind. Southworth continues to build strategic alliances with its customers by carefully structuring solutions that incorporate the strengths of one party through compensating arrangements or incentive. Southworth has global relationships with many entities that are searching for strategic alliances with key companies having unique market access or other advantages that would require significant investment on their part to duplicate. Southworth acts as a liaison and catalyst to the parties by introduction and through careful engineering of a structured participation compensatory to each partner's contribution.

Funding Capacity

If a carefully structured transaction is the hardest component of a successful financing, the easiest component would be the actual funding. Money has a predicable flow. Typically, it follows the path of least resistance or 'risk'. Each investor or transaction participant views risk differently based upon their understanding of it and their ability to manage it. A mortgage lender would not be a good source for an automobile loan. A bank is often a poor source of funding for a start-up company. It is not that they don't have money to invest, it is that they have defined a specific market niche that they understand and are able to manage. The intent of an appropriate financial structure would be to isolate and allocate risk to the most appropriate parties. This activity forms the basis of financial engineering and successful funding. Each transaction will have a variety of inherent risks. Once a risk is isolated, it is carefully structured so as to attract a specific party that is 'pre-qualified' to understand and manage the risk. Funding takes place after a carefully selected group of 'qualified participants' has been contacted and asked to provide a competitive bid for their participation. Funding is relatively simple if the financial engineer and the funding manager have a deep reservoir of funding relationships that they know and understand. Over the course of its history, Southworth has participated in many complex international transactions that amount to hundreds of millions of dollars. These transactions cover a wide range of assets, industries and countries. In the successful completion of each transaction, a diversity of structures, investors and strategic partners were utilized. This diversity contributes to Southworth's wide range of prospects for future funding. In addition, Southworth International maintains relationships with some of the most progressive and internationally conditioned investors and companies worldwide. These companies have and are investing many millions of dollars to broadening their market presence. Southworth understands their interest and motivation. Each transaction is carefully structured so as to include the most relevant and appropriate investor prospects.

Investment Banking

Southworth has definitive advantages in a wide variety of Investment Banking and Merchant Banking opportunities. Southworth retains a professional staff of qualified individuals and global finance specialists. Clients are not only given creative finance alternatives of synergistic proportion but they are also able to benefit from Southworth International's world-wide capital resources.

Project Financing

One inventive financial tool that is gaining sustainable momentum is Project Financing. It is being used in many international, project based transactions. It is appealing to a broad range of investors who, because of the structured components of the transaction, are able to participate in very specific risks engineered to meet their investment criteria. Some investors focus on credit as the basis for their investment, others are drawn more to asset or collateral based risk. Cash flow and the assurances or guarantees of its predictability are all necessary to satisfy the scrutinizing requirements of sophisticated investors. The specialization characteristics of Project finance are designed to reward each participant with definitive and manageable risk-reward aspects most suitable for each investor in exchange for their enthusiastic participation. In this way, country risk, asset risk, currency risk, interest rate fluctuations, production risk, the risk of energy prices, equipment cost, etc. are a few examples of manageable components of an international Project Financing. Southworth International understands these complicated components and utilizes this understanding in providing better service to its clients.

Asset Securitization

Structured securitized credit is a new technology for investment developed essentially by non-bankers. Its superior structure for risk management is rendering some aspects of international banking obsolete. Structured securitized credit is a hybrid form of two well-developed systems: the traditional credit system and the securities (public equity) system. Southworth International consolidates debt and equity into securitized investment pools. These pools are structured to meet specific parameters of corporate or institutional investors. Although participation is presently limited to institutional participants, future securitization activities will inevitably reach the 'over-the-counter' public marketplace. Southworth International believes that this technical instrument will continue to affect and transform the world of international finance.

Overview of Securitization in Emerging Countries

The development of securitised transactions in Emerging Countries has gained a lot of momentum since 1987 when the first securitized transaction occurred. The Mexican Telephone Company, TELMEX, which was then State owned, securitized telephone receivables. By the end of 1999, the three principal credit rating agencies -Fitch IBCA, Duff Phelps, Moody's and Standard and Poor's had rated more than 150 securitized transactions in the Third World.

The practice is far more common place than you might imagine. Securitization of mortgages is by far the most common application. In the USA over half of all mortgages are securitized, to the tune of over \$10 Trillion.

Thanks to those who have gone before, securitization is now commonplace. Credit rating agencies have adapted their valuation techniques to accommodate even the most complex Emerging Market transactions. One can now solicit a rating from one these major credit rating agencies for anticipated securitizations that provide for the complexities inherent in the third world. Getting a rating is now relegated to a 'fill in the blank' type of program.

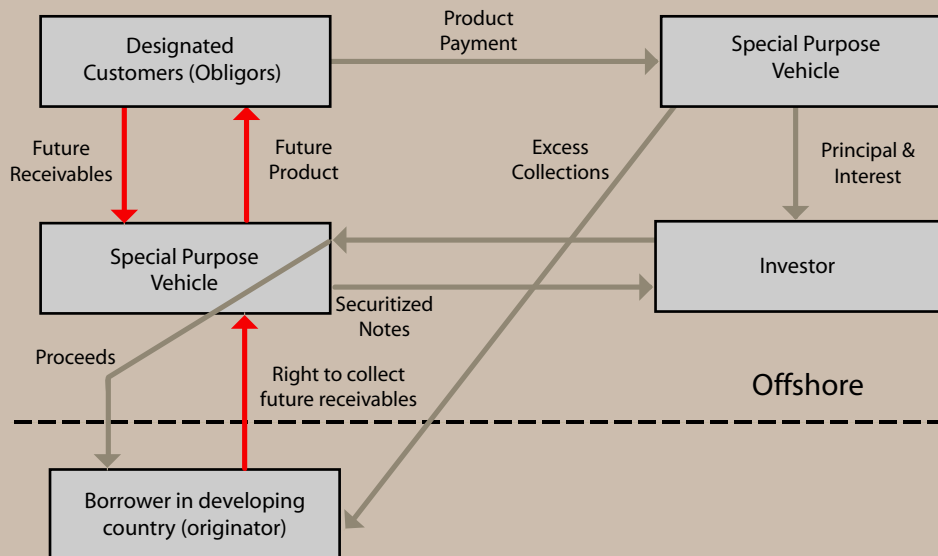
Emerging Market Asset-Backed Securities.

These transactions are much more prevalent than imagined. They actually have a name: "Future Flow Receivable-backed Securities". Latin America leads the way with the highest volume of successful transactions. In dollar terms, over one half of all 'Future Flow' transactions are backed by oil and gas export receivables. However, the non-oil deals account for a much larger number of transactions. The asset class has demonstrated an enormous scope for creativity: recently, credit card and telephone receivables, workers' remittances, tax receivables, mineral receivables, and even export receivables to be generated by developing new investment projects have been securitized. Securitizations in Eastern Europe, and Central Asia appear to be growing significantly as well.

For many third world countries, future flow receivables may be the only way to begin accessing international capital markets. This asset class is attractive because it can attract a much wider class of investors than unsecured deals. It can improve market liquidity and reduce market volatility, making them even more attractive to international investors in other asset classes.

Southworth desires to implement a long term approach to lowering costs of securitization with potential customers by planning a series of issues (a so-called master trust arrangement), which would maximize economies of scale. Also, the use of indigenous credit rating agencies to obtain domestic credit ratings can reduce transaction costs. This can be an exercise akin to getting a local accounting firm to do the work prior to a Big Accounting firm opinion. Mapping local rating scales to international scales is a worthwhile practice utilized by some issuers to reduce costs as well. By doing long term planning for securitization also creates a more stable environment for the borrower. It has an effect of stabilizing demand for their securities in good times and bad.

There are many reasons to consider securitization over Southworth's current receivable syndication practice. The most obvious are that having a rated transaction would provide for a broader class of investors, it also provides a future ability to access capital markets and reduce borrowing costs.



Receivable Financing

Southworth Companies offers a unique Receivable Finance Program designed to advance the timing of future payments to sovereigns or companies. This unique program is designed to provide a sovereign or company with immediate hard currency, in the form of a purchase or loan. A successful Receivable Finance Program has several critical components:

Essentially, Southworth provides hard currency immediately by accepting an assignment of future payment obligations (Revenues) from creditworthy Payors under an unconditional and irrevocable commitment to pay the Revenues to Southworth in the future. The hard currency provided by Southworth may be used by the sovereign or company for any legal purpose.

These transactions may be structured to discount anticipated tax revenues associated with various exports including petroleum, mining, agriculture, textiles, etc. The principle that governs these transactions is the externalization of credit risk to credit worthy entities doing business within the sovereignty. Creative application of this concept forms the basis of identifying finance opportunities. This also creates another source of immediate hard currency at attractive rates.

C o u n t e r - T r a d e



Having gained world prominence in the 1970s, a sophisticated form of barter - called countertrade - is an effective tool to stimulate the flow of goods and services, primarily in developing countries. Countertrade can also act as a stimulus to reluctant participants that may otherwise not be interested or aware of the opportunity for trade and commerce. It also contributes and promotes the development of efficient trade practices.

The term countertrade encompasses all foreign trade transactions where one party agrees to accept products and/or services from another party, in lieu of currency, as full or partial payment for products sold or services rendered. Countertrade is considered a viable financing alternative for sovereigns faced with currency issues, recession, inflation, indebtedness, limited hard currency or limited access to banking resources, etc. Southworth International may use this important tool to finance a variety of projects, including infrastructure development like road construction, water or sewer systems, airports, agricultural development projects, etc. These countertrade programs will significantly enhance the level of commercial activity resulting in increased trade and investment. Significant mineral, agricultural, and manufactured products may be used in the countertrade program.

Major companies like Boeing, Monsanto, Bell Helicopter, and many others that utilize countertrade to minimize the financial ramifications that occur when selling products or services whose cost may represent a large percentage of a sovereign's gross national product. They recognize that, by cooperating with these countries in countertrade transactions, they are able to minimize the impact of a transaction on the availability of foreign currency. Therefore, an active international community of countertrade participants has arisen to facilitate the exchange of a broad range of products and services worldwide.

Organizing and implementing a countertrade program requires commitment and focus. A successful countertrade program will require a skilled professional team who can orchestrate and manage the broad aspects and details of the program, including working with the government to prioritize the projects for which the countertrade program will be used, working with the government to determine the country's available products to be used in the program, contacting and negotiating with the counter parties, and implementing and managing the entire process. Southworth International utilizes a network of professionals to implement this complicated yet proven resource to develop and finance projects worldwide.

Although countertrade programs are inherently complex and require the devotion of tremendous resources, they are exceedingly helpful in transitioning the economies of developing countries to developed status. Southworth looks forward to the development of these resources with its customers.



S o u t h w o r t h I n t e r n a t i o n a l

[Southworth International Corporation exhibits a long-term commitment and concern for its clients. It utilizes specialists to resolve the complexities inherent in global finance. This forms the foundation for business philosophy that sets it apart from its competition.]

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