



The Power of Experience®

Reinforcing the Cornerstones of Treasury Panel Discussion

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Moderated by:
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The Business Landscape in 2009



The Business Landscape in 2009

- Falling stock markets and rising unemployment
- The US Banking system is in disarray
 - “Survival of the fittest” or “Too big to fail”?
- Credit is impossible to come by...
 - Contrary to media reports, banks are lending.
 - » However, lending standards have been tightened.
- The current economic malaise is global.
 - Started with the US subprime mortgage predicament
 - Now there is a fear that some Western European countries such as Austria, Ireland and Spain - believed to have graduated from IMF lifelines long ago - may soon require bailouts.
 - According to the World Bank, the global economy will shrink in 2009 for the first time since WWII.

A Look Back at 2008....

In 2008, Treasury Strategies coined the term “Bulletproofing Treasury.” A concept which encouraged treasurers to embrace a framework of best practices to help “weather the storm” of challenges that were sure to distract Treasury departments from their strategic mission.

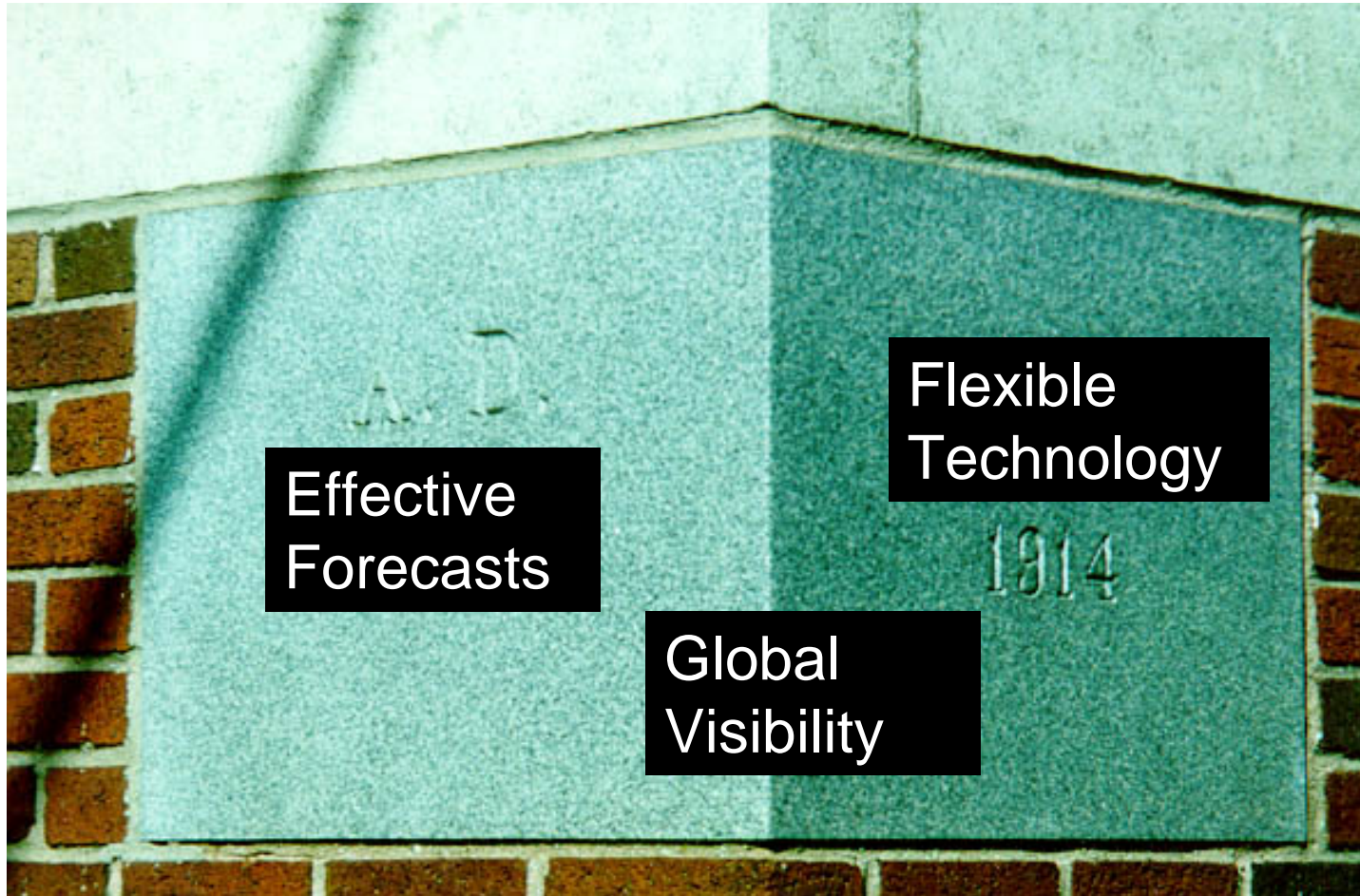
Components of Bulletproofing:

- Establishing best-in-class treasury processes and procedures
- Implementing best-of-breed treasury tools and technology as well as best practices
- Ensuring that banking structures, services and support are of the highest quality
- Developing an optimal treasury organization and staffing from the standpoint of structure and versatility

While 2008 did challenge Treasury’s ability to access liquidity, control assets and manage risk, 2009 is shaping up to be even more demanding and economically dramatic.

2009's Theme for Success

Reinforcing the Cornerstones of Treasury



2009's Theme for Success

Reinforcing the Cornerstones of Treasury

The strategy here is to reinforce your treasury fundamentals to be absolutely sure they will withstand the likely battering that lies ahead.



Global Visibility

- What does it mean?
 - Organizations having timely and comprehensive information on all positions and exposure
- Real time
 - To take care of today's business today
 - Maximize liquidity
 - Minimize risk

Global Visibility

Many firms would admit that they have poor visibility over cash and liquidity in parts of the globe.

- Most have up to the minute primary currency positions, but have far less visibility over secondary currencies.
 - One cannot assume that less information about these currency positions is acceptable because they represent lower volumes.



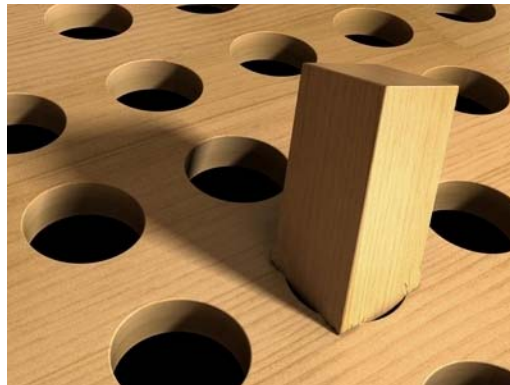
Effective Cash Forecasting

- There is a distinction between forecast precision and forecast effectiveness.
 - Forecast precision is less vital than being able to forecast effectively for funding beyond today.
- An effective forecast answers the following questions:
 - Do we have adequate liquidity?
 - Do we have adequate working capital?
 - Can we support our business plan?
 - Can we meet the requirements of our creditors and shareholders?

Effective Cash Forecasting

Effective forecasting requires a new mind-set.

- Forecasts that support quarterly earning projections or focus on intricate details of cash flows are no longer valuable today.
- In today's business environment, an effective cash forecast must address the life and death decisions that Treasury must address.
 - How much cash is needed to fund today's activities?
 - How much liquidity is needed for the business to operate?
 - When do we need to repatriate cash from foreign operations and from where?



Flexible Technology

- Prior to 2007, most treasury technology was hardwired into relationships.
- Today's treasury technology must reflect an organization's need to be extremely nimble and adjust quickly to the changes demanded by market conditions.
- Decisions such as changing counterparties, banks and funds may have to be made within a quick timeframe.
 - The best technologies will accommodate and provide the capability to let you move when it is needed.



Summary

- 2009 will be one of the most challenging business environments for companies in recent history.
 - Never before has Treasury's contribution to an organization's survival been so critical.
- Consider a strategy of reinforcing the Cornerstones of Treasury
 - They are the basic practical steps that will enable Treasury to function successfully at an effective level.

Panel Discussion



About Treasury Strategies, Inc.

Who We Are

Treasury Strategies, Inc. is the leading Treasury consulting firm working with corporations and financial services providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions.

What We Do

Corporations

We help you maximize worldwide Treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

Financial Services

Our experience, analytic approach and benchmarks provide unique consulting solutions to help you strengthen and grow your business.

Market Intelligence

We deliver the keys to informed decision making through customized research that gets to the heart of what's happening in the marketplace.