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Annual Conference



— November 7-10, 2010 | San Antonio —

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INFORMATION



**Cash Forecasting:
How to Consolidate Regional
Data into an Effective Global
Cash Forecast**

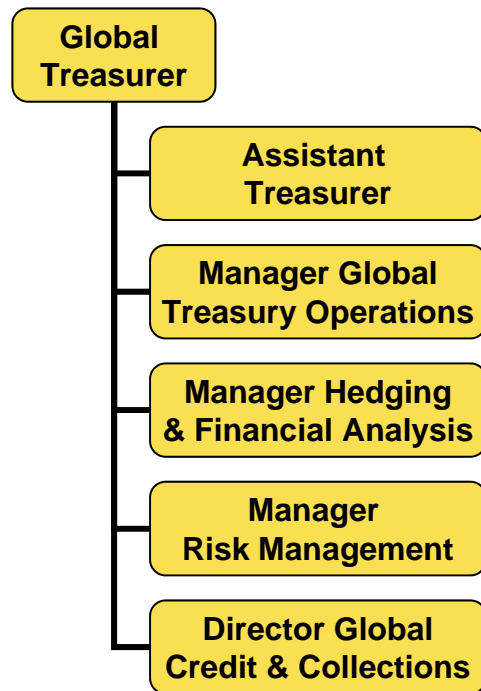
Amy Lainge
Manager, Global Treasury Operations
Chiquita Brands International, Inc.

Chiquita Brands International, Inc.

- Leading international marketer and distributor of high-quality fresh and value-added food products
- Markets products under the Chiquita® and Fresh Express® premium brands
- Annual revenues of approximately \$3.5 billion
- Employs approximately 23,000 people
- Operations in nearly 80 countries worldwide
- Global headquarters in Cincinnati, Ohio USA

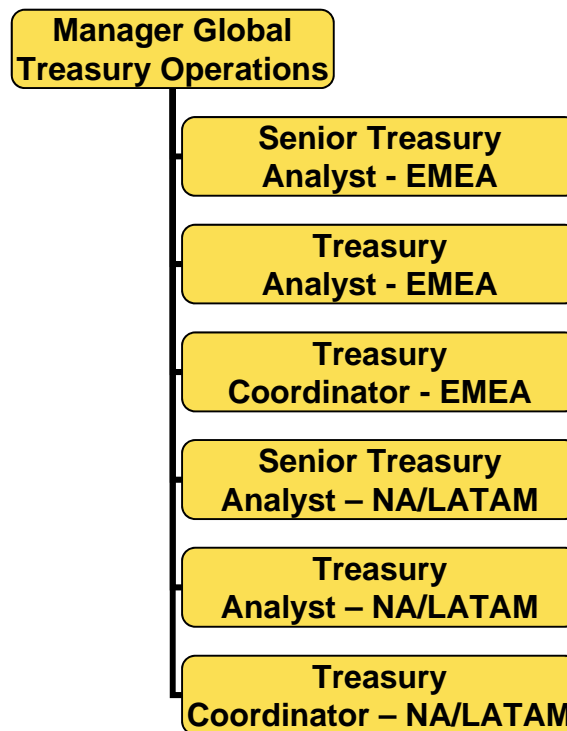


Chiquita's Global Treasury Structure



- Credit & Capital Markets
- Bank Relationships
- Treasury/Cash Operations
- Hedging & Financial Risk
- Enterprise & Insurance Risk
- Credit Analysis & Collections

Global Treasury Operations Group



Treasury Operations Functional Areas



Why do we forecast?

- To determine our cash position
- Helps us to make better decisions about our cash
- Know when we will need more cash and where
- Determine if we have excess cash that could be invested
- Helps us plan for the future business needs

Cash Forecasting at Chiquita Brands

- Historical short-term forecasting process was not working
- Needed more control and accuracy
- Began working on a brand new process in late 2007
- Phased approach: “don’t bite off more than you can chew”
- Continuous improvement: forecast is constantly evolving

Cash Forecasting at Chiquita Brands

- Forecast is prepared weekly using Excel and SharePoint
- Issued weekly and includes rolling 8 weeks of data
- Data inputs from many users around the globe
- Variance analysis on forecast vs. actual data: performed weekly
- Forecast Scorecard: prepared and issued monthly
- Reconciliation between book and bank cash: reconciled at least quarterly

Data Collection

- Microsoft SharePoint website
- One location for all global data
- Separated by region: NA/LATAM and Europe
- Separated by category: receipts and disbursements
- Use standardized Excel templates for each entity to populate
- Data rolled up into a summary file

SharePoint Website

The screenshot shows a Microsoft Internet Explorer browser window. The address bar displays the URL: http://teamportal.chiknet.com/sites/cash_forecast/Europe%20Disbursements/Forms/AllItems.aspx. The browser title is "Europe Disbursements - Microsoft Internet Explorer provided by Chiquita".

The website content includes a navigation pane on the left with sections for Documents, Pictures, Lists, Discussions, and Surveys. The main content area displays a list of documents under the heading "Europe Disbursements". The list is sorted by "Modified" date and time, and the view is set to "All Documents".

Type	Name	Modified	Modified By
	20 10 Disbursements - SUMMARY	9/7/2010 2:01 PM	Lindsay Connelly
	Central Europe	9/9/2010 9:26 AM	Lenka Vojtova
	CHECKLIST	9/13/2010 7:09 AM	Areti Sigala
	Entities Forecasted by Treasury	9/7/2010 10:26 AM	Lindsay Connelly
	Food Innovations	9/3/2010 12:49 PM	Marta Nicha
	GWF - EUR	9/7/2010 9:58 AM	Jose Murillo Araya
	GWF - USD	9/7/2010 10:18 AM	Jose Murillo Araya
	Hellas	9/13/2010 7:07 AM	Areti Sigala
	Italia	9/10/2010 11:17 AM	Marco Monti
	Poland	9/13/2010 6:21 AM	Marta Mrozek
	Portugal	9/8/2010 10:54 AM	Marta Nicha
	Slovakia	9/3/2010 12:11 PM	Eva Brhlovicova
	UK	9/9/2010 3:26 AM	Richard Ellis

The Windows taskbar at the bottom shows the Start button, several open applications (including "Europe Disbursem...", "Inbox - Microsoft ...", and "Microsoft PowerP..."), and the system tray with the time 7:54 AM.

Cash Forecast

- Prepared weekly by Treasury Operations team
- Team effort: everyone gets involved
- Consolidates all regional summary files from SharePoint website
- Distributed to senior management weekly
- Used to make strategic financing decisions for the company

Cash Forecast

- Global Summary tab
- Charts showing prior year cash flow trends
 - Excludes one-time items that would skew data
- NA Forecast
- NA Actual Data
- NA Variances
- EU Forecast
- EU Actual Data
- EU Variances

Variance Analysis

- Actual data from previous week compiled every Monday
- Compare actuals to previous week's forecast to determine accuracy for each business unit
- Send follow-up emails weekly to business units with large variances
- Use the variance analysis to target areas needing improvement

Variance Analysis

Microsoft Excel - AFP cash forecast examples.xls [Shared]

File Edit View Insert Format Tools Data Window Esbase Help

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2010 Cash Forecast Variance European Region				Week 33			
Receipts	Address Book	Currency	Forecast	Actuals	Variance	% Variance	
Sub 1		USD	-	-	-		
Sub 2		USD	-	-	-		
Sub 3		EUR	1,963,238	5,441,211	3,477,973	100.00%	
Sub 4		EUR	2,055,828	2,317,017	261,189	12.70%	
Sub 5		EUR	1,058,599	1,761,487	702,888	66.40%	
Sub 6		EUR	3,189,571	3,239,081	49,509	1.55%	
Sub 7		EUR	-	-	-		
Sub 8		USD	2,916,999	3,464,504	547,505	18.77%	
Sub 9		EUR	844,746	912,227	67,481	7.99%	
Sub 10		EUR	88,700	16,976	(71,725)	-80.86%	
Sub 11		EUR	1,209	21,909	20,700	100.00%	
Sub 12		EUR	2,641,529	3,963,752	1,322,223	50.06%	
Sub 13		EUR	4,642,250	1,857,906	(2,784,344)	-59.98%	
Sub 14		EUR	194,248	509,432	315,184	100.00%	
Sub 15		EUR	349,570	389,416	39,846	11.40%	
Sub 16		EUR	764,426	577,398	(187,028)	-24.47%	
Sub 17		USD	200,000	57,218	(142,782)	-71.39%	
Sub 18		USD	-	429,024	429,024	100.00%	
Sub 19		SEK	638,000	820,128	182,128	28.55%	
Total Receipts							
Total Euro Receipts		EUR	22,593,914	21,007,810	(1,586,104)	-7.02%	
Total USD Receipts		USD	3,116,999	3,950,746	833,747	26.75%	
Total SEK Receipts		SEK	638,000	820,128	182,128	28.55%	
Total Receipts in USD			33,236,176	31,987,571	(1,248,605)	-3.76%	

Global Forecast / NA Charts / EU Charts / NA Forecast / NA Actuals / NA Variance / NA Notes / EU Forecast / EU Actuals / EU Variance / E

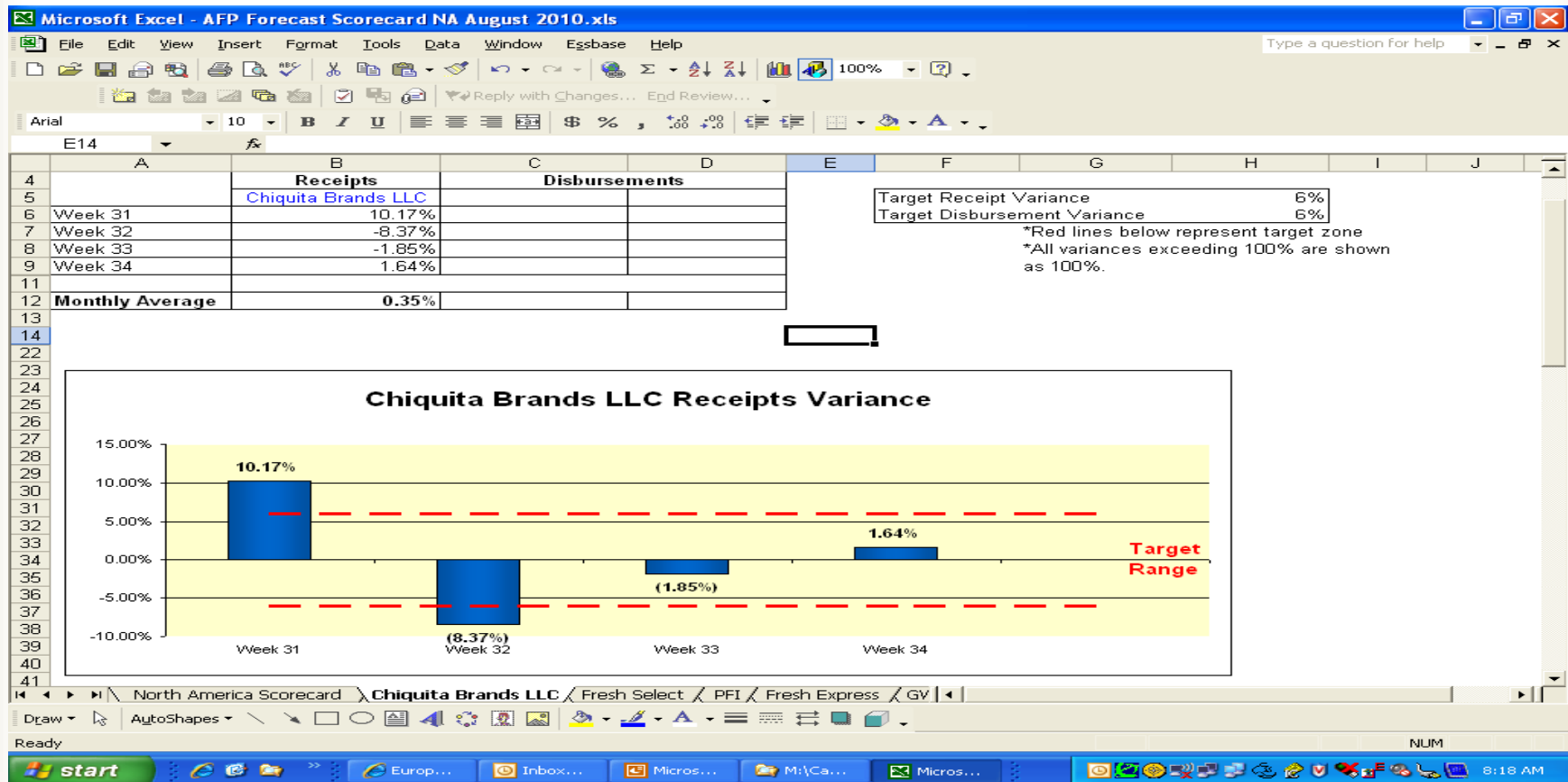
Ready NUM

start | Inbox - Microsoft ... | Microsoft PowerP... | Microsoft Excel ... | EN | 8:26 AM

Forecast Scorecards

- Established accuracy targets for receipts and disbursements by region
- Excel spreadsheet shows forecast performance over the past month
- Includes performance overview of all business units in that region as well as an individual tab for each business unit with more detailed information
- Measures accuracy of each business unit on receipts and disbursements separately
- Distributed to forecast owners and senior management monthly

Forecast Scorecard Example



Forecast Results

Went from not measuring accuracy at all to.....

2009 Accuracy Results

- EU Receipts: 9.54%
- EU Disbursements: 2.10%
- NA Receipts: 2.03%
- NA Disbursements: 6.53%

2010 Accuracy Results (as of August)

- EU Receipts: 7.61%
- EU Disbursements: 0.83%
- NA Receipts: 2.21%
- NA Disbursements: 1.55%

Why is Chiquita's forecast successful?

- Strategic priority for the organization
 - Support from senior management from day one
 - Collaborative efforts: keep everyone involved
 - Clear and open communication
 - Simple and standardized process
 - Incorporated into people's annual goals and objectives
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Questions?

Contact Information

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