

AFP® Annual Conference



November 7-10, 2010 | San Antonio

ORIGINAL
ESSENTIAL
UNBIASED
INFORMATION



Managing cash in emerging markets

Bruce Robertson

Assistant Treasurer
Westlake Chemical

Cristina Pintado

Director, Working Capital Sales
Standard Chartered Bank

Agenda

- **Welcome and introduction**
 - **Objectives of the session**
 - Emerging markets overview
Cristina Pintado, Standard Chartered Bank
 - Westlake Chemical perspective in emerging markets
Bruce Robertson, Westlake Chemical
 - Q&A
-

Objectives

- Learn how to navigate in the complexity of emerging markets
- Identify pain points for organizations going global
- Learn how to create a check list for cash management services

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Emerging markets overview

Cristina Pintado
Director, Working Capital Sales
Standard Chartered Bank

About Standard Chartered Bank

- Founded in 1853
- Strong franchises in Asia, Africa and the Middle East
- Over 70 countries – over 1,750 branches
- Listed on the London, HK and Mumbai stock exchanges
- 75,000 employees
- Strategic intent: to be the world's best international bank leading the way in Asia, Africa and the Middle East



Emerging markets overview



Emerging markets are nations with social or business activity in the process of rapid growth and industrialization

Emerging markets overview

Table 2: GDP and merchandise trade by region, 2007-09 (Annual percentage change)

	GDP			Exports			Imports		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
World	3.8	1.6	-2.3	6.4	2.1	-12.2	6.1	2.2	-12.9
North America	2.2	0.5	-2.7	4.8	2.1	-14.4	2.0	-2.4	-16.3
United States	2.1	0.4	-2.4	6.7	5.8	-13.9	1.1	-3.7	-16.5
South and Central America ^a	6.4	5.0	-0.8	3.3	0.8	-5.7	17.6	13.3	-16.3
Europe	2.9	0.8	-4.0	4.2	0.0	-14.4	4.4	-0.6	-14.5
European Union (27)	2.8	0.7	-4.2	4.0	-0.1	-14.8	4.1	-0.6	-14.5
Commonwealth of Independent States (CIS)	8.3	5.3	-7.1	7.5	2.2	-9.5	19.9	16.3	-20.2
Africa	5.8	4.7	1.5	4.8	0.7	-5.5	13.8	14.1	-5.5
Middle East	5.5	5.4	1.0	4.5	2.3	-4.9	14.6	14.6	-10.6
Asia	6.0	2.7	0.1	11.7	5.5	-11.1	6.2	4.7	-7.9
China	13.0	9.0	8.5	19.8	8.6	-10.5	13.8	3.8	2.8
Japan	2.3	-1.2	-5.0	9.4	2.3	-24.9	1.3	-1.3	-12.8
India	9.4	7.3	5.4	14.4	14.4	-6.2	18.7	17.3	-4.4
Newly industrialized economies (4) ^b	5.6	1.6	-0.8	9.0	4.9	-5.9	5.3	3.5	-11.4

^a Includes the Caribbean.

^b Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.

Source: WTO Secretariat.

Source: World Trade Report 2010 (WTO)

Emerging markets overview



Brazil:

Population 201 million
Indian rupee (INR)
1,085 USD GDP per capita
7,2% GDP Growth in 2009
Export: UAE, USA, CN
Import: CN, Saudi Arabia, USA

Russia:

Population 140 million
Russian ruble (RUB)
8,700 USD GDP per capita
-7,9% GDP Growth in 2009
Export: Netherlands, Italy,
Germany
Import: CN, Germany, Japan

India:

Population 1,17 billion
Indian rupee (INR)
1,085 USD GDP per capita
7,2% GDP Growth in 2009
Export: UAE, USA, CN
Import: CN, Saudi Arabia, USA

China:

Population 1,3 billion
Renminbi (RMB)
3,235 USD GDP per capita
8,5% GDP Growth in 2009
Export: USA, HK, JPN
Import: JPN, S.Korea, Taiwan

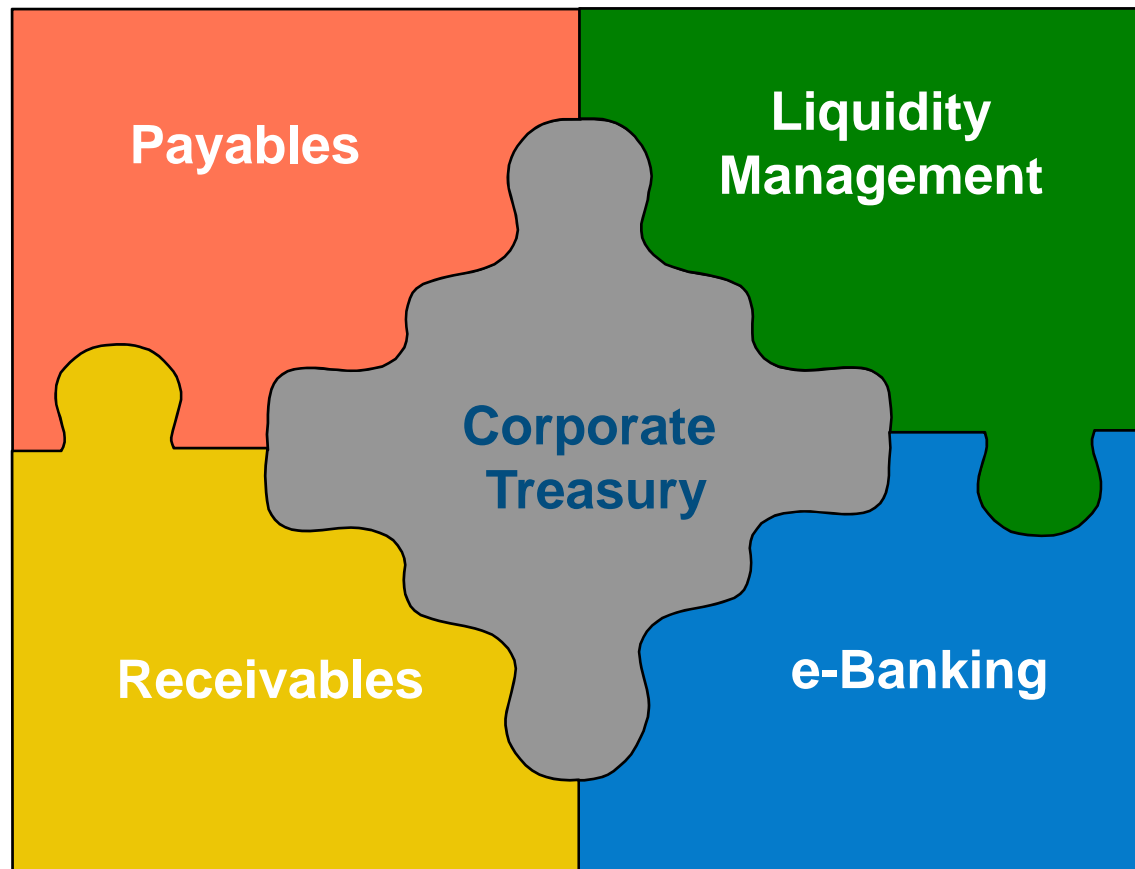
Considerations for corporations going global



Considerations for corporations going global

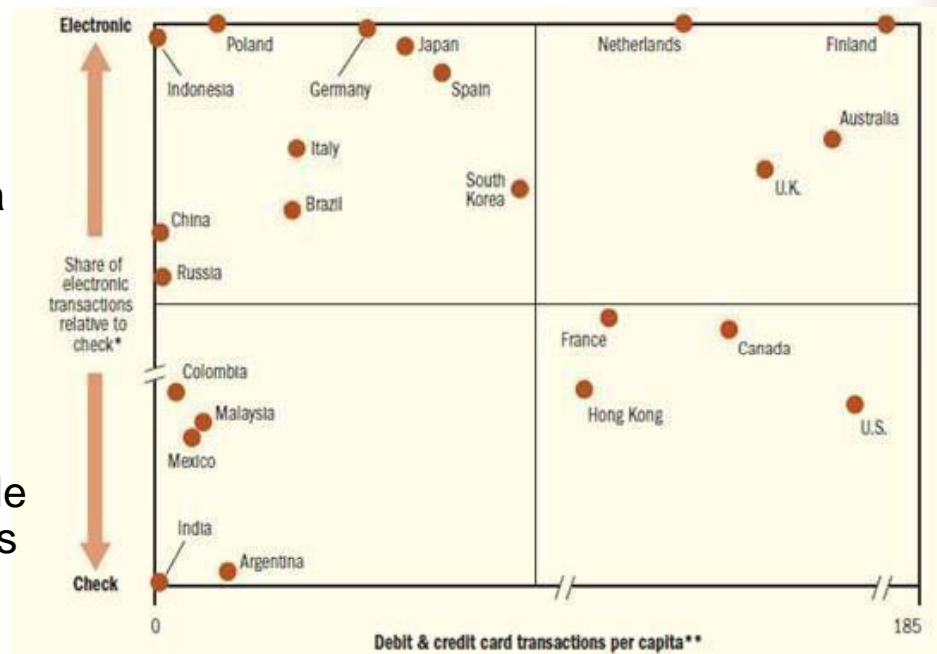


Managing cash in emerging markets: banking services



Managing cash in emerging markets: trends

- Fragmented and in different stages of development
- Local banks compete on branch and clearing zone network
- Global/regional banks compete with a 'Harmonized Payment solution'
- Paper based clearing remains important even in larger, developed markets in Asia
- Rise of non-traditional fund transfer providers such as social media, mobile providers, and money service bureaus
- All players are looking to capture and retain deposits



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**Westlake Chemical
perspective in
emerging markets**

Bruce Robertson
Assistant Treasurer
Westlake Chemical



INTEGRATED POLYMERS MATERIALS COMPANY



(LTM 2Q10)

Sales			\$2.9 Billion
EBITDA			\$337 Million
Net Income			\$117 Million
Capacities:			
Ethylene	2.95 Blbs	PVC	1.70 Blbs
Polyethylene	2.50 Blbs	Caustic Soda	600 MMlbs
Styrene	570 MMlbs	Fab. Products	1.20 Blbs



Olefins
\$2.04 billion
71.5%

Sales
% of Total

Vinyls
\$0.8 billion
28.5%

MISSION

- profitable growth ...
- in businesses we understand...
- globally in areas we can gain an edge...
- in a disciplined and opportunistic manner

Note: Fab. Products capacity includes China JV



GEOGRAPHIC FOOTPRINT



- Our China facility markets PVC resin and film products to both domestic and export markets, while exporting PVC window profiles to North American markets
- Established 1992, a J.V. with Ineos. Westlake has a 59% share in the Joint Venture
- Located in Suzhou, China, near Shanghai - operations include:
 - ◆ PVC resin plant
 - ◆ PVC film and sheet calendering facility
 - ◆ PVC window profiles

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