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November 7-10, 2010 | San Antonio

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Asia Regional Treasury Solutions Benefits of Centralization

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About Viacom

- Some key details about Viacom and our operations
 - Leading global entertainment content provider listed on the NYSE
 - Active business operations world-wide. Viacom has entities in 12 countries within Asia Pacific
 - Group brands: MTV Networks, BET Networks and Paramount Pictures

2009 Adjusted Results

Revenue: \$13.6 billion

Operating Free Cash Flow: \$2 billion

VIACOM



Cash Management Project

Key Objectives

- Viacom embarked on a cash management project with the following key objectives
 - Select a primary cash management bank in Asia
 - Achieve process efficiency and cost savings
 - Portable and non-proprietary banking platform
 - Control and visibility of bank accounts
 - Obtain a single customer service contact for corporate treasury whilst providing local and regional contacts for divisions
 - Standardized legal documentation
 - A banking partner to support the longer term growth initiatives of the company
-

Choosing The Right Banking Partner

Basis of Selection:

- The following were the key selection criteria for choosing our banking partner:
 - Depth of partnership
 - Credit relationship
 - Global and regional level relationship contacts
 - Financial strength
 - Clear and ongoing commitment to treasury operations excellence
 - Significant infrastructure investment
 - Commitment to quality service and performance measurements
 - Operational capabilities and track record
 - Good customer support
 - Participation in local clearing systems
 - Ability to process local disbursements
 - Transparency and integrity of pricing

Project Progress

June 2009

- 16 different banking relations
- 56 bank accounts
- Manual payments processing

November 2010

- Consolidated in-country payment files

June 2011

- Regionally consolidated payment file in Singapore

Decentralized

Rationalized

Centralized

Key Benefits

- A regional platform will provide Viacom with the following key benefits:
 - Rationalize banking relationships and accounts
 - Bank relationship reduced by 87%
 - Bank accounts reduced by 41%
 - Centrally managed processes
 - Automated payment processing and account reconciliation
 - Single banking relationship with DB
 - Cost savings and time efficiency
 - Automated supplier payments reconciliation from JD Edwards

Process

- Pre RFP
 - Inventory of existing bank accounts and relationships
 - Obtain project buy-in from senior management and local stake-holders
 - Have local territories complete banking questionnaire
 - Identify the project team and ensure their availability to actively participate in project
 - Key project members should include: Corporate Treasury, local Treasury or Finance Teams, Legal, AP, AR, Compliance and IT
- Post RFP
 - Conduct bank meetings.
 - Use this time to clarify any questions and get to know implementation team
 - Have the implementation team present at bank meetings.
 - Choose bank by reviewing scorecards with the Project Team
 - Work with bank to develop realistic project plan based of your company's internal resources

Implementation

- Drivers to a successful implementation plan:
 - Clearly identify tasks and timelines
 - Set realistic timelines
 - If implementation plan is too aggressive then break the project up into phases
 - Assign resources for the various content areas
 - Have regular calls with the bank and project team to ensure progress is being made
 - Be flexible
 - You will not be able to achieve 100% of your streamlining efforts due to the various regulatory environments
 - Keep senior management engaged by sending regular project updates

Lessons Learned

- Critical to obtain IT resources
 - Interfacing with your company's ERP system is a core component
- Helpful to have a counterpart in Asia on the business side
 - It can be challenging to drive changes from Corporate
- Gain a better understanding of how internal policies and controls get approved
 - Do not try and implement project with narrow focus
 - Be aware of other initiatives within the organization. Examples: Accounting, AP or AR systems

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Key Cash Management Priorities in Asia

Centralization of treasury activities

No. of treasury centers in Singapore has increased from 50 in 1993 to 4,500 at present⁽¹⁾

Increased focus on counter-party risk

57% of senior executives said their companies are spending more time dealing with risk management post the financial crisis⁽²⁾

Improving optimization and visibility of cash

% of companies with global liquidity management increased from 25.5% last year to 34.9% this year⁽³⁾

A/P and A/R re-engineering

Median cycle time to resolve a bank account discrepancy was 3 days compared to the 80th percentile benchmark of 1 day⁽⁴⁾

Integration with banking platform

Based on an Accenture survey, organizations use only 64% of their ERP's core functions⁽⁵⁾

(1) Dr. Petr Polak; Co-author of *Regional Treasury Centers In South East Asia – The Case Of Brunei Darussalam*

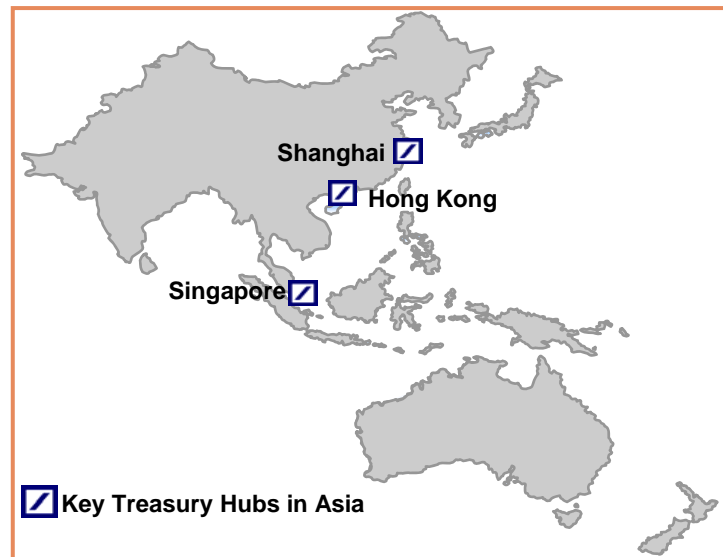
(2) *Survey of senior executives by Korn/Ferry International, 2009*

(3) *Cash Management Survey 2010, gtnews*

(4) *2009 AFP Treasury Benchmarking Program : Realities of Treasury Technology Adoption*

(5) *Based on results of Accenture's survey of 300 IT professionals in 2009*

Centralization of Treasury Activities



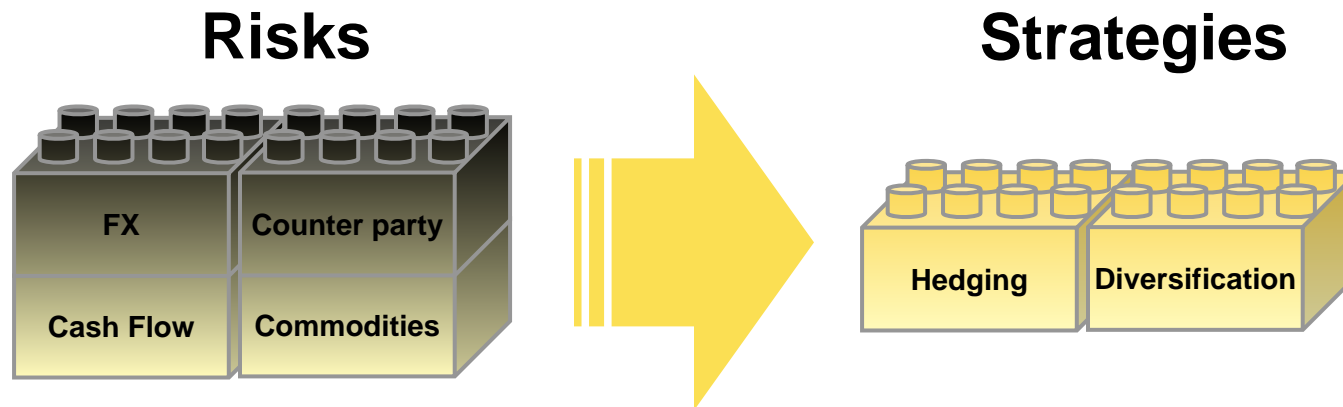
What are companies doing?

- Setting up regional / global treasury centers in key treasury hub locations in Asia
- Centralizing Cash Management, FX and hedging activities
- Centralizing the management of banking relationships

Key benefits

- Faster reaction time to market volatility
- Better utilization of natural hedges
- Better monitoring and co-ordination of treasury dealings with banking counterparties

Increased focus on risk management



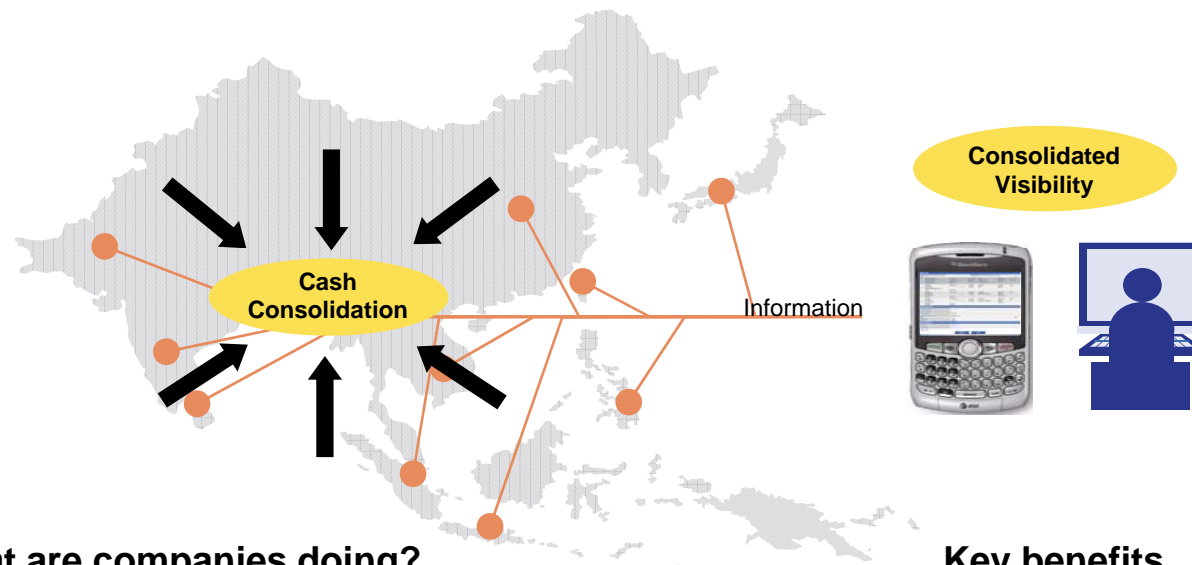
What are companies doing?

- Diversifying exposures by buying services at a regional or country-by-country basis
- Utilizing bank / supplier neutral infrastructure (e.g. XML, SWIFT SCORE etc)

Key benefits

- Minimize P/L volatility and risk
- Maximize cost savings by choosing best provider
- Increased ease and reduced cost of switching between various providers

Improving Optimization and Visibility of Cash



What are companies doing?

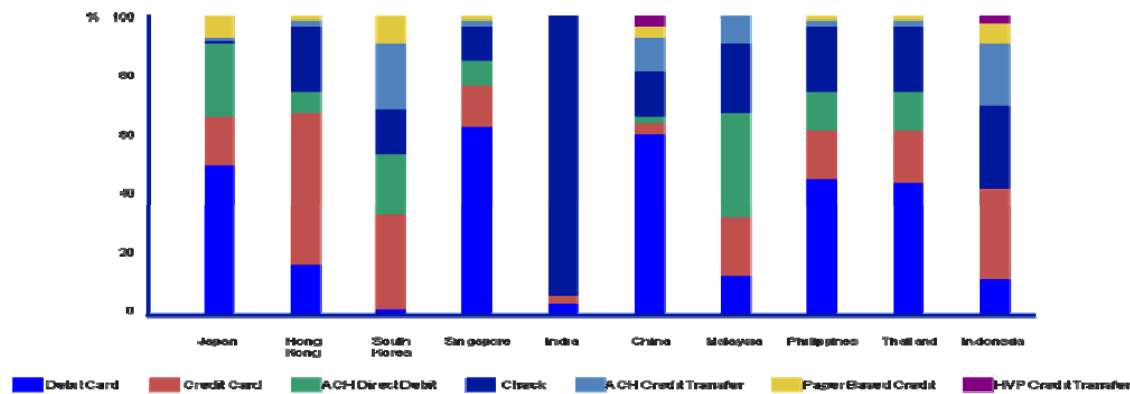
- Consolidation of cash to manage the cost of capital
- Improving visibility of cash positions through globally consistent banking platforms and customized alerts
- Optimizing the returns on available cash resources

Key benefits

- Reduced borrowing cost by utilizing internal funding
- Improved returns on idle cash through optimization solutions
- Better governance and risk control through improved visibility

A/P and A/R Reengineering

Breakdown of Payment Instruments per Country in % of Non-cash Transactions



Source: BCG Global Payments Database

The fragmented payment landscape in Asia offers tremendous opportunities for improvement

What are companies doing?

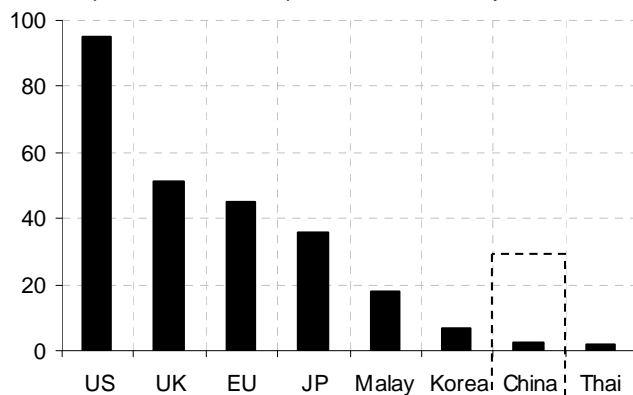
- Streamlining payments process
- Reducing manual / paper payments by outsourcing to banks or switching to electronic payments
- Investing in solutions to clearly identify payer information to increase reconciliation efficiency

Key benefits

- Improved efficiency and reduced cost of transaction processing
- Better security and control over payments and collections processes
- Improved reconciliation through clear identification of payers

RMB: An Alternative Settlement Currency

% of exports invoiced in exporter home currency



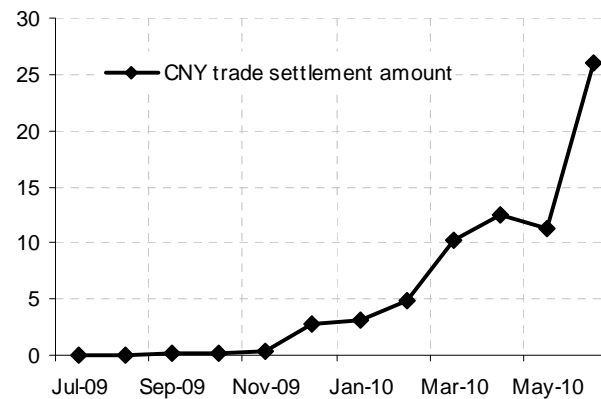
Source: Goldberg & Tille; Federal Reserve Bank of New York; data based on discrete observations made from various country studies made between 1998-'08

Huge potential

- Less than 2% of China's trade is currently settled in RMB
- Under reasonable assumptions of RMB adoption, offshore circulation of RMB may rise anywhere between 4-6 times its current size⁽¹⁾

Source: DB Global Markets Research, Bloomberg Finance LP

Monthly trade settled in RMB (billion yuan)

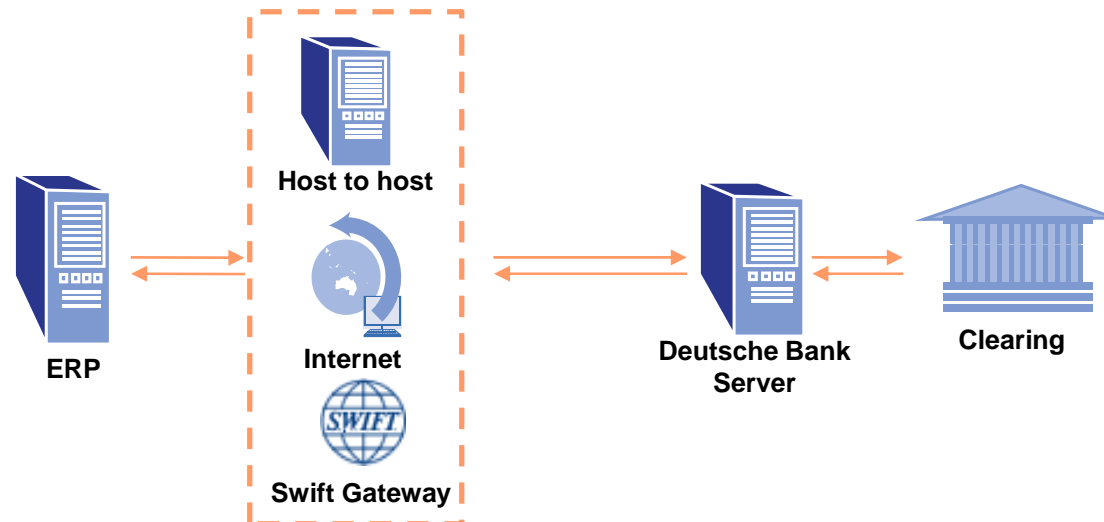


Source: PBOC

Why RMB settlement

- Reduce trapped RMB
- Reduce payment / goods delivery time (No FX verification required)
- Leverage RMB's growth offshore and benefit from its investment potential

Integration With Banking Platform



What are companies doing?

- Increasing level of integration with banking providers
- Automating information flows across dedicated network channels
- Automating reconciliation of bank statements and receivables

Key benefits

- Streamlined finance function lead to further rationalization of resources
- Fully straight through processing ensures integrity of entire transaction process
- Improved reconciliation efficiency through automation

QUESTIONS & ANSWERS

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