

CorporateManager

Improve shareholder value by managing market risk to reduce earnings volatility

Designed specifically to address the needs of corporate treasury professionals, **CorporateManager is a market risk measurement and reporting service, delivering RiskMetrics Group's proven analytics via a web interface.** CorporateManager models movements in market factors, such as exchange rates, interest rates, and commodity prices over a corporation's planning horizon. It tracks the effect of market movements on the company's business exposures, debt financing, derivatives contracts, and any other market exposures.

CorporateManager's customizable accounting logic captures the impact on the company's bottom line — earnings and cash flows. A flexible report generator delivers real-time reports, a variety of graphs, "what if" scenarios, diagnostics, and interactive drill-down analysis in multiple dimensions.

Used by corporate treasury professionals worldwide, CorporateManager enables you to model and aggregate a corporation's market exposures, and use this data to measure risk to earnings and cash flows accurately, interactively, and in real time. CorporateManager also provides easy-to-use tools to generate reports and graphs to view and communicate risk in multiple ways.

Key CorporateManager Features

Reporting	Analytics	Accounting
<ul style="list-style-type: none"> + Statistics include: <ul style="list-style-type: none"> - Earnings-at-Risk - Cash Flows-at-Risk - Portfolio Sensitivity - Counterparty Exposure - Present Value - Value-at-Risk + Flexible drill-down and filter capabilities + Graphs such as heat maps, bar charts, and scatter plots + Results exportable in PDF or Excel 	<ul style="list-style-type: none"> + Models market movements using corporate forecasts, historical data, or the market's own view + Admits corporate budgeting forecasts as a baseline for risk measurement + Allows modeling of relationships between corporate exposure size and market variables + Portfolio treatment allows aggregation of risk across all divisions and risk types + Provides large amount of market data, such as yield curves and implied volatilities 	<ul style="list-style-type: none"> + Customizable treatment by position includes an option to defer recognition of earnings to capture hedging + Consistent with FAS 133 and IAS 39 accounting standards + Estimates earnings and cash flows over multiple periods

RiskMetrics Group Addresses a Broad Spectrum of Risk



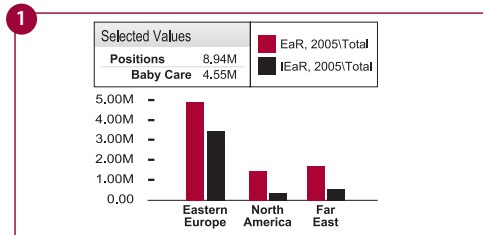
Client Benefits:

- + Understand how future market movements can affect the company bottom line
- + Make informed hedging decisions to avoid unexpected drops in earnings and cash flows
- + Evaluate the impact of business decisions on corporate risk
- + Aggregate exposures and capture diversification effects across divisions, business units, countries, or subsidiaries
- + Transparent, company-wide risk analyses for treasury officers, senior management, shareholders, rating agencies, and regulators
- + Measure earnings risk in accordance with U.S. and international accounting standards
- + Ensure that company risk exposures are within internal limits
- + Produce risk reports suitable for regulatory agencies

CorporateManager in Use

Risk Visualization and Mitigation

The following example illustrates how CorporateManager exposes risk sources, allowing managers to target potential risk problems and solve them quickly.



+ Risk can be viewed graphically, allowing you to quickly identify problem regions, divisions or businesses.

NAME	Notional (USD)	EaR, 2005	IEaR, 2005	Proj. Earnings, 2005
▲ NAME	TOTAL	TOTAL	TOTAL	TOTAL
○ Positions	-9,783,195	8,936,838	8,936,838	1,520,677,250
○ Baby Care	-2,385,416	5,693,839	4,554,027	568,904,516
● Far East	-355,772	1,625,765	343,156	45,219,916
● North America	-342,096	1,536,910	276,098	201,085,358
○ Eastern Europe	-659,051	4,978,689	3,697,002	211,286,244
○ RUB Exposures 5/2005	190,511,343	4,979,833	3,218,608	190,433,593
○ RUB Put Option 5/2005 0.035 Strike	-190,853,439	25,171	-24,089	25,171
● Family Care	-2,029,644	3,499,320	909,229	488,968,343
● Health Care	-2,321,458	2,906,629	1,165,430	153,162,891

+ Drilldowns allow you to display as much or as little data as you need. Here, drilling down into Eastern Europe displays risk by position and identifies candidates for hedging.

+ The Ruble (RUB) exposures are hedged using options, but the Earnings-at-Risk report shows that the market has moved away from the hedge, leaving the exposure mostly unhedged. High Incremental Earnings-at-Risk means that the exposure is a prime candidate for hedging.

+ By hedging the RUB exposures with a RUB Forward, the overall Earnings-at-Risk for Eastern Europe drops by over 80%.

NAME	Notional (USD)	EaR, 2005	IEaR, 2005	Proj. Earnings, 2005
▲ NAME	TOTAL	TOTAL	TOTAL	TOTAL
○ Positions	-200,636,634	7,683,451	7,683,451	1,520,701,701
○ Baby Care	-193,238,855	3,257,400	2,049,570	568,928,967
● Far East	-355,772	1,625,765	275,365	45,219,916
● North America	-342,096	1,536,910	-85,609	201,085,358
○ Eastern Europe	-191,512,489	950,638	236,992	211,310,893
○ RUB Exposures 5/2005	190,511,343	4,979,833	-24,357	190,433,593
○ RUB Forward 5/2005	-190,853,439	5,148,935	24,542	24,451
○ RUB Put Option 5/2005 0.035 Strike	-190,853,439	25,171	25,171	25,171
● Family Care	-2,029,644	3,499,320	2,181,783	488,968,343
● Health Care	-2,321,458	2,906,629	1,751,023	153,162,891

+ The quality of the hedge can be further tested by running it through a stress scenario in which the value of RUB drops sharply. In this scenario, which corresponds to the 1998 Russian crisis, losses on the RUB exposure are almost exactly offset by gains on the forward.

NAME	Notional (USD) 2005	Cash Flow Shortfall, Q1 2005	Cash Flow Shortfall, Q2 2005	Cash Flow Shortfall, Q3 2005	Cash Flow Shortfall, Q4 2005	Cash Flow Shortfall 2005
▲ NAME						
○ Positions	-200,636,634	10,609,288	8,055,218	6,511,338	5,779,428	30,955,272
○ Baby Care	-193,238,855	3,097,972	2,034,096	1,655,590	1,624,653	8,412,312
● Far East	-355,772	957,007	777,532	574,669	668,318	2,977,527
● North America	-342,096	216,821	1,688,849	97,115	113,285	596,072
○ Eastern Europe	659,050	1,310,902	589,480	615,562	414,798	2,930,744
○ RUB Exposures 5/2005	190,511,343	0	134,015,844	0	0	134,015,844
○ RUB Forward 5/2005	-190,853,439	0	-134,256,493	0	0	-134,256,493
● Family Care	-2,029,644	2,564,398	2,183,234	1,728,734	1,292,234	7,768,601
● Health Care	-2,321,458	2,524,355	2,013,578	1,413,248	1,264,281	7,215,462

For more information on this and other solutions from RiskMetrics Group, please email marketing@riskmetrics.com, visit www.riskmetrics.com, or call:

- Chicago +1 312.977.1707
- Frankfurt +49 (0) 69.2729.8659
- London +44 (0) 20.7842.0260
- Melbourne... +61 3 9642.2062
- New York +1 212.981.7475
- Paris +33 1 42.68.51.42
- Rockville +1 301.556.0540
- Singapore +65 6826.9339
- Tokyo +81 3 5275.7821

CorporateManager can help you improve shareholder value by managing market risk to reduce earnings volatility.

About RiskMetrics Group:

RiskMetrics Group is a leading provider of risk management products and services to financial market participants. By bringing transparency, expertise and access to the financial markets, we help investors better understand and manage the risks inherent in their financial portfolios. Our solutions address the market, credit, portfolio, governance, accounting, legal and environmental risks of our clients' financial assets. Headquartered in New York with 19 offices worldwide, RiskMetrics Group serves more than 2,300 institutions and 1,000 corporations in 50 countries. For more information, please visit www.riskmetrics.com.



RiskMetrics Group