

AR PURCHASE PROGRAM

*The single source
for all your
financing needs!*

The evolution of the global economy has led to a substantial increase in importing and exporting businesses throughout the world. In today's marketplace, companies from every corner of the world are competing with one another for every sale. In order to stay competitive, a manufacturer must:

- Offer extended sales terms to their buyers
- Bring out efficiencies in their global supply chain
- Improve financial returns and performance

It can be difficult for manufacturers to accomplish these goals (foreign or domestic) while limiting financial risk exposure. BTFG's program to purchase foreign/domestic receivables is designed to give manufacturers an edge by enabling them to offer longer payment terms and more competitive financing, while reducing risk and greatly improving internal cash flow. It helps manufacturers avoid the need for L/Cs or draft collections by allowing more sales on open account.

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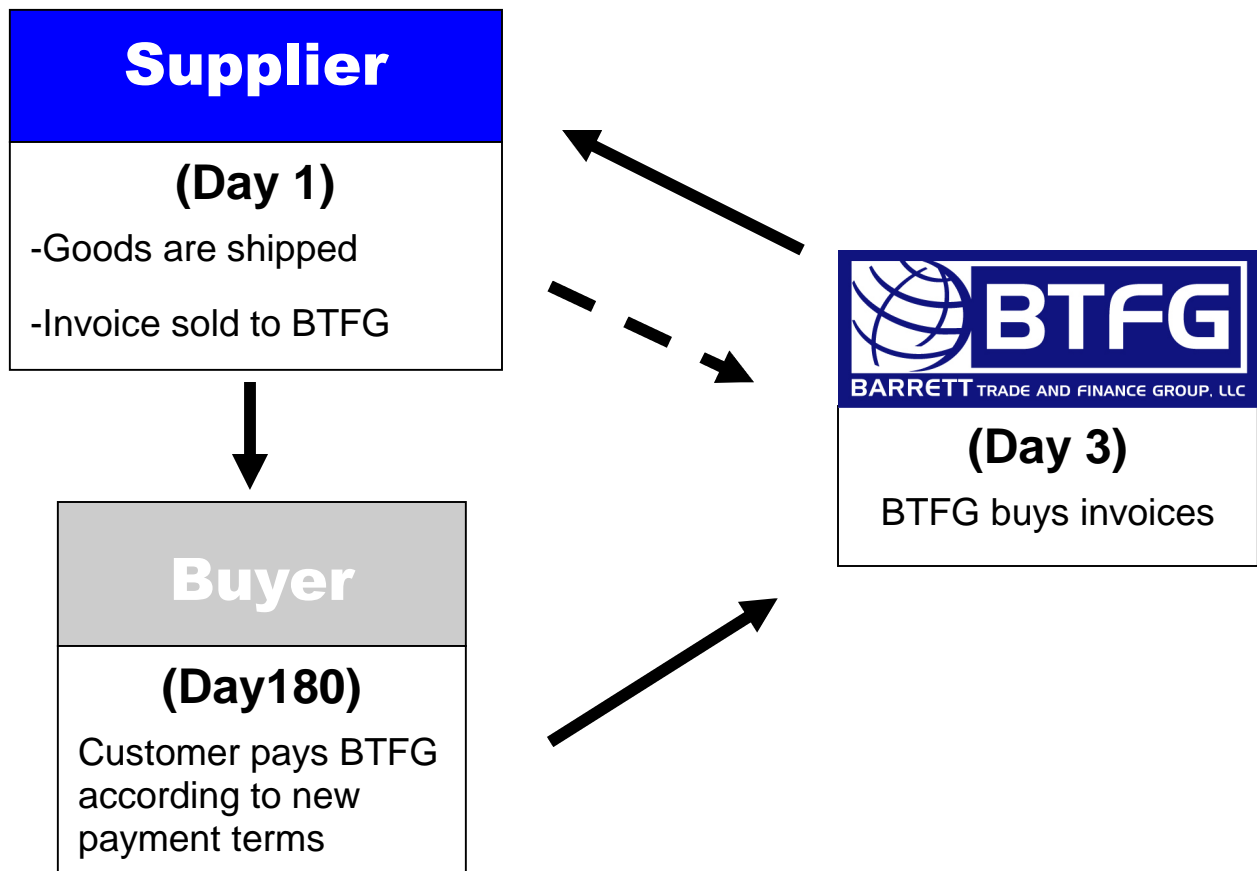
When BTFG purchases foreign/domestic receivables, there is only 10% recourse to the manufacturer. Unlike receivables financing, the limited amount of recourse allows the manufacturer to book the transaction with "true sale" treatment.

Here is how the program works...

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Program Process:

- *BTFG* and *Supplier* establish a credit line for all buyers, domestic and international, with corresponding payment terms.
- *Supplier* sells equipment to customer:
 - Day 1 – *Supplier* ships to *Buyer*, sells the invoice to *BTFG*.
 - Day 3 – *BTFG* purchases the invoice and funds the *Supplier*.
 - Day 180 – *Buyer* pays *BTFG*.
- As soon as payment is made by *Buyer*, the revolving credit line is freed up and the process repeats itself



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Advantages to the Supplier:

Improved cash flow - Monetizes trade receivables to create additional liquidity and improved cash collection:

- Discounting of receivables results in the acceleration of trade receivables collection.
- This leads to a reduction in DSO (Days of Sales Outstanding), as well as a reduction in carrying costs and internal capital charges.
- Higher cash inflow reduces the need for working capital financing and its associated borrowing costs.

Increased Market Competitiveness - Allows Suppliers to offer extended payment terms to buyers without the adverse balance sheet affects or the hassles of LCs:

- Can lead to the generation of additional sales with current customers.
- Allows supplier to enter new markets and offer open account terms to new buyers with little exposure.

Improved financial ratios:

- Off-balance sheet financing can reduce leverage and interest rate expense.
- Can lead to improved return on capital and reduced receivables days outstanding.

Reduces Risk Exposure - Will assist with trade risk management and provide trade portfolio protection:

- The program provides an effective hedge against the risk of non-payment by buyers.
- Offers a practical alternative to the hidden costs of self insurance such as bad debt reserves.



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The best finance company is the one that works hard to provide solutions that close deals. Barrett Trade & Finance Group provides financial solutions to companies around the world. Our broad range of services includes equipment leasing, comprehensive accounts receivable purchasing, loans and more. We work with manufacturers and distributors of all sizes, providing the programs needed to maintain a competitive edge in their market.

BTFG has over 15 years worth of experience in the global marketplace, and has facilitated millions of dollars worth of transactions for multiple companies on this program worldwide.

Call **312.382.5000** today to see how we can make you more competitive globally.

