
How to return to the growth path in 2010 ?

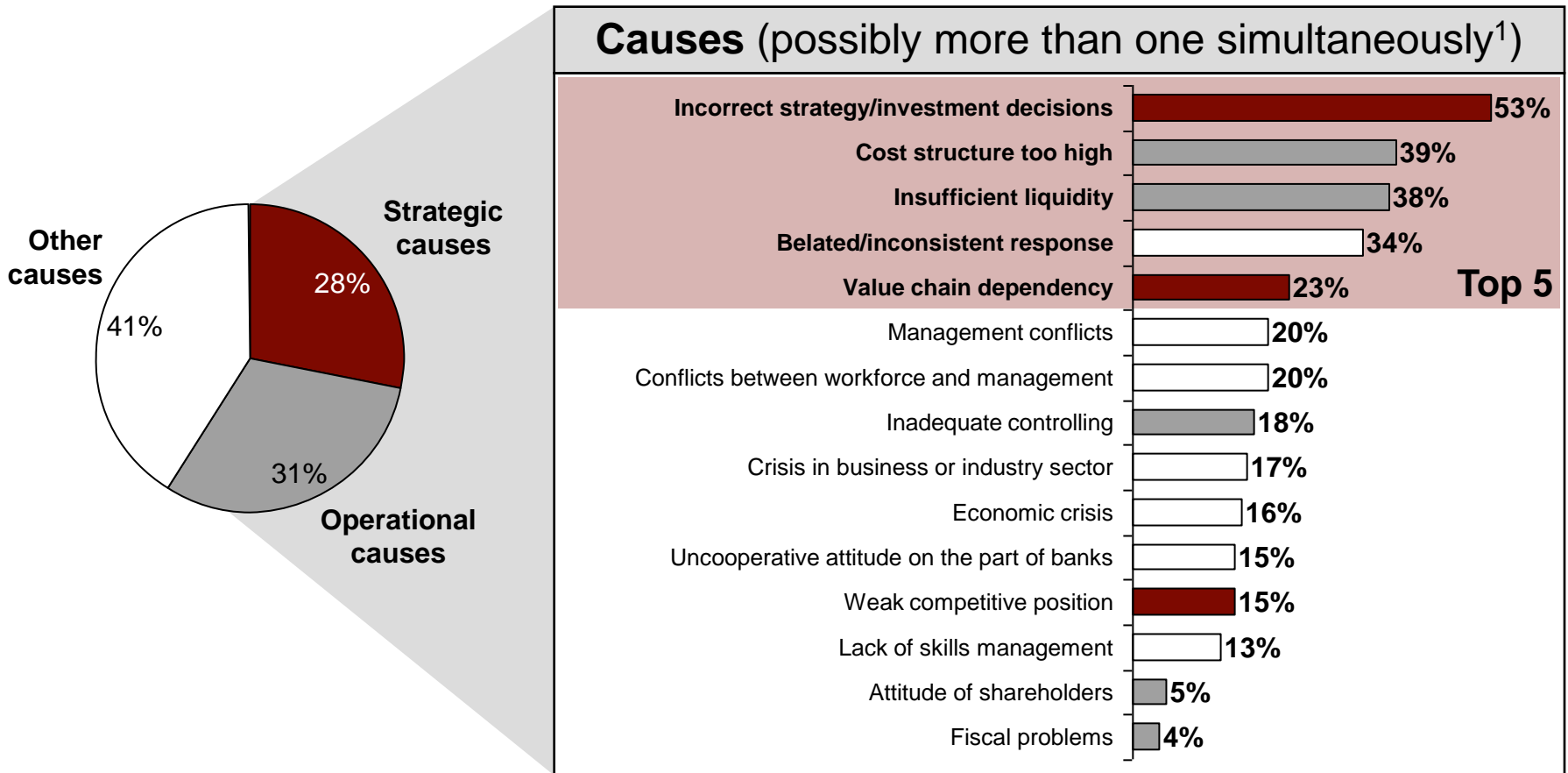
Michael Weiss

November 23rd, 2009

ATKEARNEY

There are many reasons for corporate crises

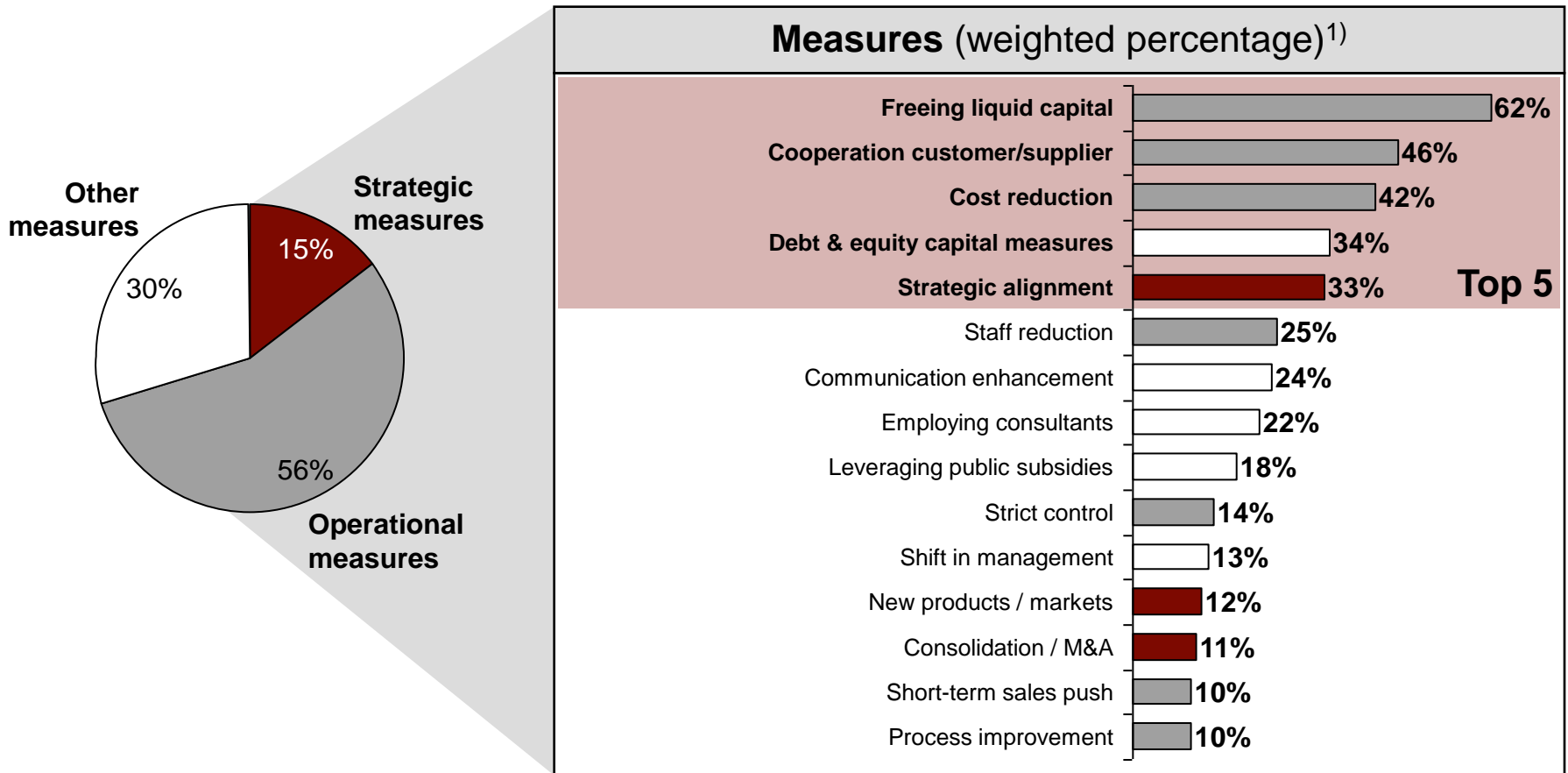
Causes of corporate crises



1) A.T. Kearney meta study of more than 1200 European enterprises in crisis. In most cases there are several causes simultaneously (hence figures > 100%)

Most frequently taken measures are to ensure liquidity and to reduce costs

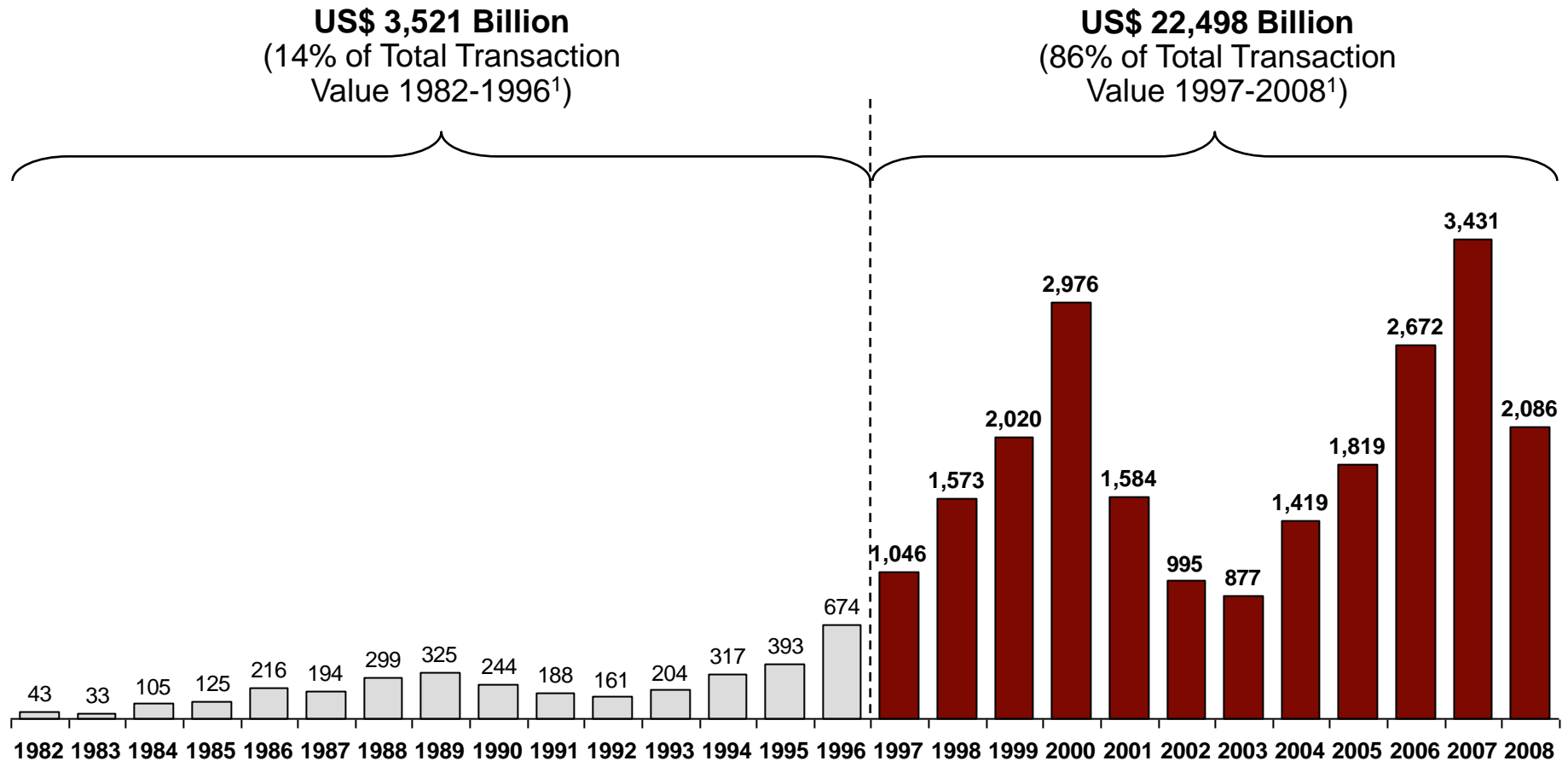
Top 15 measures taken in insolvency situation / severe crisis



1) A.T. Kearney meta study of more than 1200 European enterprises in crisis. In most cases there are several causes simultaneously (hence figures > 100%)

Traditional strategic frameworks were developed in the 80's when concentration was low and there were few M&A.

Annual transaction value of all M&As worldwide

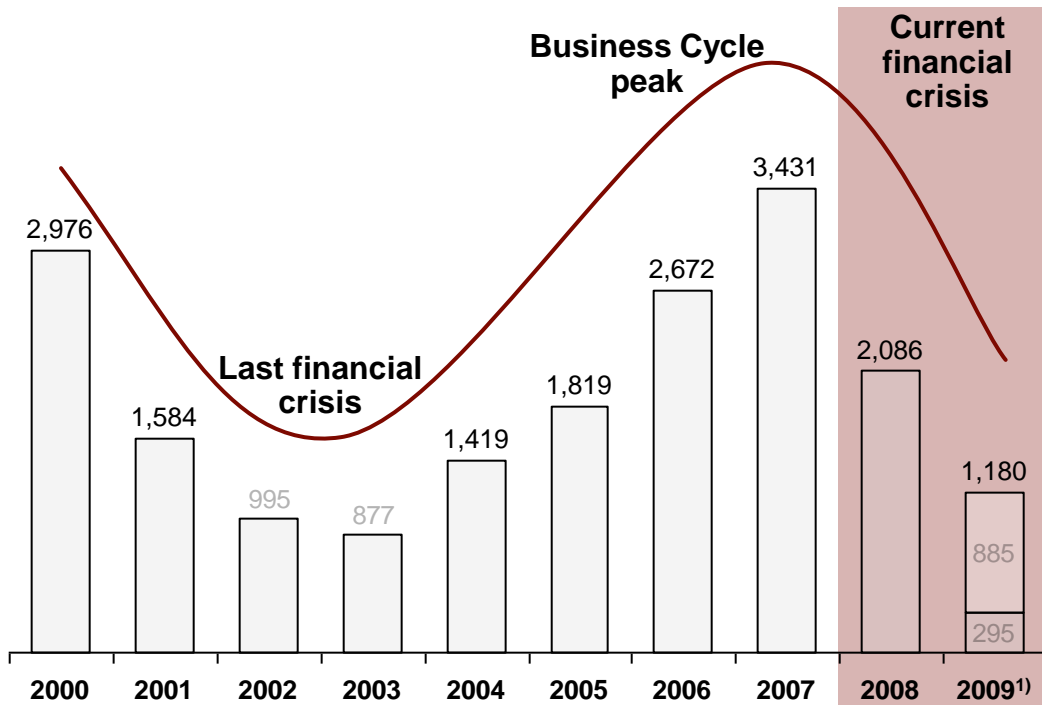


Note: 1) Annual value of all global mergers & acquisitions worldwide, equal to and larger than US\$100 million transaction value (all numbers in US\$ Billion)

Even the current economic crisis did not stop the global concentration of industries.

Overview of industry concentration trends

Annual M&A value across industries
(in bn. USD)



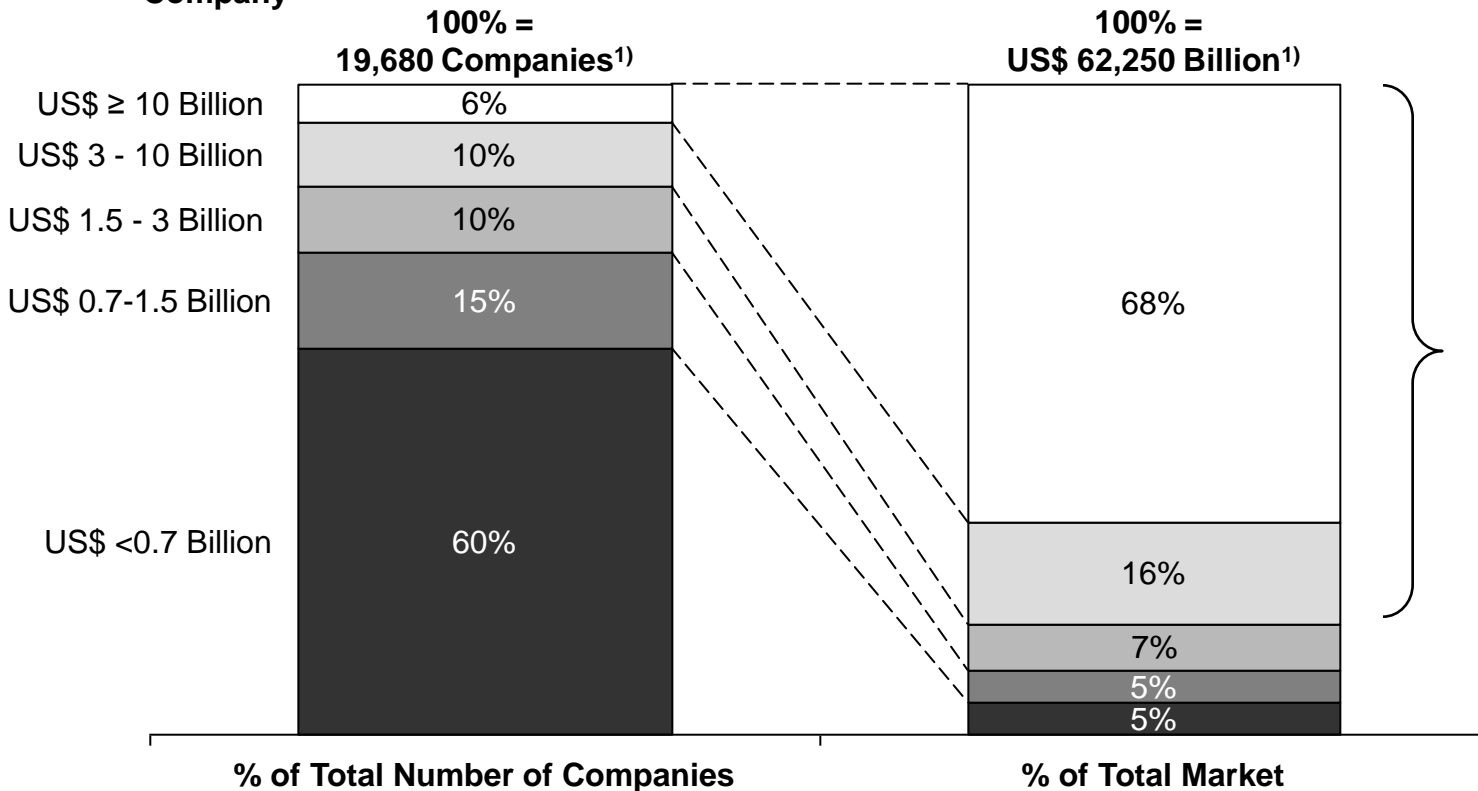
Key trends
<ul style="list-style-type: none"> • Concentration activities in 2008 continued in all industries, with different intensity depending on how the industry was affected by the crisis • Altered concentration dynamics have led to new rules which govern the M&A landscape • Rewarding for firms with strong financial position throughout the crisis as they can acquire targets at “discount” prices

1) 2009 January-March actual data, April to December forecast 2009.
Source: A.T. Kearney analysis

Industry concentration has changed the global economy and requires strategies how to compete against scale.

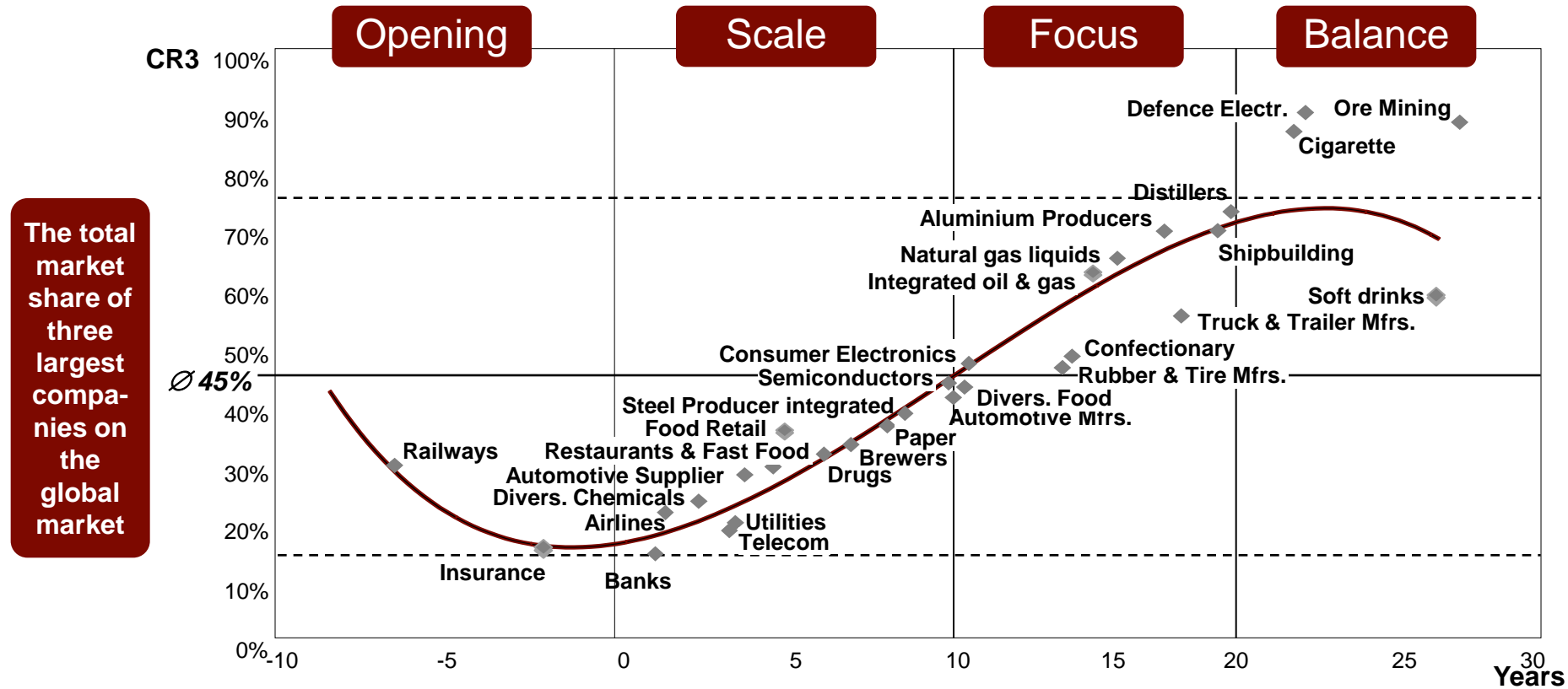
Global market capitalization at year-end 2006 by companies' size cluster

Clusters of Market Capitalization per Company



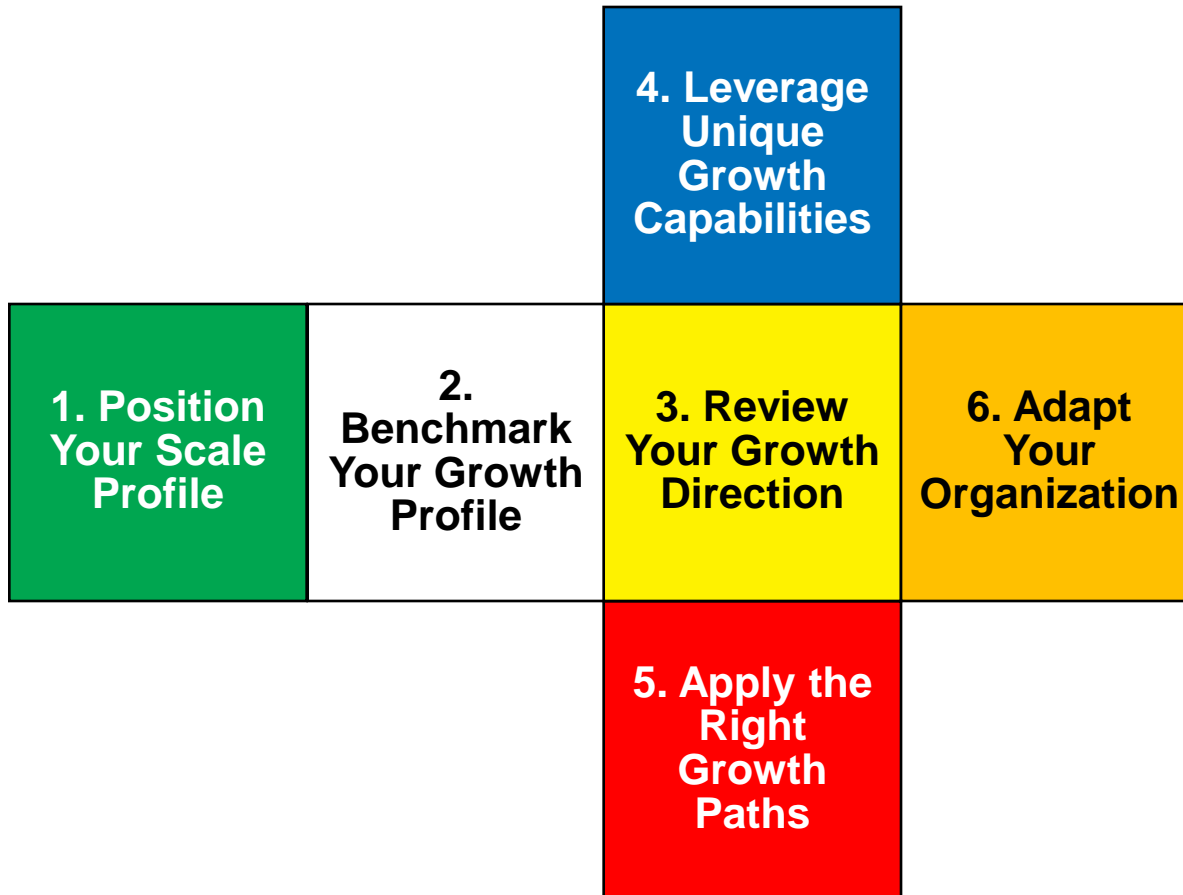
1) All publicly listed companies worldwide ≥ \$100 million market capitalization

Each industry concentration process takes 25 years on average to be completed.



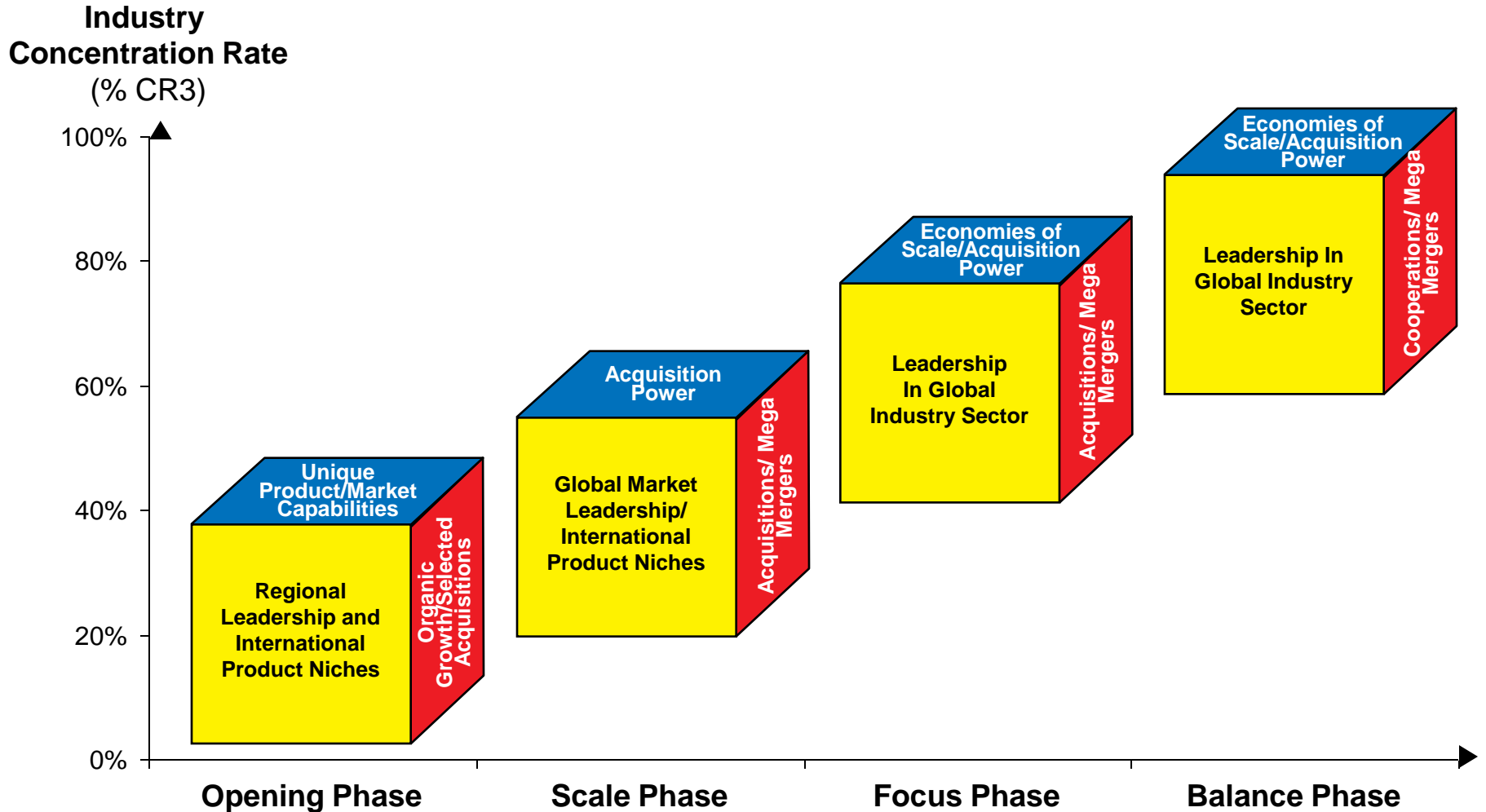
A typical industry concentration process is divided into four distinctive phases where rules of competition change from phase to phase.

A.T. Kearney's Growth Cube supports clients to develop winning strategies for the different phases of concentration



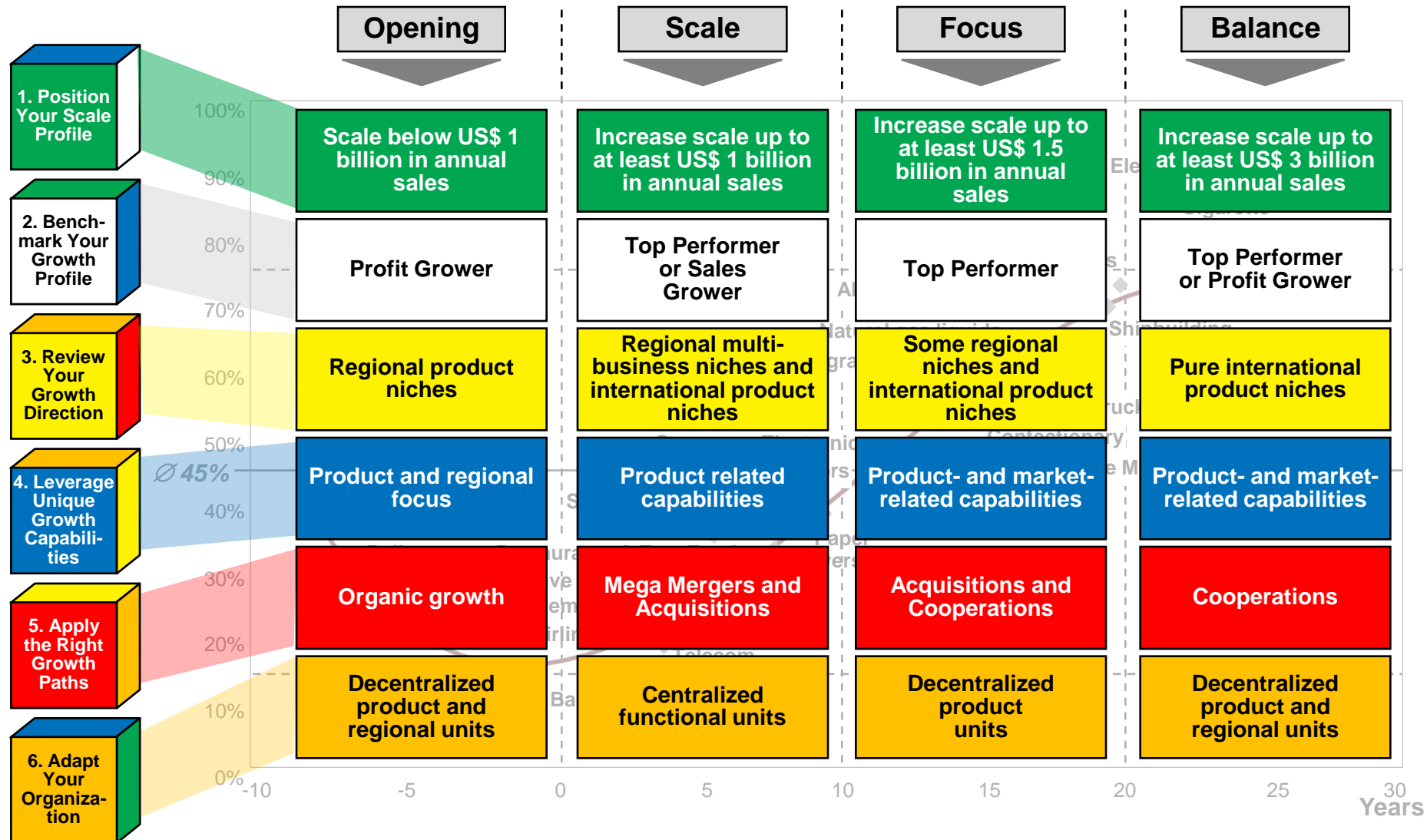
**Companies have two basic strategic options:
Becoming a Global Industry Leader or a Niche Player**

Typical strategies of top performing large companies in concentrating industries.



Source: A.T. Kearney analysis of 144 top performing large companies (x ≥ 10 bn. USD market capitalization)

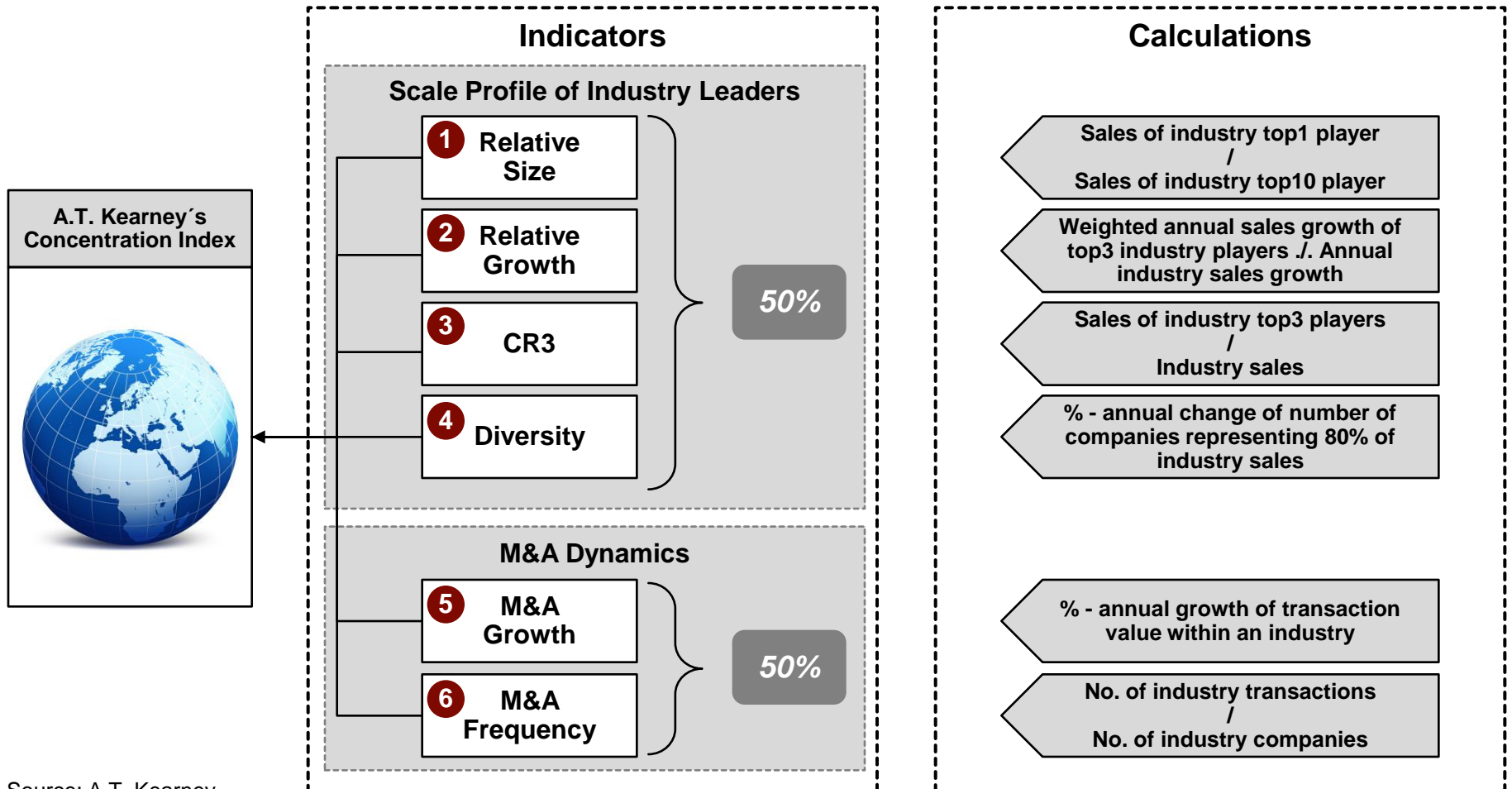
Typical growth cube of successful smaller companies



Source: A.T. Kearney analysis of 200 top performing smaller companies (x ≤ 3 bn. USD market capitalization)

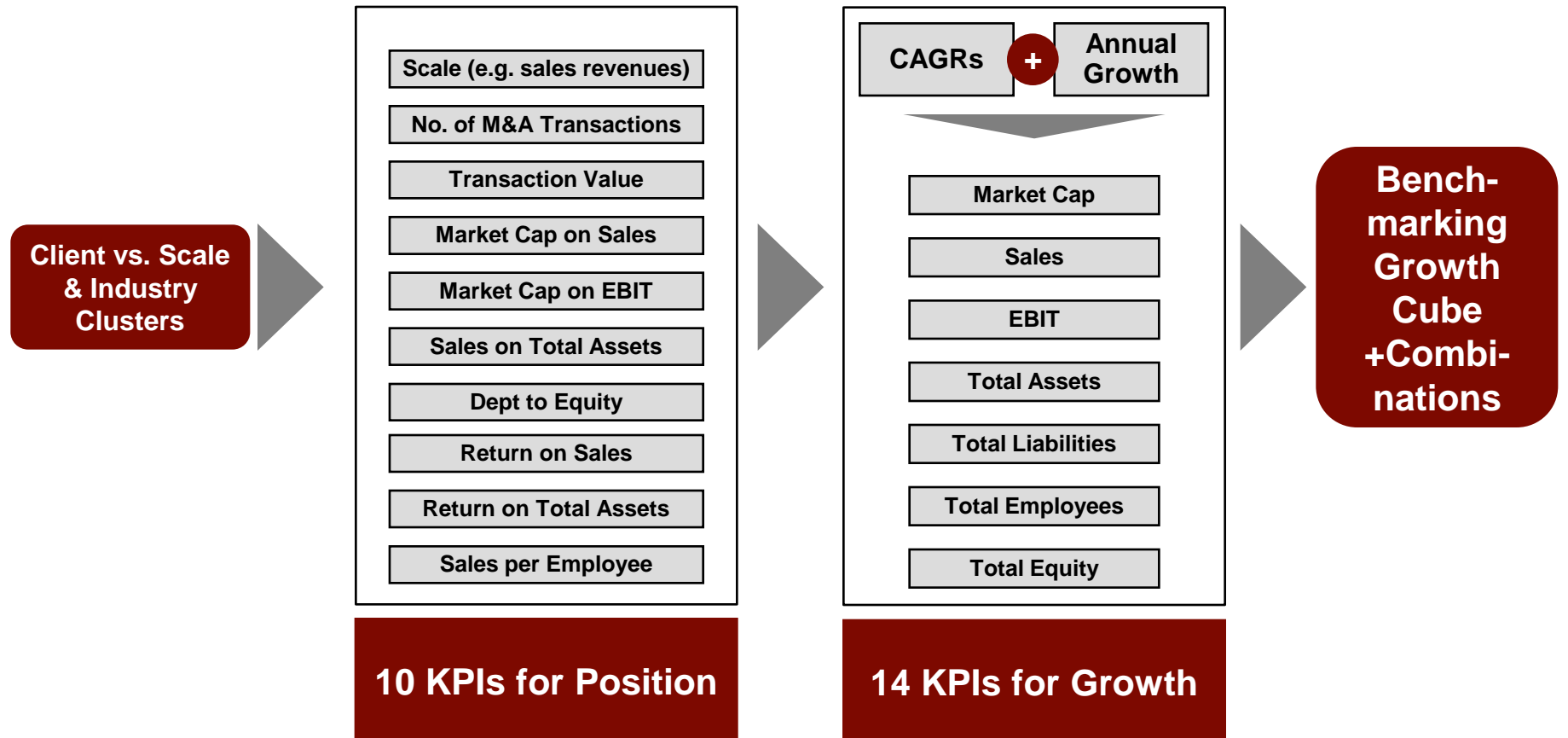
Supported by our global M&A database we can provide a detailed analysis of industry concentration.

Index Construction Roadmap



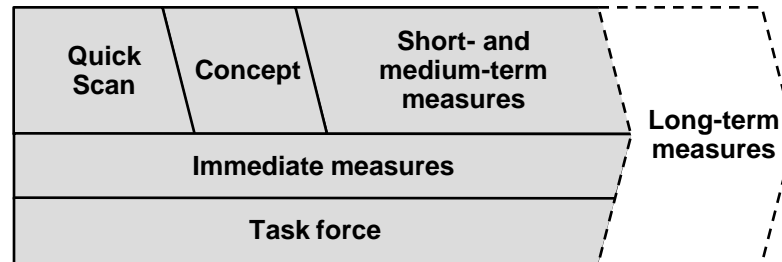
Supported by our annual 10.500 company database we can provide a detailed benchmarking of Growth Cube

Calculated for the period 2000 - 2008



Our "sustainable restructuring" combines short-term effects with long-term success

Approach



Restructuring checklists

Liquidity

✓

Profitability

✓

Strategy

✓

Checkliste Strategie				
Bereich	Beschreibung	Unterlagen	Verantwortlich	...
...				
• Markt	1. Markt und Industriestruktur 1.1 Marktgröße und Segmentierung 1.1.1 Kunden 1.1.2 Segmentierung/Kundengruppen 1.1.3 Einkaufsverhalten			

Checkliste Operations				
Bereich	Beschreibung	Unterlagen	Verantwortlich	...
...				
• Produktion	1. Variable Personalkosten 1.1 Reduzieren/verändern Überstunden 1.2 Anpassen Arbeitszeiten 1.3 Kurzarbeit 1.4 Reduzieren/verändern Zulagen 1.5 Verschieben/verändern Gehaltszahlung 1.6 Einstellungstop 1.7 Streichen Stellen 1.8 Stellenabbau			

Checkliste Liquidität				
Bereich	Beschreibung	Unterlagen	Verantwortlich	...
...				
• Finanzierung	1. Kreditinstitute/Banken 1.1 Laufende Kredite 1.1.1 Aufnahme laufender Kreditlinien 1.1.2 Verändern der Konditionen 1.1.2.1 Spätere Zahlungstermine 1.1.2.2 Tilgungstermine 1.1.2.3 ... 1.2 Zusätzliche Kreditlinien 1.2.1 ... 2. Lieferanten 2.1 Finanzielle Beiträge 2.1.1 Ex-post-Presteleistungen			

Where does your company stand ...

"Sustainable restructuring"

Strategy/sales ↑

Main focus

Umsatzsteigerungsprogramm	Duales Produktgestaltung	Qualitätsverbesserung/Re-Fokus und Neuprodukte	Wachstumsprogramm	Transformation Geschäftsmodell
Kundenbindung	Gemeinkostenreduzierung	Verbesserung Geschäftsprozesse	M&A Allianzen	Innovationsmanagement
Kapazitätsanpassung	Lieferanten-De-risk und Fitness	Produktions-Optimierung	IT-Implement	Organisationsdesign
Finanzierungs-sicherung	Neubewertung Investments	Schnelle Materialkostenreduzierung	Komplexitätsreduzierung	Netzwerkoptimierung
Liquiditätsstabilisierung	Reduzierung Nettoumlaufvermögen	Anlagevermögen: Fokus und Divest	Effiziente (Lean) Produktion	Shared Services & In-/Outsourcing

↓ Liquidity/efficiency

short-term ←
Time to impact
→ medium- to long-term

... and what needs to be done?

Our Unique Value Proposition in the region

The right outcome, just for you!

- We have the commitment – our broad network of local offices and staff since more than 20 years.
- We have the experience – senior local and international consultants with executive industry background.
- We have the results – locally successful clients are our reference.

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