



FINANCE 4 GROWTH SERIES

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FX and Export Finance



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Suretank Limited**

SURETANK GROUP

- 100% Irish owned
- Established in 1995
- World leading manufacturer and supplier of DNV certified tanks and cargo carrying units (CCU) to the offshore oil industry.
- Specialists in the design and manufacture of tanks for the offshore oil industry including chemical and acid transport tanks, helifuel tanks and cryogenic tanks.
- Also design and manufacture a range of specialist cargo containers, transport and storage skips as well as drums and baskets for bespoke applications in the offshore industry.



PRODUCTS



Chemical Tanks



Helifuel Tanks



Acid Tanks



Workshops



Containers



Baskets/Mudskips



Cryogenic Tanks



ISO Tank

SURETANK GROUP - BACKGROUND

- 2001 – Dunleer – 140 employees
- Head Office – centre for sale, technical, operations & finance
- Globally > 630 employees
- Manufacturing – Ireland, UK, Poland, Thailand, China and recently Brazil
- Sales – Norway, USA & Africa
- Turnover > €56m
- Worldwide customer base





FX AND EXPORT FINANCE

- Suretank & Foreign Markets
 - Exposure
 - Manufacturing & Selling
 - Majority of exposure is to EUR, GBP & USD
 - Foreign Exchange
 - Techniques to minimise risk
 - International Payment Methods



FX AND EXPORT FINANCE

- Foreign Exchange
 - Currencies
 - Seller - worldwide
 - Purchaser - factory's cost base
 - Ireland – EUR
 - UK – GBP
 - Poland – PLN
 - Thailand – THB
 - China – RMB
 - Brazil – BR\$
 - Identify area of greatest exposure
 - Map out the process

FX AND EXPORT FINANCE

- FX Risk Management
 - Non-hedging
 - Sell in currency of cost
 - Table of projected foreign currency cashflows
 - Identifies surplus or deficit
 - Sensitivity analysis
 - Identify effects of movement in currencies
 - Foreign currency bank accounts
 - Requirements v timing
 - Forward exchange contracts
 - Eliminate risk of unknown
 - Formal FX Policy



FX AND EXPORT FINANCE

- International methods of payment
 - Open account
 - Majority of customers
 - Payment up front
 - New customers, new markets
 - Bills for collection/Bills of Exchange
 - More structured
 - Advantages for the seller?



FX AND EXPORT FINANCE

- Letters of Credit
 - Payment guaranteed by bank
 - Advantages
 - Secure
 - Fast payment
 - Open new markets
 - Laws & customs
 - Used for purchases and sales
 - Can be expensive

FX AND EXPORT FINANCE

○ Summary

- Foreign Exchange Policy
- Timing
- Flow of Information
- Identify & Reduce Risk
- Role of finance



FX AND EXPORT FINANCE

Thank You

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