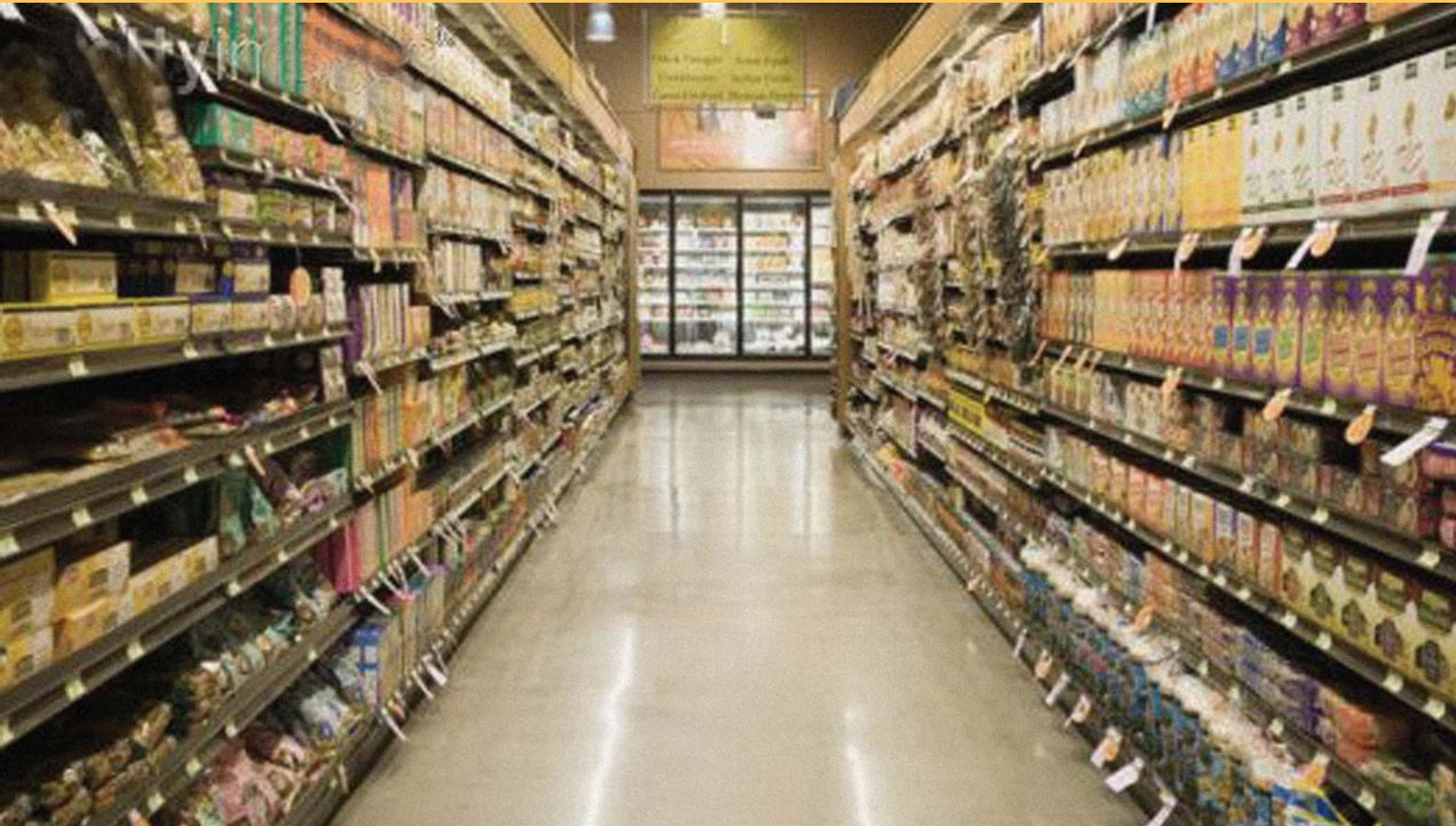


Commodity Risk Management for Producers of Fresh Meats, Packaged Foods and Beverages



With more sustained price volatility across input commodities, food and beverage companies are increasingly adopting enterprise-wide risk management approaches to address the challenge

Managing price risk exposure on agricultural and energy commodities is a significant challenge in today's global markets. Meat consumption and the global demand for protein is increasing rapidly in developing countries. While volatile energy markets and new government mandates are pulling more agricultural commodities into feed stocks for fuel. Freight rates have also increased dramatically altering the flow of grain and soft commodities. More speculator interest in commodities and electronic trading programs will drive price volatility in commodity markets.

Producers of fresh meats, packaged foods and beverages are implementing commodity price risk management and decision support tools to enable more effective hedging strategies that stabilize margins on end products.

SolArc RightAngle is a single, enterprise-wide software application used to manage the price risk exposure of input agricultural and energy commodities. SolArc RightAngle provides the reports and automation tools needed by commodity management professionals to make better risk management decisions.

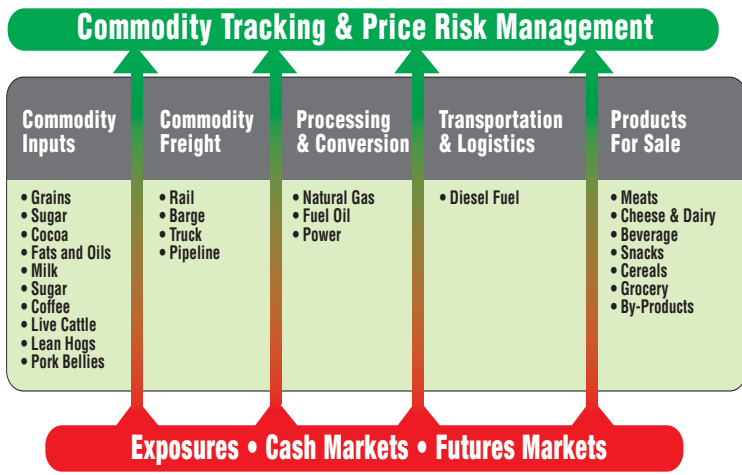
SOLARC RIGHTANGLE:

- Captures the physical commodity procurement requirements by period
- Measures and rolls-up corporation-wide positions and price risk exposures by commodity, geography, business unit, product category or other reporting hierarchy
- Automates generation of forward price curves for forecasting commodity expense
- Measures the impact of changes in underlying commodity futures price, basis and freight rates on the commodity expense forecast
- Analyzes the performance of commodity risk management strategies against benchmarks
- Links physical commodity procurement with exchange or OTC traded derivative contracts to automate FAS 133 compliant hedge accounting
- Measures and alerts credit risk exposure on positions



SOLARC[®]
ENTERPRISE TRADE MANAGEMENT





Commodity Position and Risk Analysis Reporting

With SolArc RightAngle, commodity buyers and risk managers can track commodity positions and price risk exposures at any point in the supply chain and at any time throughout the day.



- User-personalized reports are generated to view position and exposure by commodity, location, line-of-business, geography, transportation mode or other reporting hierarchy.
- When a new commodity transaction is executed,

the solution immediately reflects the new position and risk exposure.

- Automatically values floating and fixed positions, deliveries and receipts, and financial contracts using contract formula prices and customizable forward price curves.
- Provides reporting tools to analyze the impact of changes in underlying commodity futures price, basis and freight rates on the commodity expense forecast.

Hedge Accounting Compliant With FAS 133

Required documentation is automatically generated for all hedging transactions specifying the risk management objective and the nature of the risk being hedged.

- The effectiveness of the hedging relationship is automatically tested and accounting entries are automatically generated.
- Gains and losses of the effective portion of the hedge are deferred until the hedged transaction affects earnings.

Contract Capture and Administration

SolArc RightAngle offers a wide range of commodity trading and logistics templates for capturing a contract.

- Capture all types of financial instruments and complex physical deals.
- Enables buyers to effectively model hedging relationships by linking hedging instruments to the hedged item.
- Contract approval workflow, based on user configurable limits, is an integral part of the solution.
- Contracts, amendments and other documents can be customized based on a variety of commercial variables and product specifications.

Credit Risk Management

SolArc RightAngle captures credit instruments and order obligations.

- Allows the credit analyst to track the counterparty's credit.
- Tracks the user's available credit with each of its counterparties.

Logistics and Inventory Management

SolArc RightAngle offers advanced inventory management tools that provide unparalleled accuracy and capability for viewing and analyzing current and projected inventory.

- Offers the scheduler a broad suite of decision support tools to assist in optimizing logistics and cost efficiency
- Optimizing movement costs across transportation modes, extensive vessel management and loss control analysis.
- Scheduling tools provide the ability to capture, calculate and report on demurrage expenses and analyze loss control.



Contract Pricing and Valuation

SolArc RightAngle offers advanced pricing and valuation tools for use throughout the commodity transaction processing.

- Automatically values contracts using prices from CME, ICE, NYMEX, OPIS, Platts or other price feeds.
- Single or multiple prices inputs may be used for valuing positions.
- Supports flexible date-tiering, fixed-price or formula-based pricing
- Provides user-defined calendars for price application around U.S. and international holidays.
- Keeps the archive of all price feeds supplied to it for easy historical research, calculation of volatility and Greeks, and trend analysis.

Accounting and Settlement

SolArc RightAngle improves the commodity accountant's ability to view, understand, and reconcile commodity transaction costs for payables processing. This improves the overall productivity of mid-and back-office operations through elimination of duplicate entry and intra-departmental paperwork.

- Automatically captures all transaction costs for the freight movements of commodities by rail, barge, truck, pipeline or deep-water marine vessels.
- Secondary costs such as duties, tariffs, broker, lab testing and inspection fees are also captured.
- Commodity quality premium/penalty adjustments, re-grades, storage fees and differentials are calculated for accurate settlement.

Automated Tax Application

The automated tax application helps keep users in tax and reporting compliance.

- Rule-driven tax feature offers full support for all commodity and fuels taxation.
- Accommodates multiple tax rates and a variety of complex rules for tax application.

In-House Accounts

In-house functionality supports inter-strategy and inter-company trading and transfer of positions.

- Uses a single contract to capture the purchase and sale, eliminating potential discrepancies in volume and pricing.
- Enables the system to report fully segmented cost, margin and variance to budget results.

External Systems Integration

The technology seamlessly interfaces with a company's business systems architecture.

- Existing ERP and financial accounting systems, such as SAP, Oracle, J.D.Edwards and PeopleSoft.
- Certified for SAP NetWeaver Partner and provides proven integration with SAP that is supported and maintained by SolArc and SAP.
- Integrated with major commodity exchanges and brokerage systems to enable data exchange on commodity transactions.

About SolArc, Inc.

SolArc is an innovative, market-focused software company that dramatically improves the performance of commodity-intensive businesses. Since 1991, SolArc has built a strong customer reference base with industry leading companies such as: Tyson Foods, ConocoPhillips, Chevron, Merrill Lynch and Southwest Airlines.

SolArc ensures total customer trust with successful implementations and dedicated employees with years of commodity management experience and a thorough understanding of business objectives.

Headquartered in Houston, SolArc also has offices in Tulsa, Oklahoma, London, Singapore, Beijing, and Hong Kong.

For more information on SolArc, visit www.solarc.com.



ENTERPRISE TRADE MANAGEMENT

Corporate Headquarters | 9701 Richmond Ave., Suite 250 | Houston, TX 77042

Phone: 713-260-5100 (Outside the U.S.) | Fax: 713-339-4337 | Toll-Free: 1-888-594-7320

Tulsa Office | 320 S. Boston, Suite 600 | Tulsa, OK 74103 | 1.888.594.7320 | 918-594-7320 (Outside the U.S.) | Fax 918.594.7330

UK Office | Clarendon House | 52 Cornmarket Street | Oxford, OX1 3HJ | United Kingdom | Phone: 01865 304046 | Fax: 01865 304001

www.solarc.com