

FUNDAMENTAL ANALYSIS

David Jeffrey Associates, Inc. *Presents*

CORPORATE FINANCIAL ANALYSIS

Essential Skills for Identifying Opportunities and Risks

The David Jeffrey Associates' **CORPORATE FINANCIAL ANALYSIS** seminar builds skills in the following areas:

RISK ANALYSIS FRAMEWORK	A systematic technique for focusing on key risk issues.
BUSINESS AND INDUSTRY RISK ANALYSIS	An analytical method that "gets behind the numbers" and assesses future financing needs and risks.
MEASURING FINANCIAL PERFORMANCE	Appropriateness of ratios for the industry; adjustments needed to reflect company economics; and use of ratios to develop meaningful insights about performance.
EARLY WARNING SIGNS	Using ratios and other analytical approaches to spot developing credit problems.
WORKING CAPITAL ANALYSIS	Net working investment as a method of quickly analyzing the firm's financing needs and identifying possible problem areas.
CASH-FLOW ANALYSIS	Defining and analyzing cash flows from operating, investing, and financing activities.
PROJECTING CASH FLOWS	Development of both technical skills and conceptual understanding of cash-flow forecasting and sensitivity analysis.
DEBT CAPACITY AND FINANCING ALTERNATIVES	Development of quantitative and qualitative guidelines for assessing the borrower's ability to repay and refinance with a broad array of alternatives available in the capital markets.

CORPORATE FINANCIAL ANALYSIS

David Jeffrey Associates will be teaching **CORPORATE FINANCIAL ANALYSIS**, a three-day seminar on credit risk analysis, in New York City. Because of the workshop format, registration is limited to no more than 20 participants. The small class size encourages a high level of participation and interaction.

ABOUT THE PROGRAM

Quality risk analysis training for both experienced and less experienced corporate bankers is essential to maintain asset quality and improve productivity. The benefits of excellent risk analysis go beyond the development of a strong loan portfolio because the analysis skills underlie the development of various financial products. In this era of sophisticated financial products, fundamental financial analysis is all too often assumed. Yet it is the very foundation on which a corporate finance effort should be built.

The **CORPORATE FINANCIAL ANALYSIS** seminar, taught by David Jeffrey Associates, provides financial professionals with the latest skills and techniques. This three-day seminar is delivered in a workshop format and examines such important topics as cash flow, financial statement forecasting, and debt capacity, and emphasizes technical skill development in these areas. The material presented will be delivered in the context of two cases based on real companies. The techniques and concepts presented in this course will be useful not only for identifying credit risk but also for identifying business development opportunities.

Once registered for the seminar you will be sent pre-course materials in a binder that will include the cases and the reference material. You will be asked to read the cases and prepare three exercises for the first day of the program. You will also receive a series of "Study Questions" to help with your review of the reference material. Estimated time to prepare for the seminar is approximately four hours.

DAVID JEFFREY ASSOCIATES

Since 1979, David Jeffrey Associates has provided quality training programs to a wide variety of U.S. and international financial institutions. DJA specializes in credit training for both entry-level and experienced professionals. Most of our courses are customized to meet particular market segments, including Fortune 1000, middle market, and private banking segments. Course content ranges from introductory credit and fixed income analysis to such specialized corporate finance topics as leveraged buyouts, recapitalizations, and acquisition financing.

The principal instructors, David Jeffrey and John Everitt, have taught credit risk analysis to thousands of corporate bankers representing over 175 different U.S. and foreign banks. **CORPORATE FINANCIAL ANALYSIS** is based on the instructors' many years of analytical experience at Morgan Guaranty Trust Company as well as their extensive teaching and consulting to a great many other banks and corporations.

WHO SHOULD TAKE THIS COURSE

The objective of the program is to increase the attendee's knowledge of corporate credit risk analysis. The level of the program is classified as intermediate. The prerequisite for the program is some experience analyzing financial statements and a basic knowledge of financial accounting. The course is primarily designed for lenders, credit analysts and fixed income analysts with one to five years of experience. At a minimum, participants should have a working knowledge of financial statement accounting and be familiar with common lending terminology. The seminar is also useful for seasoned foreign bankers who have recently been transferred to the United States and want to familiarize themselves with lending standards in the U.S.

CONTINUING EDUCATION CREDIT



David Jeffrey Associates, Inc. is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Nashville, TN, 37219-2417. Telephone: 615.880.4200. Web site: www.nasba.org

Based on one credit for each full 50-minute hour of course participation, the number of CPE credits for this seminar is 21.

The Association of Investment Management and Research (AIMR) and AICPA members may receive Continuing (Professional) Education (CE/CPE) credits for this program. Please consult those organizations for guidance in evaluating and reporting credit.

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CORPORATE FINANCIAL ANALYSIS

DAY 1

9:00 a.m.	COURSE OBJECTIVES INTRODUCTIONS	1:30 p.m.	MEASURING FINANCIAL PERFORMANCE
9:15 a.m.	THE CREDIT ANALYTICAL FRAMEWORK Key credit issues Performance standards Analytical process		Using ratios as an analytical tool Key ratios Selecting appropriate ratios for different types of businesses Adjusting ratios for economic realities
10:00 a.m.	PIONEER-STANDARD ELECTRONICS CASE OVERVIEW	3:00 p.m.	BREAK
10:15 a.m.	STRUCTURE OF THE BORROWER Parent/subsidiary considerations Legal versus economic entities Consideration & fraudulent conveyance	3:15 p.m.	WORKING CAPITAL ANALYSIS Net working investment Cash cycle Inventory and receivable management
10:30 a.m.	BREAK	4:00 p.m.	CASH FLOW ANALYSIS Operating activities: sales, margins, net working investment Investing activities: capital expenditures, asset sales Financing activities: debt repayments, dividends Surplus or deficit cash flows
11:15 a.m.	BUSINESS RISK ANALYSIS Source of information Relating the business/industry to broad measures of economic activity Industry economics Company's competitive position within the industry		
12:30 p.m.	LUNCH	4:45 p.m.	SUMMARY OF KEY TEACHING POINTS

DAY 2

9:00 a.m.	ASSET QUALITY AND DEBT STRUCTURE	2:45 p.m.	BREAK
9:15 a.m.	PROJECTING CASH FLOWS Objectives of forecasting Developing reasonable scenarios Cross-linking assumptions Factoring growth into forecasts Sensitivity analysis	3:00 p.m.	DEBT CAPACITY AND FINANCING ALTERNATIVES Sustainable rates of growth Capital structure considerations Financial flexibility Capital market conditions Term, covenants and collateral
9:30 a.m.	CASH-FLOW PROJECTION WORKSHOP	3:00 p.m.	DESIGNING A FINANCING PLAN WORKSHOP
12:30 p.m.	LUNCH		
1:30 p.m.	CASH-FLOW PROJECTION WORKSHOP (Continued) Group presentations and discussion	4:15 p.m. 4:45 p.m.	GROUP PRESENTATIONS SUMMARY OF KEY TEACHING POINTS

DAY 3

9:00 a.m.	TYSON FOODS, INC. CASE	1:30 p.m.	CASH-FLOW FORECASTING WORKSHOP Group preparation Group presentations
9:15 a.m.	BORROWER STRUCTURE ISSUES		
9:30 a.m.	INDUSTRY & BUSINESS ANALYSIS	3:30 p.m.	BREAK
10:15 a.m.	BREAK	3:45 p.m.	CREDIT STRUCTURE WORKSHOP Group preparation Group presentations
10:45 a.m.	HISTORICAL FINANCIAL PERFORMANCE Ratio analysis Net working investment analysis Cash-flow analysis	4:30 p.m.	COURSE SUMMARY
12:30 p.m.	LUNCH		