



The Power of Experience®

Contact:
Kyle O'Connor
+1 312-628-6927
kyle_oconnor@TreasuryStrategies.com

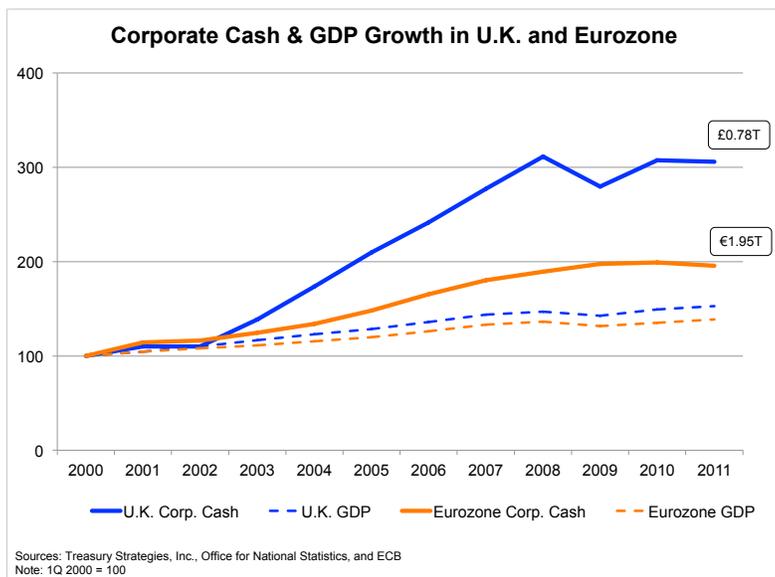
Record UK & Eurozone Corporate Cash is not the Result of Systematic Hoarding, According to Treasury Strategies

12 October 2011 – London – Treasury Strategies, a treasury consulting firm, recently reported that UK and Eurozone corporate cash levels had been rising strongly for nearly a decade. This report throws into question recent contentions that corporations have been hoarding cash since the financial crisis and contributing to delayed economic recovery.

“Concerned by allegations of hoarding, we looked at what corporations are really doing with their cash,” says Cathy Gregg, a Partner at Treasury Strategies. “In addition to client discussions and surveys, we also looked at macroeconomic data. What we found was surprising.”

Treasury Strategies analysis shows that corporate cash and GDP across the region rose almost in lockstep. However, in 2002 there was a dramatic shift that caused cash levels to grow more steeply than GDP for much of the ensuing decade. Today, corporate cash stands at £780 billion in the UK, and €1.95 trillion in the Eurozone.

“Since this disconnect is clearly not a recent phenomenon, it is incorrect to tie high corporate cash levels to the financial crisis of 2008 or corporate behaviour since then,” says Monie Lindsey, a Managing Director at Treasury Strategies who runs the firm’s London office.



The firm has several hypotheses regarding the broken link. Lindsey notes one cause might be an increase of “trapped cash,” which companies headquartered outside the region chose to not repatriate for tax or regulatory reasons. Another possibility is that financial executives have changed their view of prudent cash levels in a world of heightened unpredictability.

“In the end, many firms have consciously managed their working capital and maintained cash levels through rough economic waters. This positions them well for

Treasury Strategies, Inc.
309 W. Washington Street
13th Floor
Chicago, Illinois 60606
+312.443.0840
+312.443.0847

61 Broadway
Suite 905
New York, New York 10006

+212.292.0856
+212.292.0863

1 Northumberland Avenue
Trafalgar Square
London
WC2N5BW
Great Britain

+44 207 872 5551
+44 207 872 5611

www.TreasuryStrategies.com

continued purposeful spending. It's a far cry from behaviour for which they should be criticised," says Lindsey.

Download the [Quarterly UK & European Corporate Cash Report™](#), which details corporate cash management activities over the last six months and plans for cash over the next six months.

About Treasury Strategies, Inc.

Treasury Strategies, Inc. is the leading Treasury consulting firm working with corporations and financial services providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions. Visit TreasuryStrategies.com for more information.

###

