



MEMA Financial Services Group, Inc.

Days Sales Outstanding

2010 Survey Results

July 2011

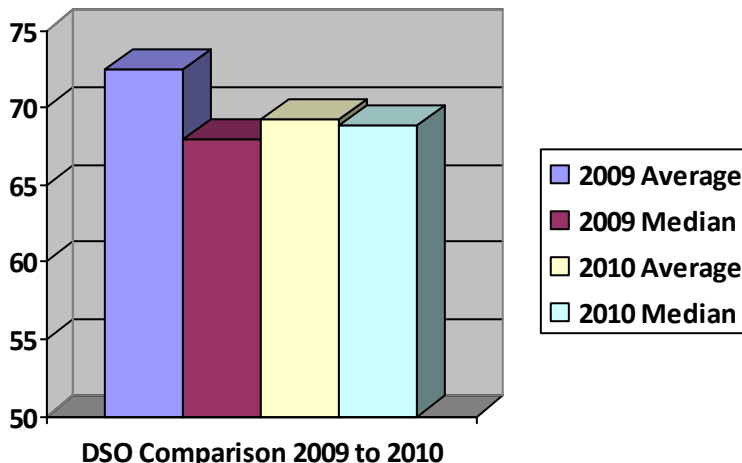
Days Sales Outstanding (DSO) has historically been used as a measuring tool for the effectiveness of a company’s credit function. In the past it was thought the shorter the DSO the better the credit team was collecting receivables, and conversely a longer DSO told management the credit team was having difficulty collecting receivables. Today with many large customers and buying groups demanding longer terms combined with the aggressiveness of the sales teams and the use of Confirmed Receivables (Factoring), the measure of DSO has become somewhat jaded.

This survey conducted by MEMA Financial Services Group takes into consideration the variables affecting DSO and provides a benchmarking tool for companies to use in their DSO analysis. MFSG received responses from a healthy number of our members and represents a solid cross section of company types, size and customer base.

Survey participants were asked to provide the DSO for their company as of December 31, 2010 and state whether it had improved, gotten worse or remained consistent as compared to the same time last year. Then participants were asked to state their company’s DSO as of March 31, 2011. The last piece of information requested by MFSG was their outlook for DSO in 2011. Participants were asked if their outlook for 2011 was for DSO to improve, get worse or remain consistent.

Below are the results from the DSO survey along with commentary.

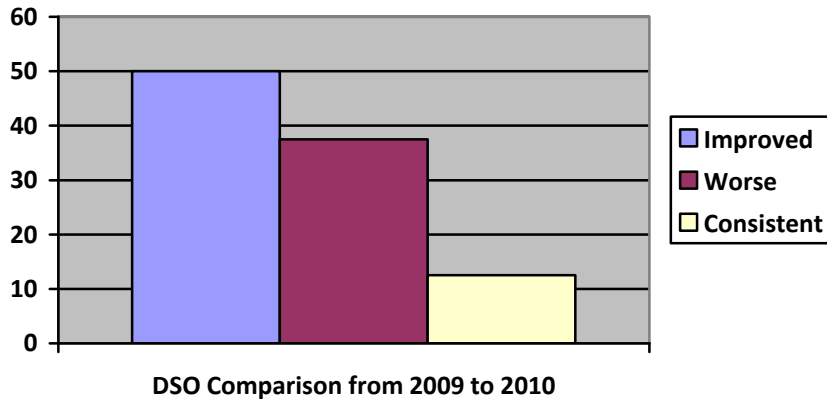
State Your Company’s DSO as of December 31, 2010



Reported DSO as of December 31, 2010 ranged from a low of 31.0 days to a high of 102.3 days, with the vast number of responses ranging from 60-90 days. The average DSO in 2010 was 69.2 days compared to 72.5 days in 2009, while the median DSO in 2010 was 68.9 days as compared to 67.9 days in 2009. The slight (3 day) decline in average DSO for 2010 is good but it could also mean more companies are using alternative methods such as factoring to obtain this result. MFSG is sure the decline is not due to customers accepting shorter terms.

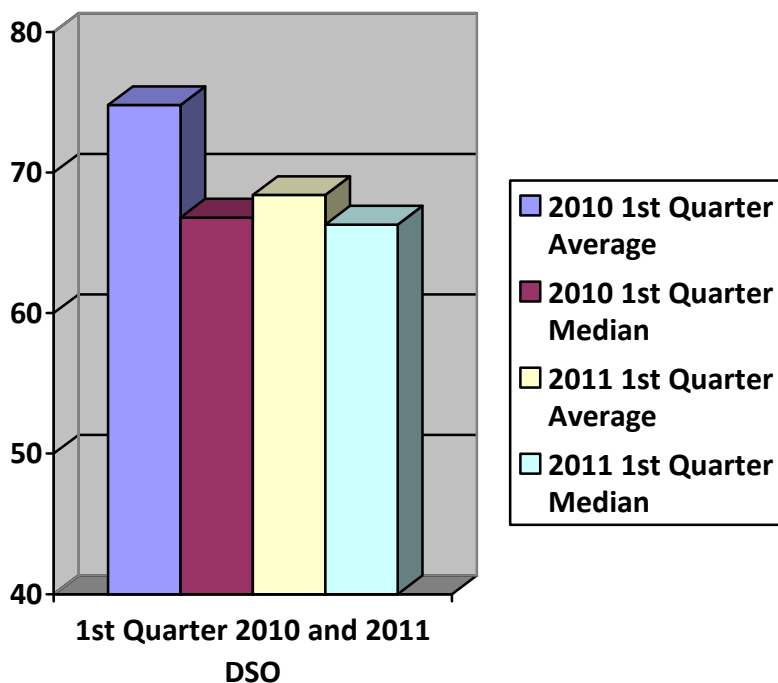
Days Sales Outstanding 2010 Survey Results continued

As Compared to December 31, 2009 was Your Company's DSO Improved, Worse or Consistent as of December 31, 2010



50% of survey respondents stated their company's DSO had improved from 2009. 37.5% of respondents stated their DSO had gotten worse while 12.5% said DSO had remained consistent from the results seen in 2009.

State Your Company's DSO as of March 31, 2011

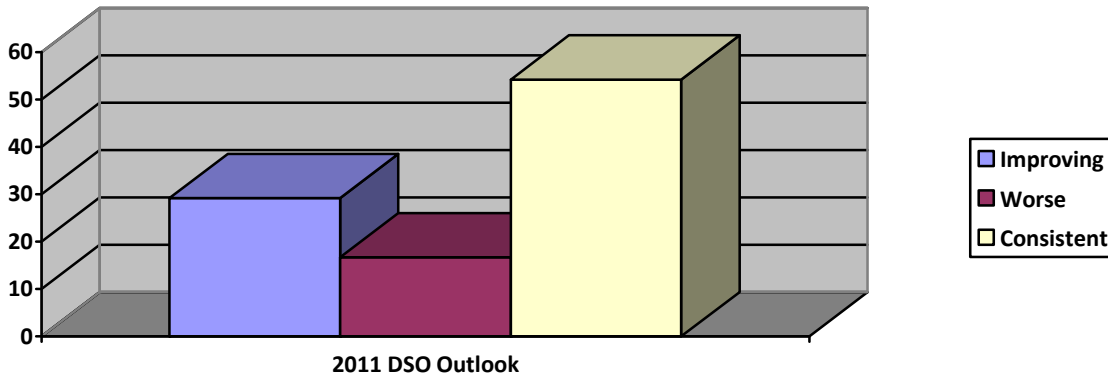


For the three months ended March 31, 2011, survey respondents continued to show lower DSO levels from the previous year. DSO for the first quarter of 2011 fell 8.5% or 6.4 days as compared to the first quarter of fiscal 2010. The median DSO for the same timeframe was virtually unchanged as the median DSO in 2010 was 66.8 days and in 2011 it was 66.3 days.

It will be interesting to see if the improved DSO realized in the first quarter of 2011 extends throughout the remainder of the year.

Days Sales Outstanding 2010 Survey Results continued

What is Your Company's DSO Outlook for 2011?



Like many other surveys MFSG generates, the DSO survey gives our members the opportunity to give their outlook for what will occur in the coming months or year. In many instances MFSG subscribers are very accurate in predicting what will occur as is evidenced in the results mirroring their predictions. In last year's DSO survey report 45.4% of survey respondents indicated they felt their company's DSO would improve while 15.2% thought it would get worse and 39.4% felt the results would be consistent with those seen in the previous year. As you have read in this report DSO in 2010 was improved over the previous year which goes to show just how in tuned our credit and financial executives are in the industry.

For 2011, those same credit and financial executives are predicting DSO to remain consistent (54.2%) with the levels seen in 2010, while 29.2% of respondents feel DSO will continue to improve. Even though the percentage of respondents saying DSO will be worse than last year is slightly higher, only 16.7% feel this will be the case. Only time will tell what the outcome will be for 2011, but with the accuracy in which our members predict I would feel sure of the results.

The staff of MEMA Financial Services Group, Inc. is always prepared and ready to assist our members with credit and financial information they need on their prospective and existing customers. Our credit discussion groups enable members to stay on top of the trends and conditions in the industry. With support from MFSG, our members make decisions that will keep their company from experiencing higher DSO, bad debts and enables them to stay on top of an ever changing customer base.

MFSG has been providing credit and financial executives with the information they need to make an educated credit decision since 1916. Visit our Web site www.memafsg.com for more information on the services MFSG provides its subscribers or contact Dan Pike at 919-406-8821 or dpike@memafsg.com.