



Dear World Trade Center Clients,

With the United Kingdoms (UK) vote to leave the European Union (EU), the Center is receiving numerous requests from clients and the press requesting its reaction and direction.

When the news of the UK's decision to exit was announced, the markets adverse reaction we could expect. However and very candidly, what we did not expect was a winning exit vote! The latter while considered possible did not appear to have the momentum early in the polls to carry an exit vote forward. Our predication was wrong and the UK citizens have spoken.

While the complexity of the situation is being assessed, the Center encourages our members to embrace this wait and watch period. Although the market will change, this change does not imply a negative effect on trade between Kentucky businesses and the UK. On the contrary, Brexit may very well have a positive effect on Kentucky businesses as the U.S. dollar will be stronger than a weakening British pound-giving our U.S. Clients greater purchasing power and for those traveling to the UK lower costs. And as a reminder: There are a number of actions that need to take place before the UK can officially leave the EU. A full exit will take approximately two years during which the EU will examine the withdrawal request, manage any appeals and negotiate exit terms.

During this wait and watch period, the Center is advising its clients to recalibrate, look for opportunities and then move forward with business as usual. WTC-KY client and International Accounts Manager for Zoeller Corporation, Billy Walker, reiterated this viewpoint in a discussion with WTC-KY, citing "We do not anticipate doing anything different than business as usual with our Supplier in the UK." Lesli Riehemann, President and CEO of Mach III, shared her thoughts stating, "with the UK being the number one export destination for Mach III's products, the future of the British economy and the pound to dollar relationship is of immense concern. However, what has occurred over the past few days is not a reason to hit the panic button. When the news cycle moves on to the next thing and reactionary fear is no longer the primary mover of the markets, that will be the time to begin making decisions."

Last, the Center has reached out to its contact in the UK Trade and Investment office in Chicago. We will relay all pertinent updates and information to you as we receive it.

In the meantime, we welcome your correspondence. The World Trade Center Kentucky stands ready to address your concerns and to help you and your business navigate our global economy.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Edwin Webb", is written over a stylized map of North America.

J. Edwin Webb
President & CEO
World Trade Center Kentucky
www.wtcky.org
(859) 225-0006

300 East Main Street, Suite 110 Lexington, KY 40507 USA
T: 859.225.0006 F: 502.574.1585
www.wtcky.org