A Brave New World: How Capital-Market Innovations Will Change the Face of Corporate Restructuring

Wednesday, April 30, 2008
10:50 AM – 12:05 PM

Milken Institute
Global Conference 2008
Worldwide announced M&A
2008 YTD, volume, US$ millions

Source: dealogic.
### Top ten M&A deals globally

**Announced for 2008, volume (US$M)**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Firm</th>
<th>Volume (US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Philip Morris International</td>
<td>111,288</td>
</tr>
<tr>
<td>2</td>
<td>Yahoo! Inc.</td>
<td>44,600</td>
</tr>
<tr>
<td>3</td>
<td>Rio Tinto plc (12%)</td>
<td>14,315</td>
</tr>
<tr>
<td>4</td>
<td>Nymex Holdings Inc. (Bid No 2)</td>
<td>11,071</td>
</tr>
<tr>
<td>5</td>
<td>Alcon Inc. (24.82%)</td>
<td>10,593</td>
</tr>
<tr>
<td>6</td>
<td>BP (5%)</td>
<td>10,043</td>
</tr>
<tr>
<td>7</td>
<td>Mobile Telephone License</td>
<td>9,360</td>
</tr>
<tr>
<td>8</td>
<td>Bolsa de Mercadorias &amp; Futuros- BM&amp;F</td>
<td>8,975</td>
</tr>
<tr>
<td>9</td>
<td>V&amp;S Vin &amp; Sprit AB</td>
<td>8,886</td>
</tr>
<tr>
<td>10</td>
<td>Millennium Pharmaceuticals Inc.</td>
<td>8,446</td>
</tr>
</tbody>
</table>

*Source: dealogic.*
M&A: Top 10 countries
Announced volume for 2008

US$ billions

U.S. 368
U.K. 102
Japan 48
China 40
Russia 36
Spain 29
Australia 25
Brazil 24
Canada 22
Sweden 21

Source: dealogic.
Private equity investment

Source: Thomson One Banker.
U.S. bankruptcies are declining

Total business, 1996-2006

Sources: U.S. Federal Courts, Datastream.
M&A activity comes in waves

United States, 1887 - 2005

Source: Steger and Kummer (2007).
Mergers and acquisitions

Process and task complexity

Source: Steger and Kummer (2007).
U.S. LBO by target industry

US$ billions

- Financials
- Healthcare
- Energy and power
- Telecommunications
- Media and entertainment
- High technology
- Other

US$65.8
- of which 34% were materials
- of which 26% were retail
- of which 32% were consumer

US$120.0

US$380.2

US$361.4

Source: Thomson Financial
Non-U.S. LBO by target industry

Source: Thomson Financial.

2004 2005 2006 2007

- Energy and power
- Materials
- Consumer
- Industrials
- Telecommunications
- Retail
- Other

US$ billions

- US$97.7
  - of which 44% were media and entertainment

- US$168.0
  - of which 50% were media and entertainment

- US$324.5
  - of which 25% were real estate

- US$336.7

Of which 50% were media and entertainment
Of which 25% were real estate
Share buybacks have grown rapidly in the United States.

Panelists’ Slides
How Capital-Market Innovations Will Change the Face of Corporate Restructuring
A BRAVE NEW WORLD

Speakers:
- David Daigle
  Senior Vice President
  Capital Research and Management Company
- Robert Klyman
  Partner, Corporate Restructuring and Bankruptcy, Latham & Watkins LLP
- Doug Teitelbaum
  Co-owner and Managing Partner, Bay Harbour Management LC

Moderator:
- Thomas C. Carlson
  Managing Director
  Recapitalization & Restructuring Group
  Jefferies & Company
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Agenda

- Traditional Finance
- Changes from the Classical Model
- Key Parties in the Current Financial Market
- New Instruments in Today’s Market
- Implications on Restructuring Transactions
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Traditional Financing
Overview of Capital Markets & Global Liquidity

Traditional Financing – the Classic Model of Capital Markets

- Banks syndicated and held debt
- Securities firms underwrote and distributed equity & bonds
- Investors buy and hold positions for the long-term
Traditional Financing – Bank Loans

Tobacco & Food Inc.

$600m Bank Loan

Chase Manhattan
$150m Held
(Agent)

Citibank
$150m Held
(Agent)

$300m Syndicated

Regional Bank
$75m Held

Regional Bank
$25m Held

Regional Bank
$50m Held

Regional Bank
$10m Held

Metropolitan Life
$90m Held

Allstate
$50m Held
Traditional Financing – Bond Issues

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$600m Bond Issue

Tobacco & Food Inc.

Salomon Brothers (Underwriter)

Goldman, Sachs (Underwriter)

First Boston (Underwriter)

$600m Distributed

Fidelity
$100m Held

Calpers
$75m Held

Mass Mutual
$60m Held

PIMCO
$60m Held

Putnam
$50m Held

MFS
$50m Held

Nationwide
$30m Held

Prudential
$30m Held

Met Life
$30m Held

Allstate
$20m Held

Regional Bank
$20m Held

Small Institutional & Retail Investors

$10m Held

$7m Held

$6m Held

$2m Held

$1m Held

$9m Held

$7m Held

$6m Held

$2m Held

$1m Held
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Changes from the Classical Model
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Changes from the Classical Model: Deregulation

- 1975: The End of Fixed Equity Commissions
  - Increased competitiveness in brokerage

- 1982: Garn – St. Germain Act
  - Savings & Loan liberalization

- 1986: Big Bang in London
  - Deregulation of the Financial Markets

- 1988: Basel I
  - Minimum capital requirements for banks adopted by G10 in 1992

- 1999: Gramm – Leach – Bliley Act
  - Ended Glass Steagall

- 2004: Basel II
  - Set international standards for recognition of asset values

- 2007: MiFID
  - EU law to increase competitiveness in financial markets
As the global economy expanded, the market for dollar denominated assets as increased expeditiend.
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Changes from the Classical Model: Expansion of Global Capital Markets

1985
- NYSE: $2,199 BN
- TSE: $1,890 BN
- LSE: $500 BN
- HKSE: $54 BN
- Bovespa: $43 BN

2007
- NYSE: $18,780 BN
- TSE: $4,810 BN
- HKSE: $1,699 BN
- LSE: $7,000 BN
- Bovespa: $1,399 BN

Source: Exchange websites.
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Key Parties in the Current Financial Market
Mutual / Pension / Retirement Funds traditionally acted as bondholders and equity investors, holding their investments for the long-term.

Today they operate on a model closer to the hedge funds, with many short-term investments and a diverse investment portfolio.

- However, these funds are typically limited to long-only portfolios.

Investments will often be made in stressed or distressed companies:

- Many funds have special situations groups who deal specifically with investments in distressed and bankrupt companies.

The goal of these funds in Chapter 11 scenarios is usually to recover their investment in cash or in tradable securities:

- Recently, however, Ontario Teacher’s fund beat out a Private Equity group in the largest LBO to date.

These funds will typically not employ the sophisticated hedging strategies using derivatives that are common amongst hedge funds.
Bank lenders traditionally acted in two potential capacities in bankruptcies:
- Holders of bank debt (Term Loans, Revolvers, etc.)
- Providers of DIP financing

Today, both these roles are less frequent:
- Banks broadly syndicate loan and DIP exposure to a variety of institutional investors:
  - Pension Funds
  - Insurance Companies
  - Collateralized Vehicles such as CLO’s and CDO’s
  - Hedge Funds
- Bank debt lenders will often have traded out of their position, acting only as agents for a fee

Many bank lenders today will therefore have little economic exposure
Hedge funds operate throughout the corporate capital structure.

They will often take positions in bank and bond debt, as well equity.
- Investments could also extend to trade, environmental and other claims as well.

Increasingly invest in litigation situations, such as fraudulent conveyance claims arising out of insolvencies.

These positions are complex, as they will often further be hedged by derivative instruments such as options and credit default swaps.

Motivations vary between investments, and may include:
- Cash recoveries
- Equity recoveries / equity control
- Short-term momentum trading

Hedge Funds report to their investors on a quarterly or monthly basis, shortening the return-horizon of their investments.
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Players in the Financial Markets: Hedge Funds

Number of Hedge Funds 1990 – 2005 (1)


Source: Wall Street Research, CISDM.
(1) U.S. only, excludes Funds-of-Funds.
Private equity involvement in bankruptcy has typically fallen in one of two fields:
- Majority equity holder of the debtor
- Potential acquirer of all or some of the assets of the debtor

Today private equity firms often resemble hedge funds and participate as creditors too.

With credit markets tightening considerably after a prolonged boom, the likelihood of sponsor owned companies defaulting has increased considerably.

Typically, sponsors’ primary motivation in Chapter 11 is to retain equity value:
- Sponsors may also want to minimize liability relating to prepetition actions and transfers.

Sponsors acquiring the assets of debtors will be aiming to acquire them as cheaply as possible.

Sponsors typically have a longer-term outlook than Hedge Funds because their investments are usually structured to show returns after several years.
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New Instruments in Today’s Market
The credit crunch of the summer 2007 signified a change following the years of cheap credit during the liquidity boom.

This event was driven by several factors stemming from the same products that drove the liquidity boom:

- **Securitization**: As the downturn spiraled, investors realized that securitization had not reallocated risk evenly but rather had distributed it throughout the capital markets as investors had exposure to a broader basket of assets than ever before.

- **Leverage**: First instanced in the subprime crisis, investors became risk averse as they recognized the danger of widespread default resulting from over-leverage.

- **Derivatives**: The market for certain complex derivatives dried up as investors, fearful of risky overlevered credits, became cautious of investing in esoteric products with unpredictable exposures, thereby causing these products to become ‘valueless’ in a perfectly illiquid market.

The global and short-term nature of investments in capital markets today means that liquidity can dry up as quickly as it appears.

The repricing of risk is likely to cause a prolonged absence of liquidity, as costlier leverage reduces returns.
**“Secured” Debt**

- Second lien debt works in tandem with an asset-based loan and provides a company with some liquidity when other capital sources may be less accessible
  - It holds the same rights and covenants as a traditional AB loan except that it is second in line in terms of repayment priority

- Alternative lenders typically offer 2nd Lien and Mezzanine Loans to companies, usually at the time of a sponsor buyout

- These lenders will often have an equity interest in the company, either through warrants, convertible debt, or a direct equity stake

- In other cases, such lenders will extend credit into a “rescue” or restructuring situation and are comfortable with the possibility of ultimately becoming an equity owner
The volume of second lien product impacts the restructuring process and actions that participations can or must take in their relative positions.

Since 2000, total new issuance volume has increased from $58b to $186b.

Since 2003, much of the marginal increase in leverage has come from second lien loans.

Source: The Prospect News High Yield Daily and Jefferies internal data.
Though the period of high liquidity allowed companies to capitalize their balance sheet with fewer covenants, those loans occurred primarily at the end of the financing wave.

- Supply of loans with covenants remains high
- Covenant-lite loans won’t slow down the ‘restructuring market’

“Secured” Debt

- Increased liquidity in bank loan market provides an exit other than traditional workout

Source: SDC, Reuters Loan Pricing Corporation.
Leverage multiples available in the capital markets have reduced—Certain bankruptcy reorganization plans will need to be redone—Additional equity will be required—either in form of new cash or greater conversion of debt to equity

Relatively high levels of secured debt (i.e., second lien) creates a hurdle that must be refinanced for value to flow to unsecured creditors—Refinancing existing secured debt may also require additional equity contribution

Covenants will play a greater role in triggering defaults—Bank debt is subject to maintenance covenants and susceptible to acceleration—Amendments will be harder to obtain in tighter credit environment

High secured leverage levels combined with tighter credit availability may make it challenging to place debtor in possession financing—Existing lenders more likely to provide DIP facilities—Use of structured incentives (including increasing-rate notes) to induce DIP takeout
Securitization

- The repackaging of previously illiquid classes of assets so that they can be traded between investors

- First applied to the US mortgage market, where;
  - Baskets of mortgages were purchased from lender banks and sold on the public markets as Asset-Backed Securities (“ABS”).

- Securitization process then applied to practically all corporate asset classes, so that all assets could be traded easily and efficiently as “securities”

- Instead of long-term holders and stakeholders, many hedge funds came to trade in-and-out of all classes of securities
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Securitization

Market Impact

- Increased leverage
- Increased liquidity
- Ratings driven investing
- “Uneconomic” motivations – avoid bankruptcy at all costs
- Unprecedented demand growth
  - Aggressive terms to new financings
  - Supply grew to match demand
Institutional Loan Investor Group & Vehicle Count

Source: S&P LCD
Increasingly accessible, commonly used and affordable both for corporations and investors

Trend began with the market for high yield debt, and the creation of a growing investor base for highly leveraged assets

For investors, purchasing securities with only a small equity investment allows them to achieve outsized returns
  - Mirrors the increase in consumer debt
    - Residential mortgages and credit card debt

The growing lender base for highly leveraged assets has helped fund the growth of private equity and hedge funds since 1980
Secured leverage multiples have increased to historic highs

Average Debt/EBITDA Ratio for Transactions with Second Lien Loans

Source: Standard and Poor’s LCD and S&P/LSTA Leveraged Loan Index.
Increasingly complex securities that derive their value from other, more traditional instruments

Allows investors to effectively purchase securities that they previously were prohibited from purchasing or hedge the risk of their investment in any particular assets

Collateralized Debt Obligations (“CDOs”) – Derivatives repackaging and redistributing the separate parts of asset-backed securities

Derivatives of particular significance for the transformation of capital markets include

Credit Swaps – “Insurance” for credit products, ensuring payment to the purchaser in case of default

Total Return Swaps (“TRORS”) – A swap of exposure to credit risk for guaranteed cash flows, typically used by hedge funds who want to purchase bank debt
Why do investors use Credit Default Swaps?

- Leverage - Limited margin requirements with no cost
- Liquidity - Market has more depth than cash market and trades more actively
- Efficiency - No cost for borrow on shorted securities
- Ease - Allows investors access to additional markets
What is a Credit Derivative?

Risk Profile of Owning a Bond

Risk Profile of Shorting a Bond

Protection Seller

Protection Buyer

Reference Entity

Fee / Premium

Contingent Payment upon a Credit Event

Risk
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Derivatives

Market Participants

Sellers of Protection

- Banks and Dealers: 54%
- Hedge funds: 15%
- Insurers: 20%
- Mutual funds: 4%
- Pension funds: 4%
- Corporates: 2%
- Misc.: 1%

Buyers of Protection

- Banks and dealers: 67%
- Hedge funds: 16%
- Insurers: 7%
- Mutual funds: 3%
- Pension funds: 3%
- Corporates: 3%
- Misc.: 1%

Growth of the Market

Source: Bank of International Settlements; British Bankers Association; ISDA; Federal Reserve; Banc of America Securities LLC estimates.
Credit Default Swaps – Value Outstanding

Collateralized Debt Obligations – Annual Issuance

Total Outstanding U.S. Corporate Debt: $5,700 Billion

Source: International Swaps & Derivatives Association, SDC.
Market Impact

- Short squeeze on default
  - DPH - $28 billion of contracts against $2.2 billion of debt – bonds traded up 10pts following default

- Primary market implications
  - CDS participants structure new issues around contracts (Cendant)

- Counter-party risk in the system
  - Monoline insurers

- Unregulated industry
  - Since trades are not regulated, the financial position of holders is unknown

- Holders’ ultimate economic interest
  - Hedged Trades
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Implications on Restructuring Transactions
Liquidity in leverage loan markets allows more efficient transfer from risk adverse to risk seekers
  – Provides alternative process to traditional workout

Collateralized vehicles provide significant liquidity to market
  – Credit availability significantly impacted by availability of these buyers

CDS and other swaps make it difficult to determine ultimate risk holder

Opportunity in bankruptcy
  – Option to “sell” and credit bid face amount of secured debt
  – Generate liquidity through capital raise or rights offering
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Implications on Restructuring Transactions

Sale of Troubled Company Outside Bankruptcy

■ Major benefit
  – Not under court supervision

■ Disadvantages
  – Need shareholder vote
  – Successor liability
  – Potential fraudulent transfer if remaining company files for bankruptcy
363 Asset Sale

- Understanding Section 363
  - The trustee or debtor in possession “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate. . . .” [Section 363(b)(1)]
  - The trustee or debtor in possession may sell property “free and clear” of any liens, claims and interests [Section 363(f)]

- Standards for approving 363 Sale
  - Sound business purpose
  - Adequate and reasonable notice to interested parties
  - Sale price is fair and reasonable
  - Purchaser acted in good faith
    - Such a finding moots appeal
363 Asset Sale

- **Stalking Horse**
  - Advantage/disadvantage
  - Break up fee and other bidding procedures

- **Timing from date of execution of APA** – typically takes place in two steps
  - 10 to 14 days to hearing on bid procedures
    - Solicitation procedures
    - Auction procedures, including break up fees
    - Competing bidders typically lack standing to challenge bid procedures (but still have opportunity for mischief at procedures hearing)
  - 20 to 60 days to auction
    - Auction strategies
363 Asset Sale

- Exclusivity issues – typically end when court approves bidding procedures

- Buy free and clear of all liens, claims and interest, including administrative claims
  - No fraudulent transfer risk
  - Outside of bankruptcy, there are numerous exceptions to rule that buyer is not liable for obligations of the seller
  - Bankruptcy add protections for all but a handful of liabilities
    - Product liabilities
    - Environmental liabilities
    - Maybe some employee liabilities

- Assume desirable contracts and leases (in most cases override anti-assignment provisions) and leave others behind

- No shareholder approval required
  - Outside of bankruptcy, many corporate charters require majority shareholder approval before substantially all of the assets can be sold
  - Bankruptcy overrides this provision and can overcome shareholder resistance to a sale

- Allows buyers to purchase assets or entire enterprises without requiring them to participate in a bankruptcy case to the extent that would be required if acquiring through plan of reorganization
363 Asset Sale

- Strategic DIP financing
  - To the extent the debtor is in dire need of financing, purchaser can link financing to the approval of satisfactory bid and auction procedures
  - Direct operations in a manner that favors purchaser’s bid
  - Immediate acceleration if another bid is accepted

Because seller is insolvent, purchase agreement in 363 Sale context differs markedly from non-bankruptcy purchase agreement
  - Reps and warranties die at closing, no indemnification
  - Holdbacks and escrows are more difficult to obtain
  - Until bankruptcy court approval, seller will not be bound; buyer may be bound until termination
  - Should include deadlines/timeline for filing motions, court hearing, final approval
  - Break up fee and expense reimbursement – order must include priority language
  - Provide express language about method of assuming and assigning contracts and payment of cure costs
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Implications on Restructuring Transactions-Purchasing the Debt

Purchasing the Debt

- Buy control by purchasing the debt – through traditional or prepackaged plan

- Plan and confirmation issues
  - Best interests of creditor test
  - Disclosure statement

- Voting rules in chapter 11
  - More than a majority in number and at least two-thirds in dollar amount of claims actually voting in each impaired class required
  - Ideal situation is to control at least one-third of the fulcrum security
  - Non-voters do not count/dissenters bound by class vote under Section 1141(d)
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Implications on Restructuring Transactions-Purchasing the Debt

Major Advantages Compared to 363 Sale

- Control process (gain entry without debtor consent) and avoid auction
  - But need debtor consent to propose plan within exclusivity period or to commence chapter 11 case

- Wipe out junior creditors/equity holders – cram down

- No shareholder approval/no need to show committed financing until plan process is underway

- Link to financing (even DIP financing that converts to exit financing) to block other bidders

- Obtain exclusivity via debtor to avoid competing plan of reorganization

- Issue stock without SEC registration

- Can use claim objection process to challenge taxes and other claims

- Possible to recoup costs/expenses
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Implications on Restructuring Transactions-Purchasing the Debt

Major Disadvantages Compared to 363 Sale

- Must pay all administrative creditors, priority claims
- Must commit to purchase debt before locking up deal
- Claims (on purchased debt) come with defenses/risk of subordination
Increased leverage multiples increase the hurdle that equity or subordinated stakeholders must clear to receive a distribution.

Tighter leverage markets may make raising exit financing in the form of debt challenging.

Because subordinated holders may be further out of the money, rights offerings may allow holders to realize value by participating in a discounted rights offering.

Rights offerings allow equity to holders to protect their positions.

Provides opportunities for reorg investors to participate on the front end and “create” their equity positions:
- Detachable rights may allow investors to participate without owning underlying fulcrum security
- Oversubscription rights may also allow investors to increase their position

Allows funds to generate potentially substantial fee income from backstopping the issuance.

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Implications on Restructuring Transactions-Rights Offering

Can provide a mechanism to raise necessary junior capital

Forecasted Increase in Rights Offerings
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Implications on Restructuring Transactions—Rights Offering

### Recent Rights Offering Transactions

($Millions)

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Issuer</th>
<th>Description</th>
<th>Security</th>
<th>Total Offering</th>
<th>Backstop Commitment</th>
<th>Total Fees (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/27/07</td>
<td>Bally Total Fitness</td>
<td>Chapter 11 case; rights offering to senior subordinated noteholders</td>
<td>New Subordinated Notes</td>
<td>$90</td>
<td>90.0%</td>
<td>4.00%</td>
</tr>
<tr>
<td>06/20/07</td>
<td>Port Townsend Paper, Inc.</td>
<td>Chapter 11 case; component of $60 million exit financing</td>
<td>New Preferred Stock</td>
<td>25</td>
<td>100.0%</td>
<td>2.50%</td>
</tr>
<tr>
<td>10/13/06</td>
<td>Foamex International</td>
<td>Chapter 11 case; rights offering to common and preferred shareholders as part of exit financing</td>
<td>Common Equity</td>
<td>150</td>
<td>100.0%</td>
<td>6.33%</td>
</tr>
<tr>
<td>09/05/06</td>
<td>Silicon Graphics</td>
<td>Chapter 11 case; component of $115 million exit financing</td>
<td>Common Equity</td>
<td>57</td>
<td>100.0%</td>
<td>1.75%</td>
</tr>
<tr>
<td>08/21/06</td>
<td>Northwest Airlines</td>
<td>Chapter 11 case; component of $1.375 billion exit financing</td>
<td>Common Equity</td>
<td>750</td>
<td>100.0%</td>
<td>2.75%</td>
</tr>
<tr>
<td>06/29/06</td>
<td>Owens Corning</td>
<td>Chapter 11 case; component of $4.6 billion exit financing</td>
<td>Common Equity</td>
<td>2,187</td>
<td>100.0%</td>
<td>4.57%</td>
</tr>
<tr>
<td>03/23/06</td>
<td>J.L. French Automotive Casting</td>
<td>Chapter 11 case; second-lien debtholders participated in offering with an expected range of $110 million - $130 million</td>
<td>Common Equity</td>
<td>130</td>
<td>100.0%</td>
<td>2.00%</td>
</tr>
<tr>
<td>02/23/06</td>
<td>USG Corp.</td>
<td>Chapter 11 case; shareholders participated in rights offering as component of $5.6 billion exit financing</td>
<td>Common Equity</td>
<td>1,800</td>
<td>100.0%</td>
<td>3.72%</td>
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<tr>
<td>07/23/05</td>
<td>Ogilvy Norton - Basic</td>
<td>Chapter 11 case; rights offering as part of exit financing</td>
<td>Convertible Preferred Stock</td>
<td>80</td>
<td>100.0%</td>
<td>3.00%</td>
</tr>
<tr>
<td>06/03/05</td>
<td>Local Space &amp; Communication</td>
<td>Chapter 11 case. In conjunction with issue of $200 million in new preferred stock</td>
<td>Senior Secured Notes</td>
<td>120</td>
<td>100.0%</td>
<td>5.00%</td>
</tr>
<tr>
<td>05/27/04</td>
<td>Atlas Air Worldwide Holdings</td>
<td>Chapter 11 case; rights offering to common shareholders as part of exit financing</td>
<td>Common Equity</td>
<td>20</td>
<td>100.0%</td>
<td>1.70%</td>
</tr>
<tr>
<td>04/29/04</td>
<td>Air Canada</td>
<td>Chapter 11 case; rights offering to creditors as part of exit financing for general corporate purposes</td>
<td>Common Equity</td>
<td>619</td>
<td>100.0%</td>
<td>1.50%</td>
</tr>
<tr>
<td>11/17/03</td>
<td>NTL Inc</td>
<td>Chapter 11 case; offering to common shareholders; proceeds to repay senior secured notes and a portion of its working capital facility</td>
<td>Common Equity</td>
<td>1,430</td>
<td>78.7%</td>
<td>3.10%</td>
</tr>
</tbody>
</table>

**Median**

- $130
- 100.0%
- 3.00%

**Mean**

- 574
- 96.8%
- 3.23%

Source: Jefferies data. All values converted to USD.

(1) Includes backstop fee, commitment fee and funding fee.
(2) Based on disclosure statement approved on June 20th.
(3) Based on motion dated October 13, 2006 approved by court.
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Questions and Answers