

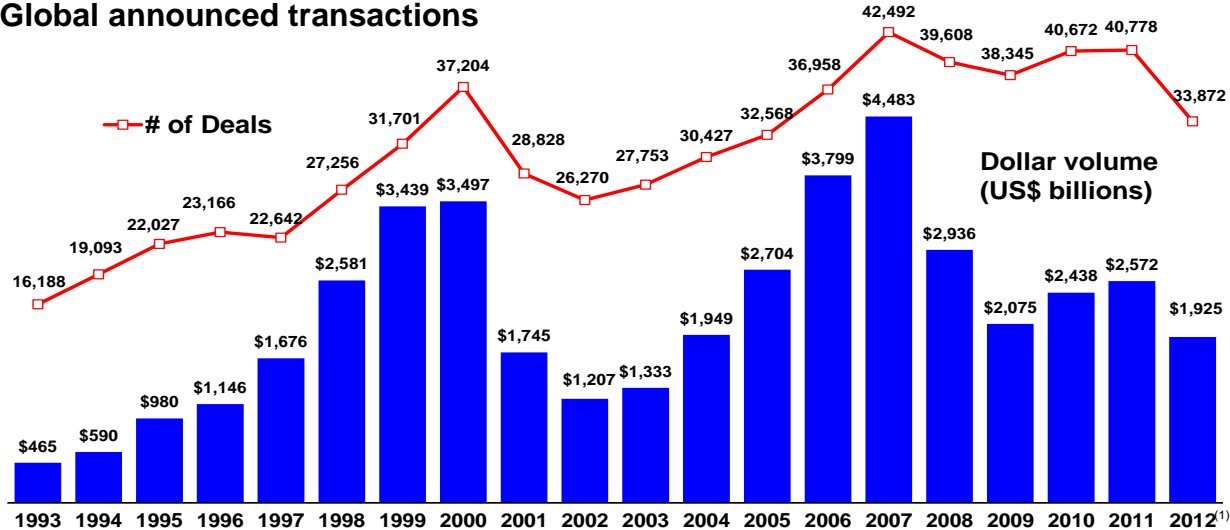
Outlook for M&A

- **Monday, April 30, 2012 9:30 AM - 10:45 AM**
- **Speakers:**
 - [Anthony Armstrong](#), Co-head Americas M&A, Credit Suisse
 - [Maria Boyazny](#), Founder and CEO, MB Global Partners
 - [James Casey](#), Co-Head of Global Debt Capital Markets, JP Morgan Securities LLC
 - [Tilman Fertitta](#), Owner, Chairman and CEO, Landry's Inc.
 - [Raymond McGuire](#), Global Head, Corporate & Investment Banking, Citi
- **Moderator:**
 - [Robert Harteveltdt](#), Global Co-Head, Fixed Income, and Global Head, Fixed Income Origination



Global M&A transaction

Global announced transactions



Source: Thomson Reuters.

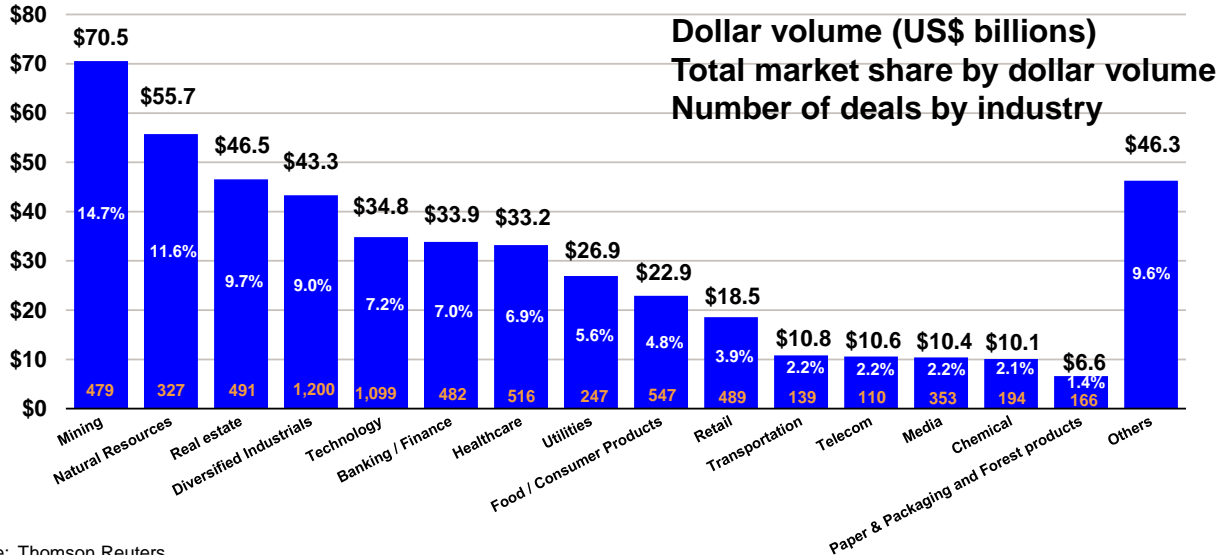
(1) 2012 volume annualized as of 3/31/12.

Global industry volume

Announced global transactions first quarter 2012



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Source: Thomson Reuters.

Note: As of 3/31/12.

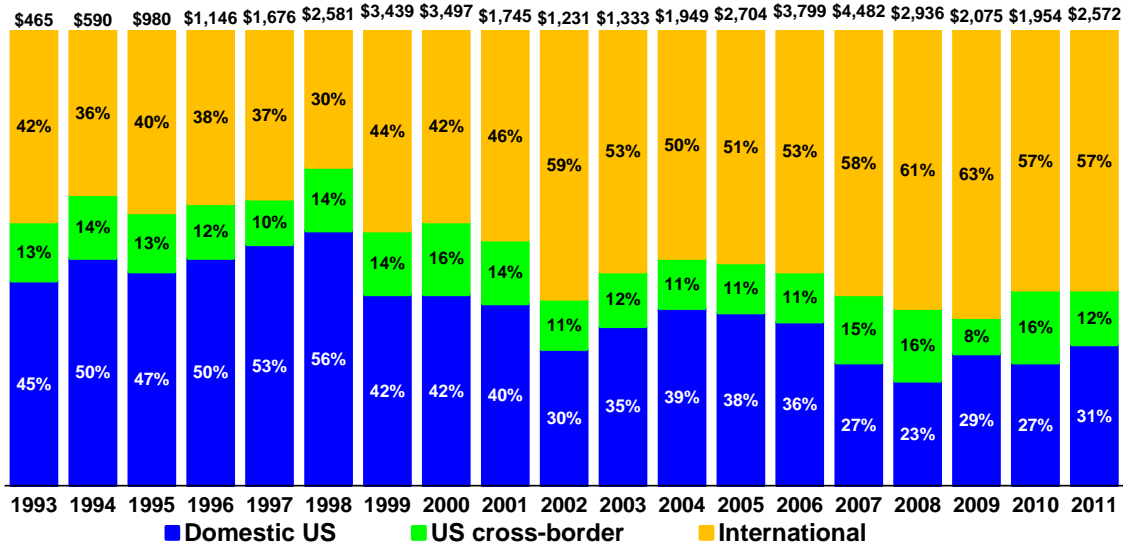
Global M&A activity

Announced transactions



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US\$ billions

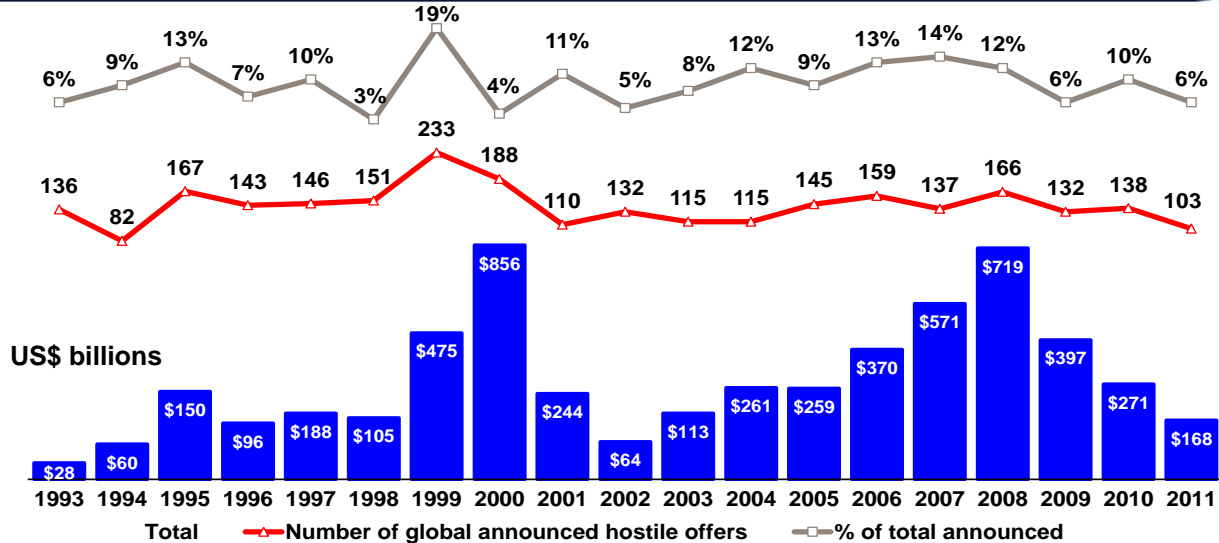


Source: Thomson Reuters.

Note: Domestic US includes intra-US transactions. Cross-border includes transactions with one US party. International transactions exclude US parties.

Hostile activity in historical context

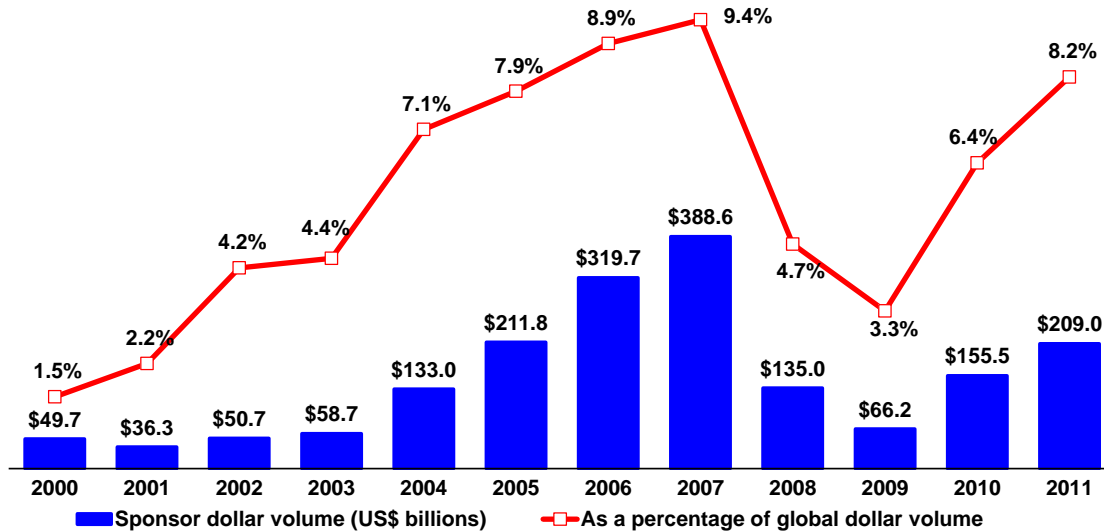
Global announced transactions – hostile offers



Source: Thomson Reuters.

Note: Hostile volume as a percentage of global dollar volume of announced and withdrawn deals.

Global financial sponsor activity



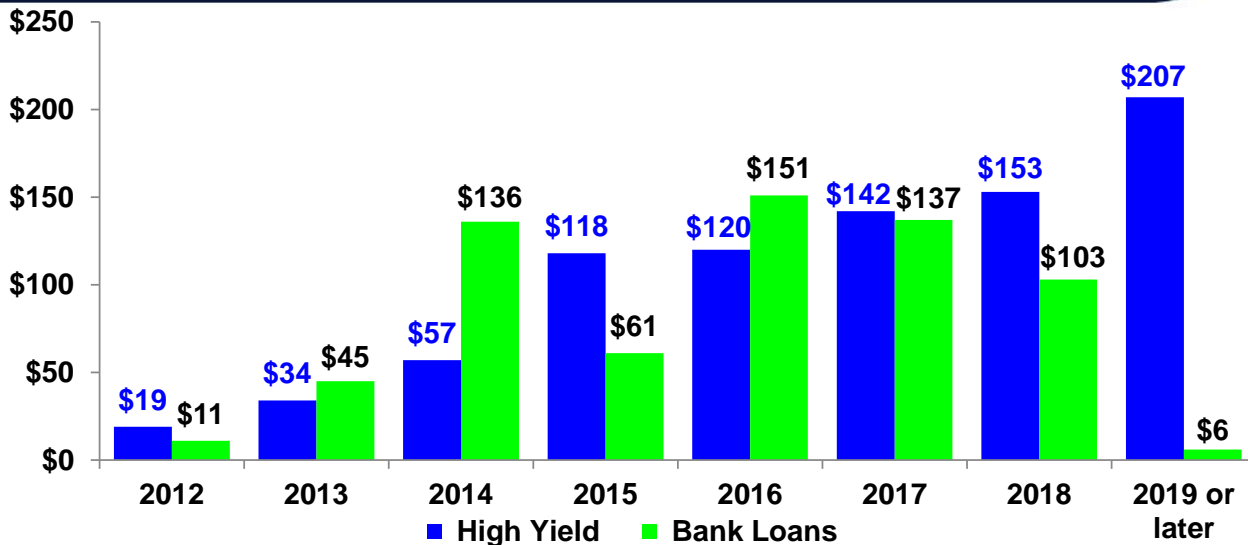
Source: Thomson Reuters.

Remaining maturity schedule

\$1 trillion expected to need refinancing from 2012 - 2017



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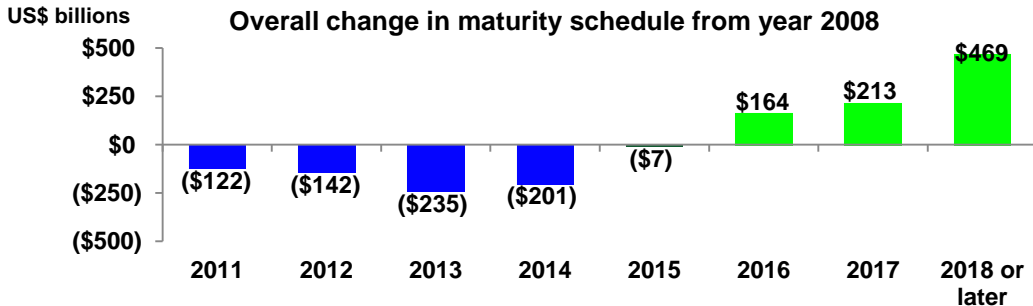


Source: Credit Suisse, *February 2012 Leveraged Finance Strategy Update*.
Note: Maturity schedule as of January 31, 2012. Volumes are in US\$ billions.

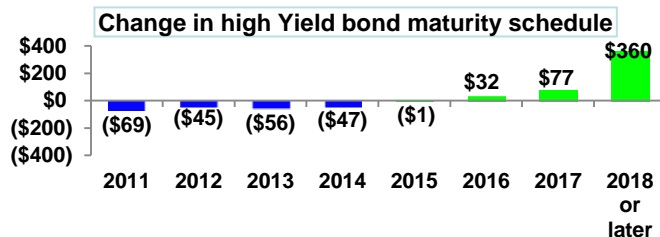
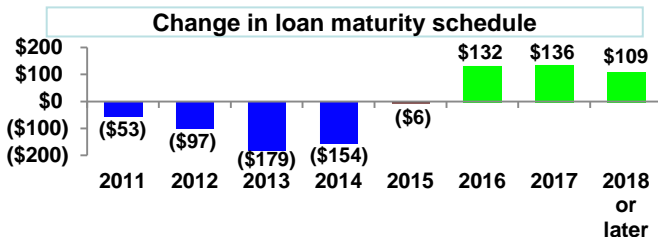
Maturity extensions

Maturity wall remains massive, even after extension

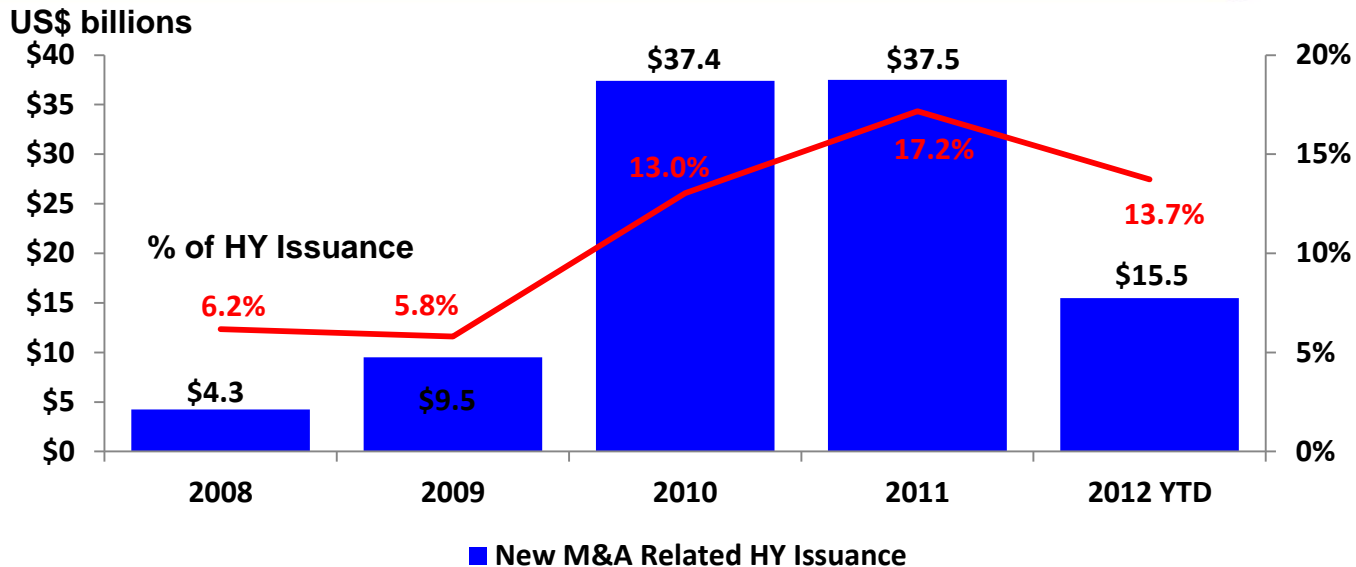
- **\$489 billion of leveraged loan maturities in 2011 to 2015 have been pushed out**



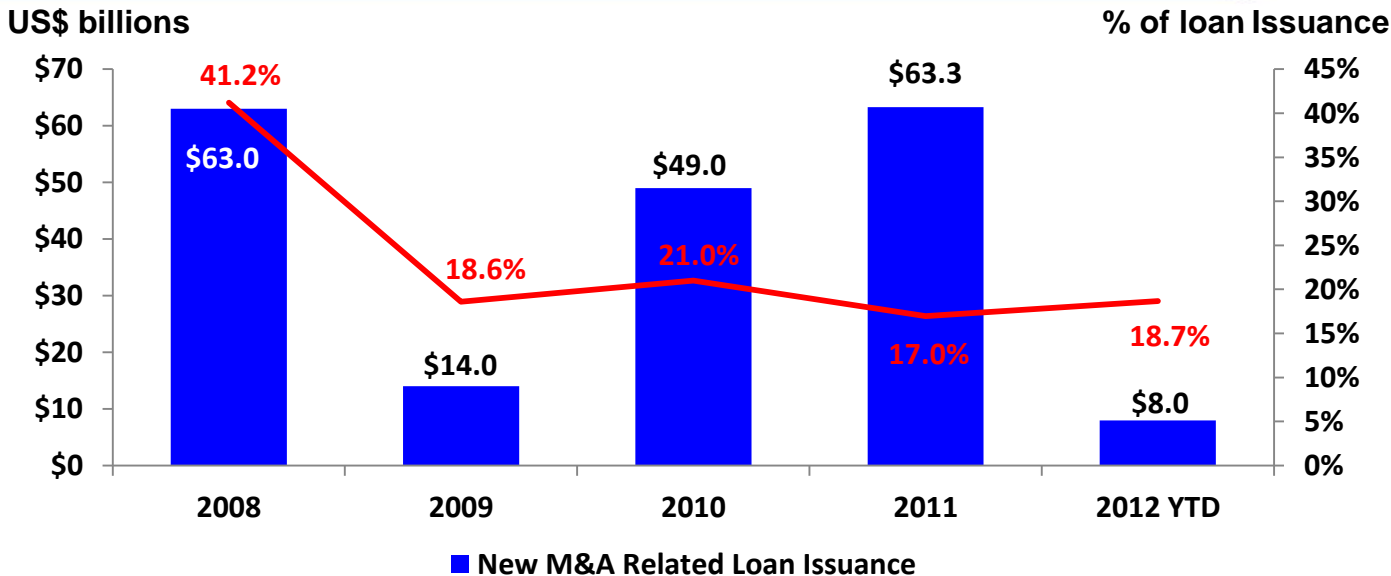
- **Booming high yield market refinancing maturing bank debt**



New issue high yield M&A activity



New issue leveraged loan M&A activity



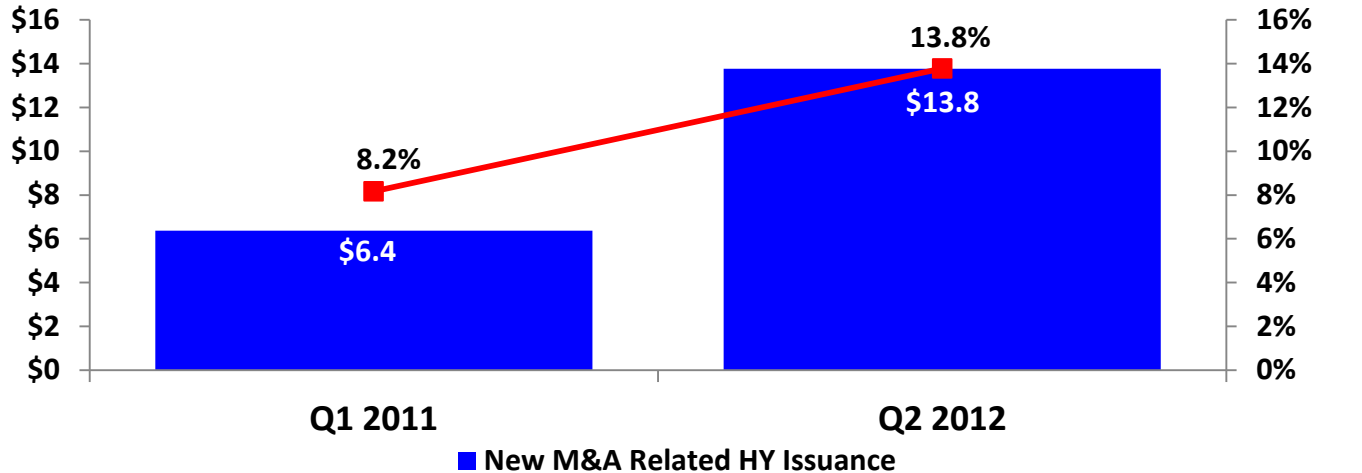
New issue high yield M&A activity

Q1 2011 & Q1 2012



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US\$ billions



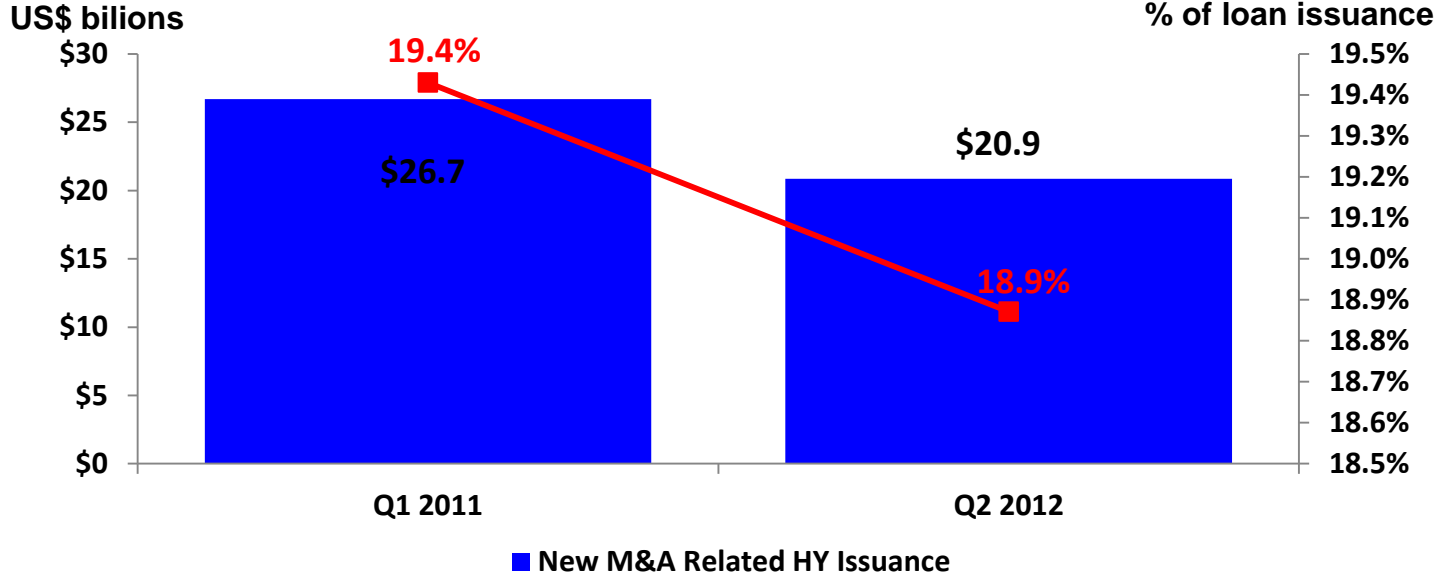
Source: Jefferies & Company

New issue leveraged loan M&A activity

Q1 2011 & Q2 2012



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Source: Jefferies & Company

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April 2012



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Concept Summary

Restaurants



Signature Group



Hospitality



Entertainment



Gaming





Landry's Inc.

- **\$2.5 Billion Revenue**
- **\$400 Million EBITDA**
- **404 Restaurants, 3 Casinos, 5,000 hotel rooms**
- **104 Waterfront units**
- **50,000 Employees**
- **34 States, DC, and Puerto Rico**
- **31 International Locations**





Acquisitions

- 10 acquisitions
- 6 public companies
- \$2.5 billion aggregate value
- EBITDA of \$200M at acquisition
- EBITDA of \$350M today



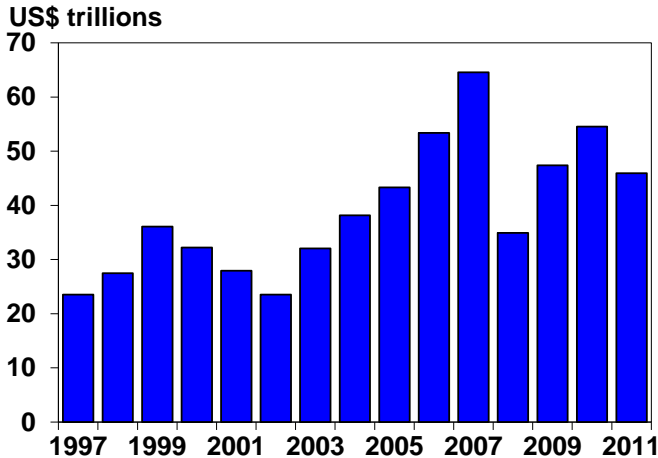
Growth of global markets

1997 to 2011

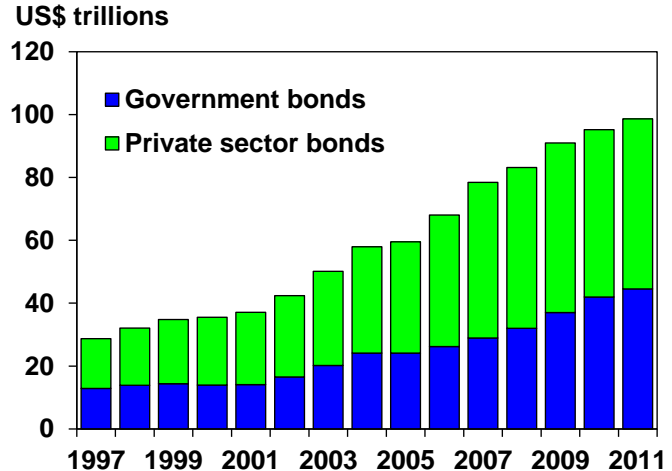


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Global stock market capitalization



Global bonds outstanding



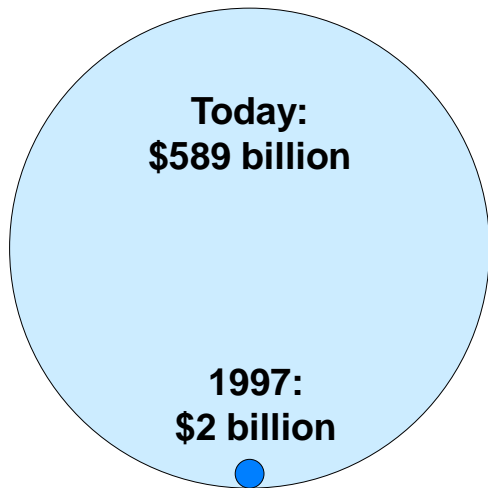
Note: Government and private sector bonds issued domestically are up to Q3 2011.

Sources: BIS, S&P, Bloomberg.

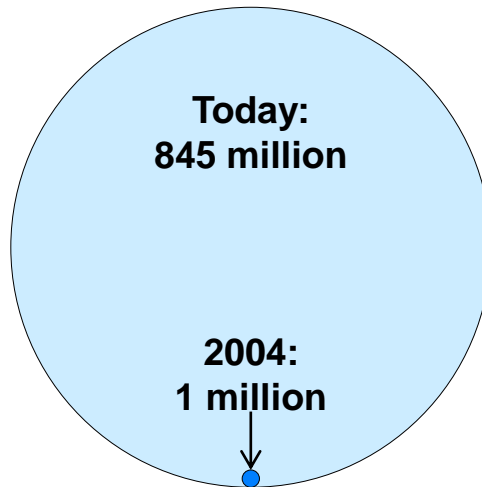


Technology is booming

Market value of Apple

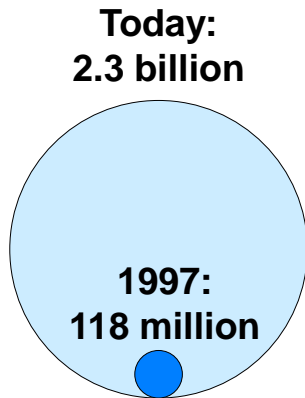


Number of Facebook users

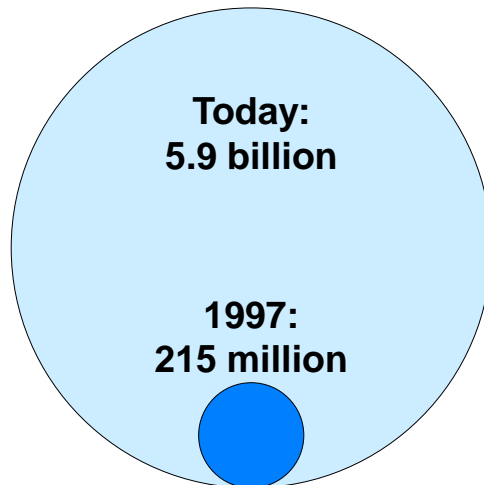


Internet and mobile phone users

Number of Internet users



Number of mobile phone users

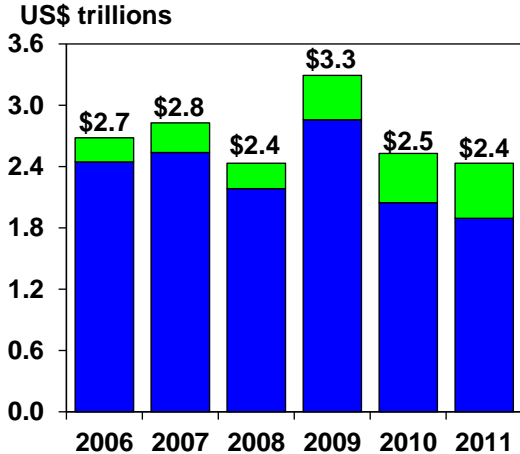


Bond and equity market issuance still below pre-crisis levels

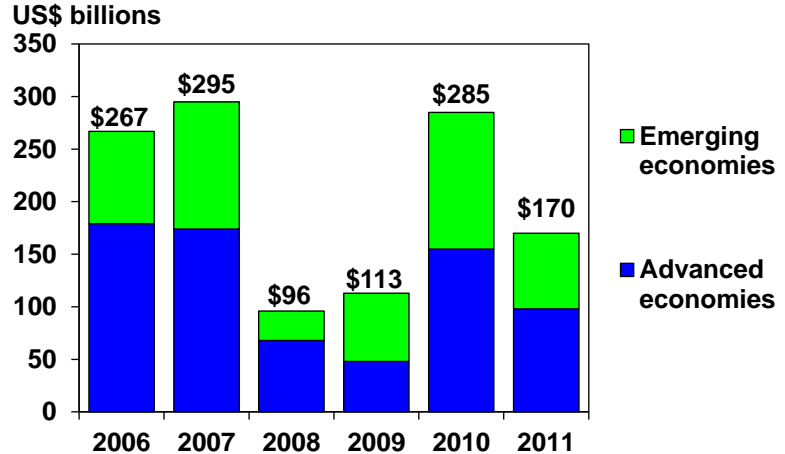


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Corporate bond issuance



Fund raised through IPOs

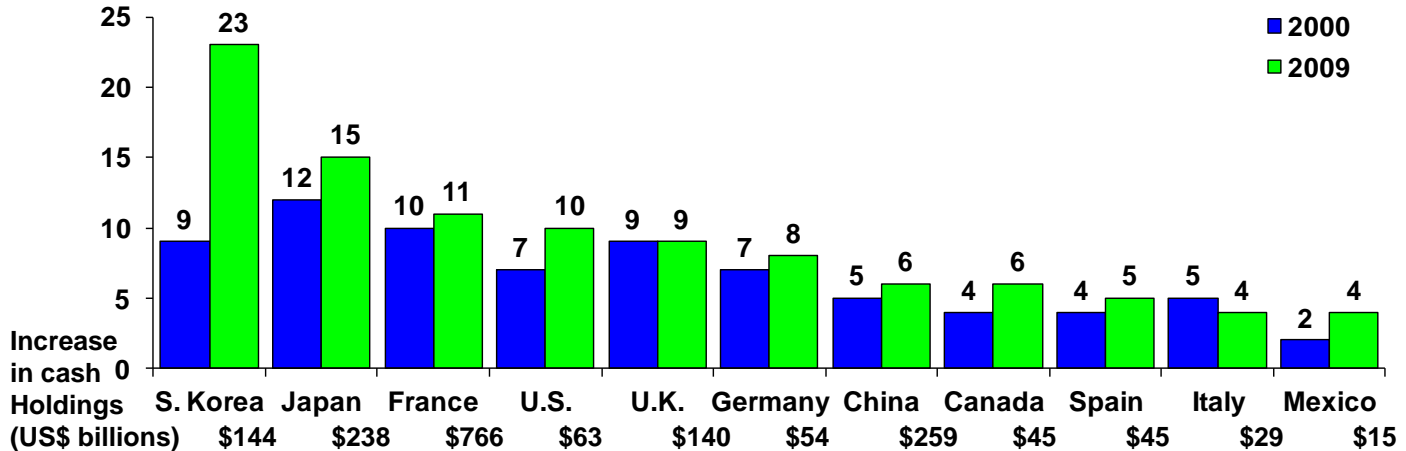


Sources: Ernst & Young, S&P Fixed Income Research.

Corporate cash balances have increased since 2000 in major economies



Cash holdings of publicly listed companies, percent of GDP



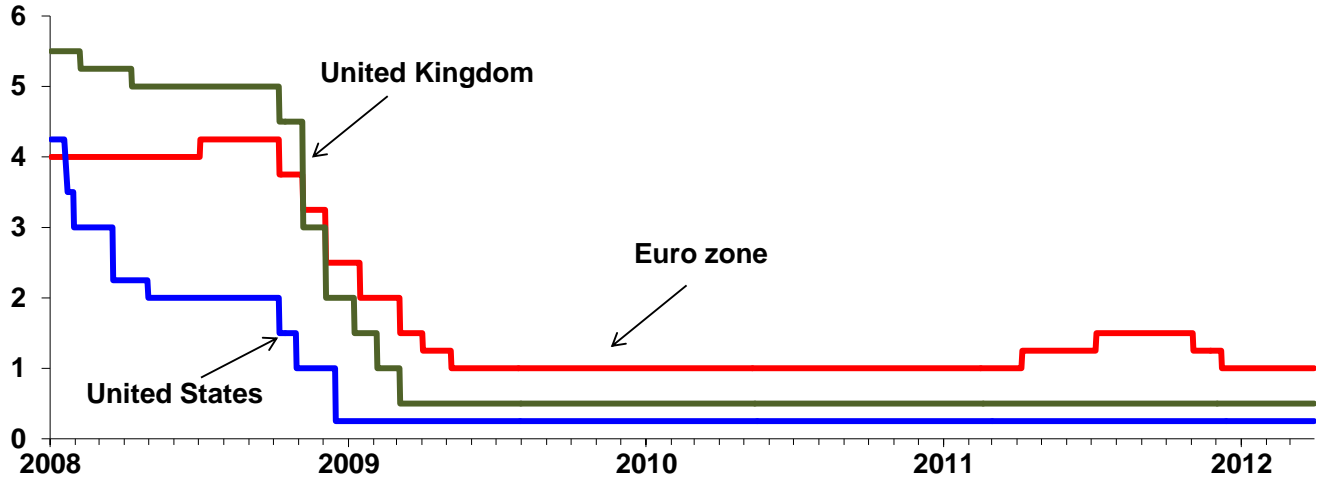
Interest rates for advanced economies



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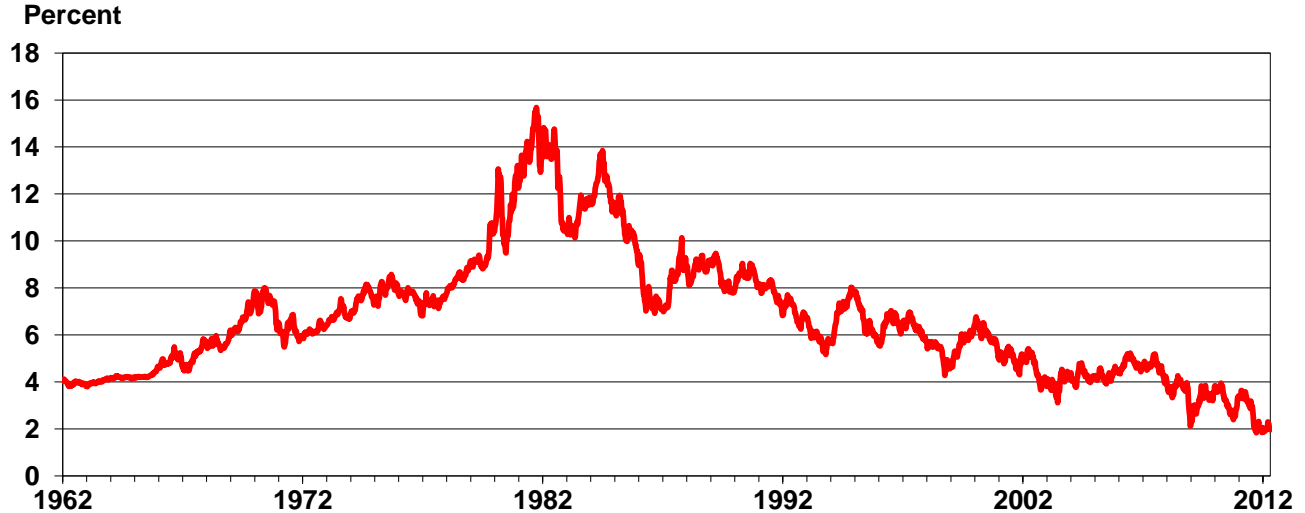
Target interest rates of central banks

Policy interest rates, percent



Source: Bloomberg.

Ten-year Treasury yield reached record low in 2011



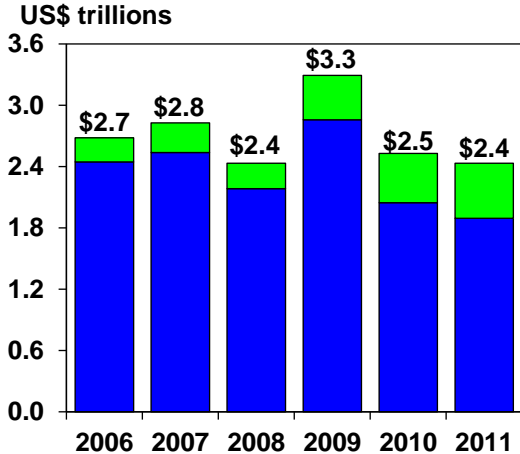
Source: Federal Reserve.

Global bond and equity market issuance still below pre-crisis levels

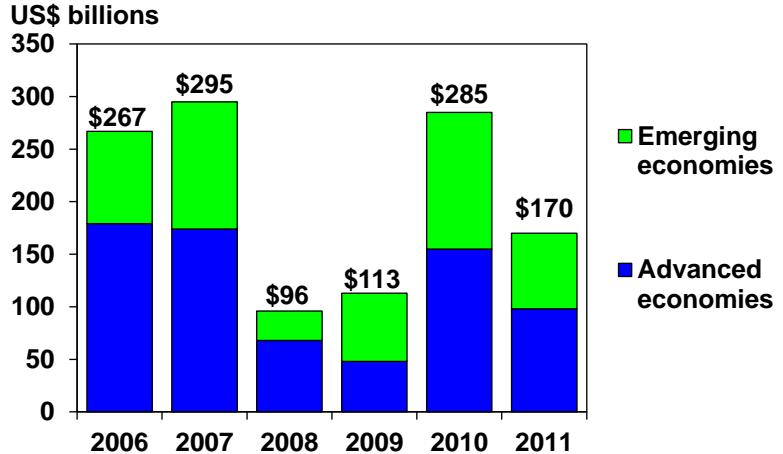


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Corporate bond issuance



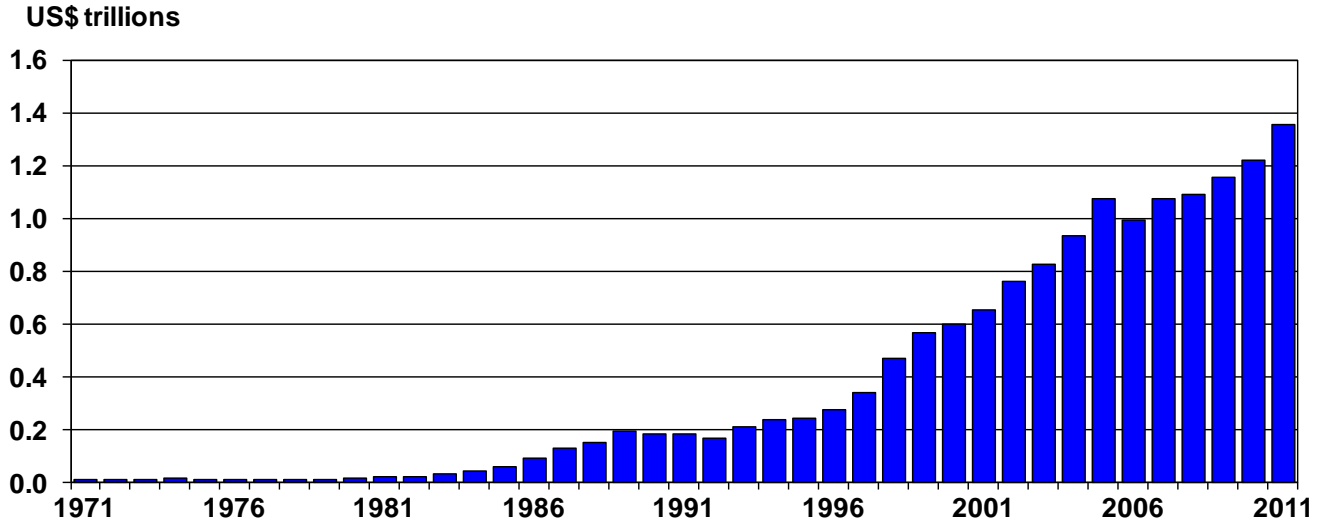
Fund raised through IPOs



Sources: Ernst & Young, S&P Fixed Income Research.



Historical growth of U.S. high-yield market

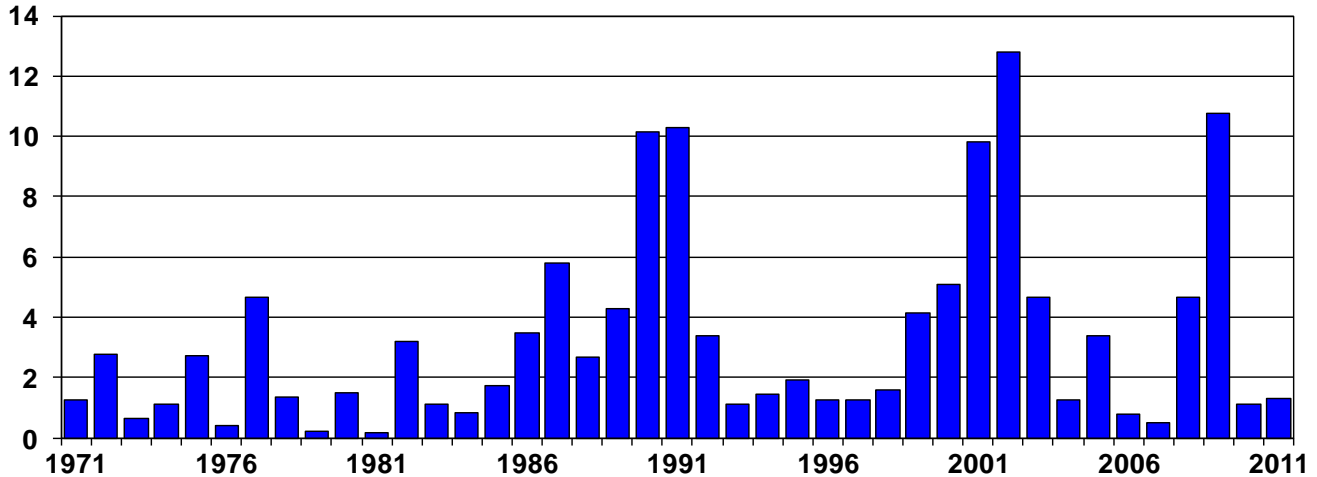


Source: Edward Altman.



U.S. high-yield default rates

Percent



Source: Edward Altman.

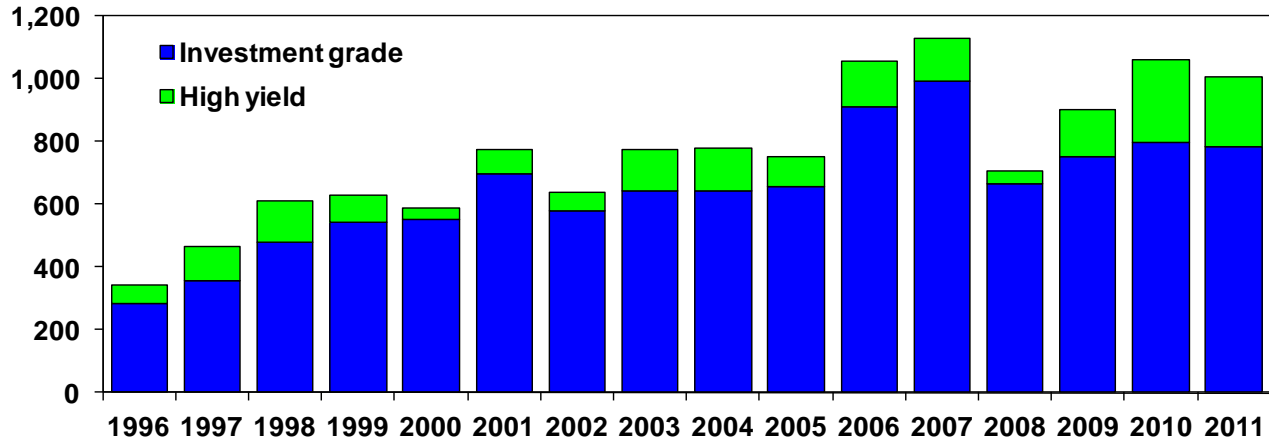
Corporate bond issuance in the United States



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1996 to 2011

US\$ billions



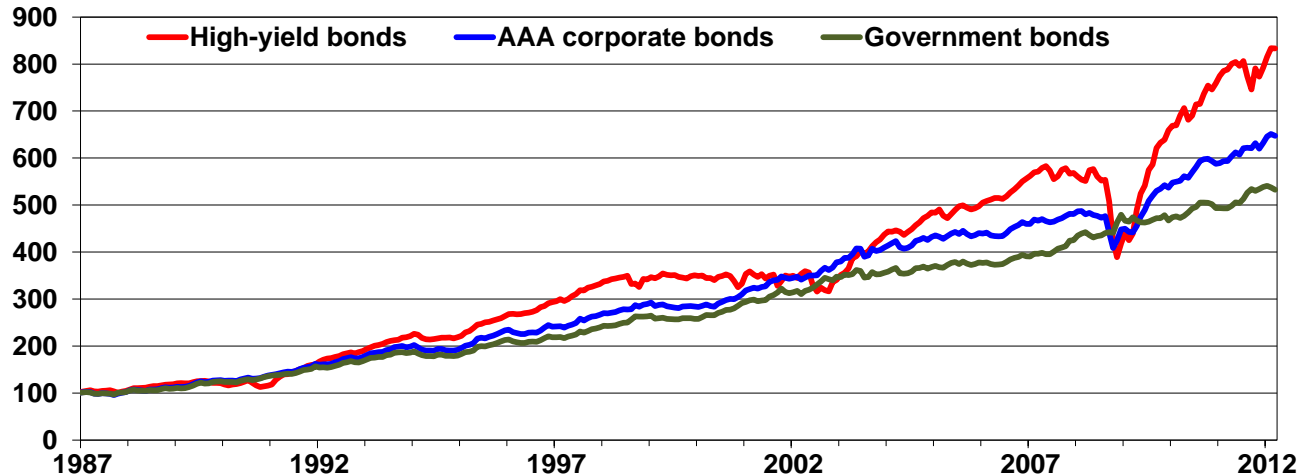
High yield hit by credit crunch but now more robust than ever



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Total return index, monthly, January 1987 to March 2012

Index, December 1986=100

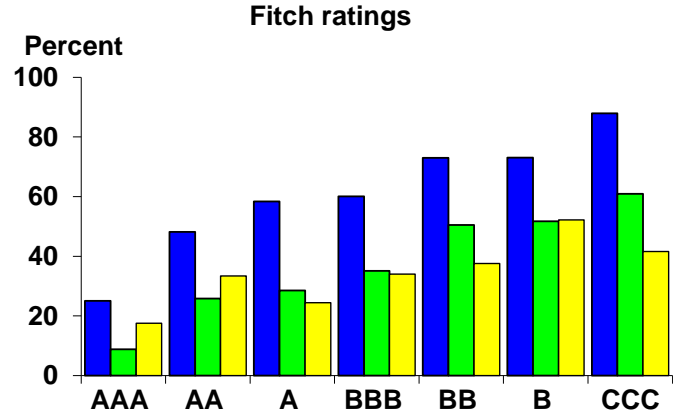
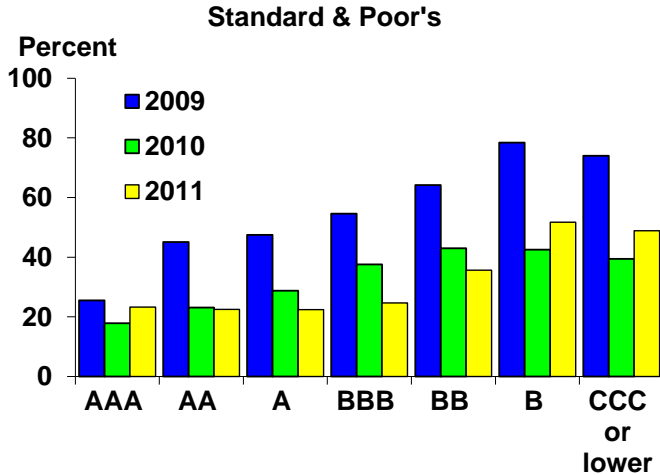


Downgrades for structured finance products

2009–2011



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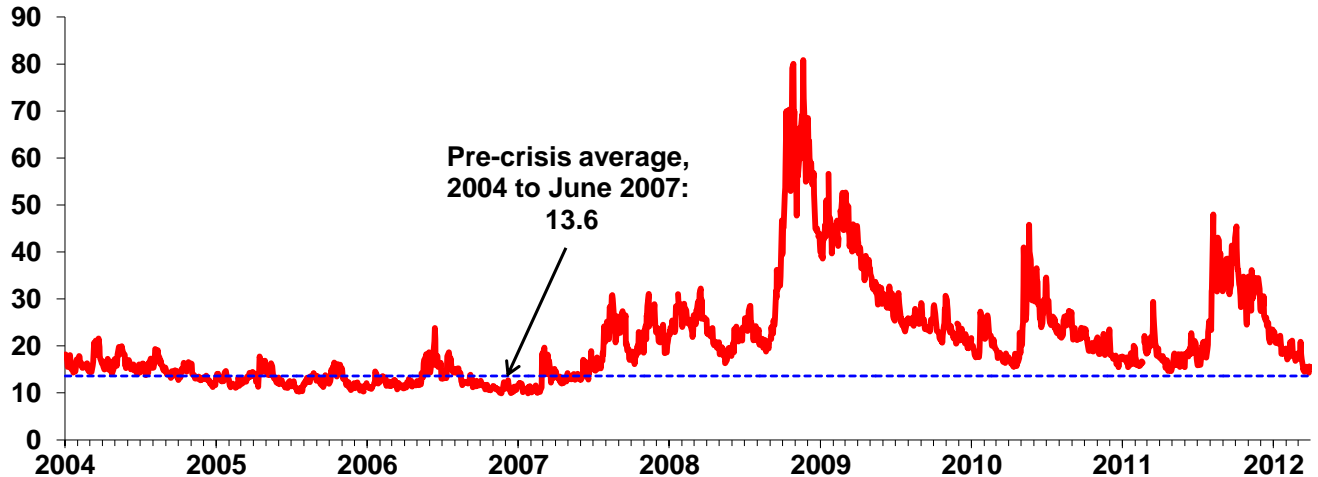


Sources: Standard & Poor's, Fitch Ratings.

S&P 500 volatility decreasing: Returning to pre-crisis level

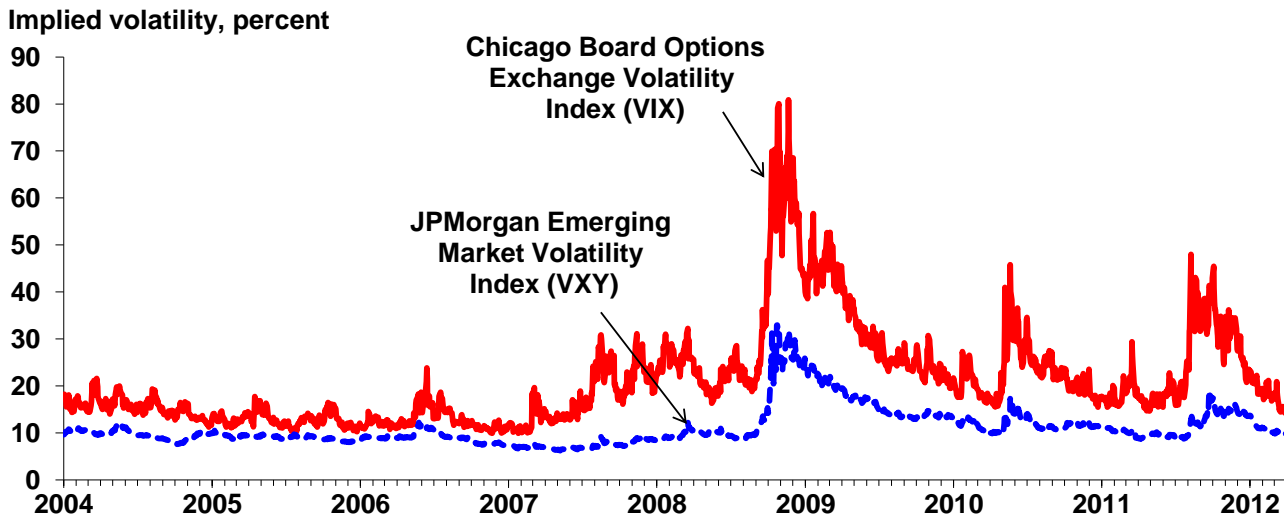


Chicago Board Options Exchange Volatility Index (VIX)



Source: Bloomberg.

Implied volatility: U.S. vs. emerging markets



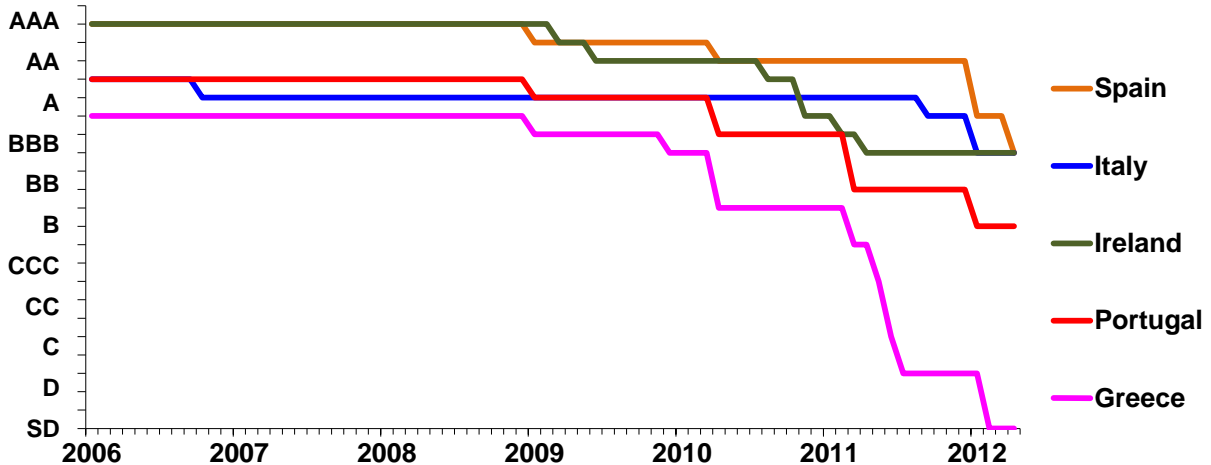
Source: Bloomberg.

Recent rating changes for selected European countries



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S&P's foreign currency long-term debt ratings



Sources: Bloomberg, Milken Institute.

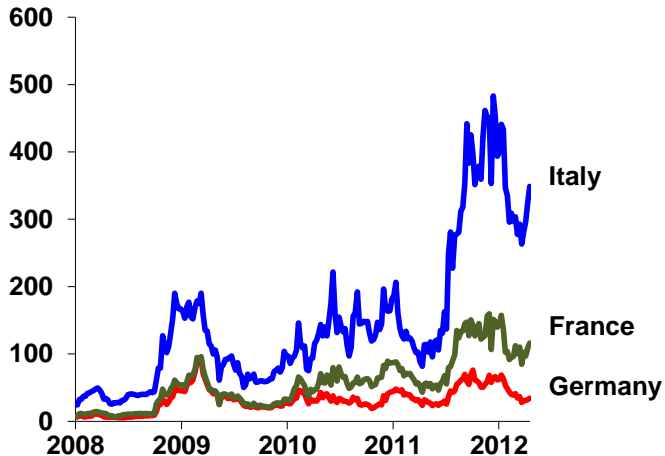
Sovereign risks heightened after 2009

Credit default swap spreads, five-year government bonds

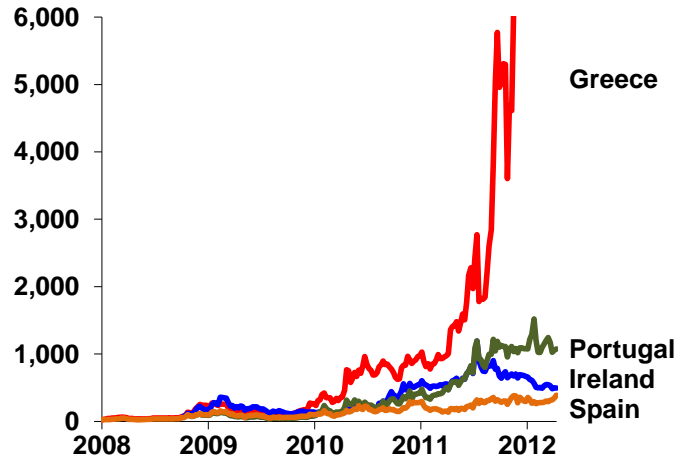


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Basis points



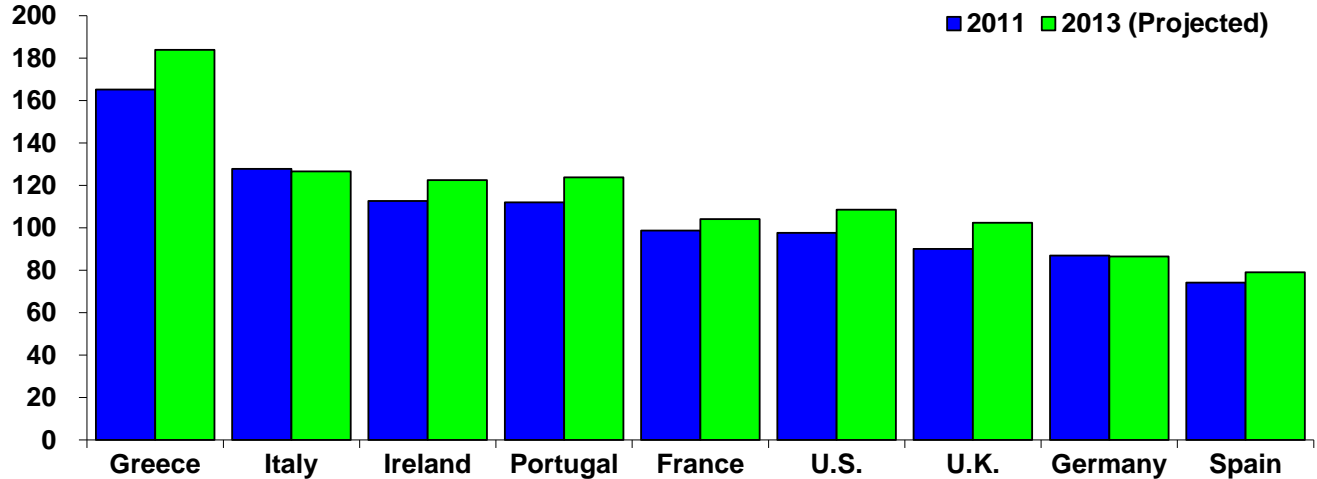
Basis points



Source: DataStream.

Government debt-to-GDP ratios are expected to rise *2011 vs. 2013 (projection)*

Gross debt, percent of GDP



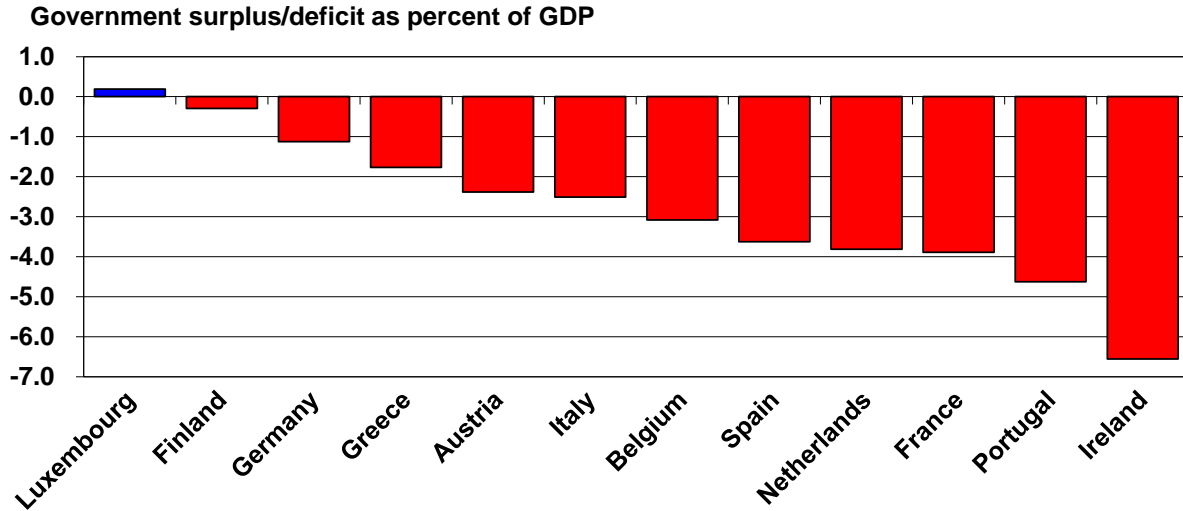
Source: OECD.

Fiscal deficit for selected euro zone countries

2011



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Source: OECD.