

Distressed M&A Outlook



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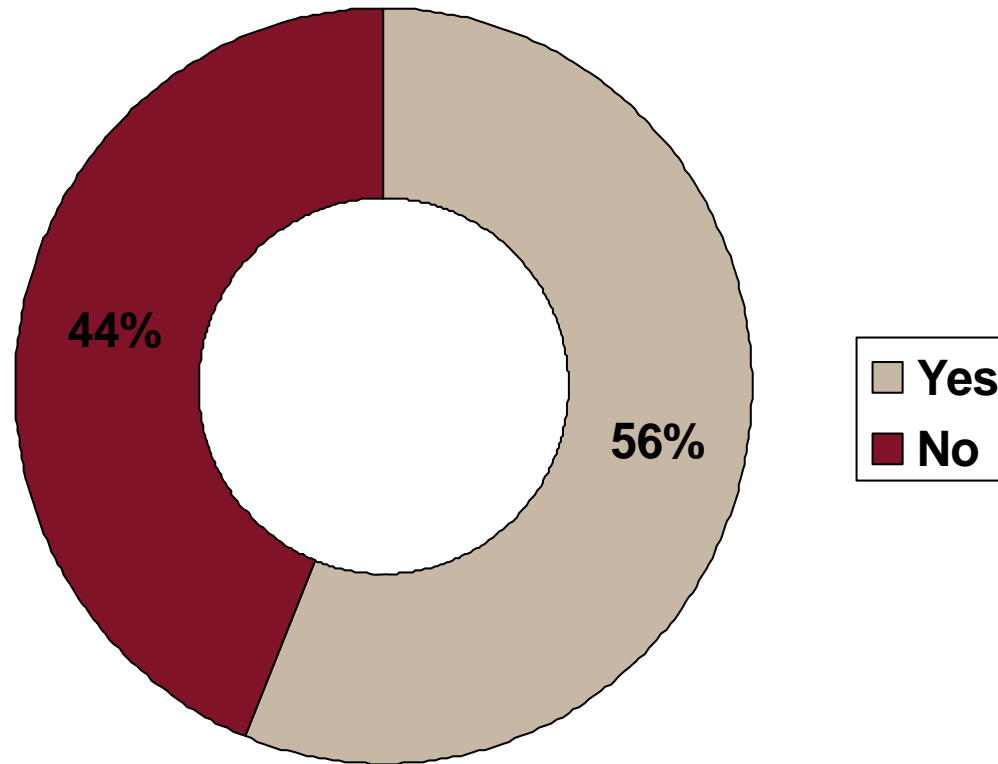
- Conducted by Pepper Hamilton LLP and Carl Marks Advisory Group LLC in association with mergermarket
- Survey of 75 investment bankers, private equity practitioners, hedge fund investors and lawyers

How has the landscape changed since the study?

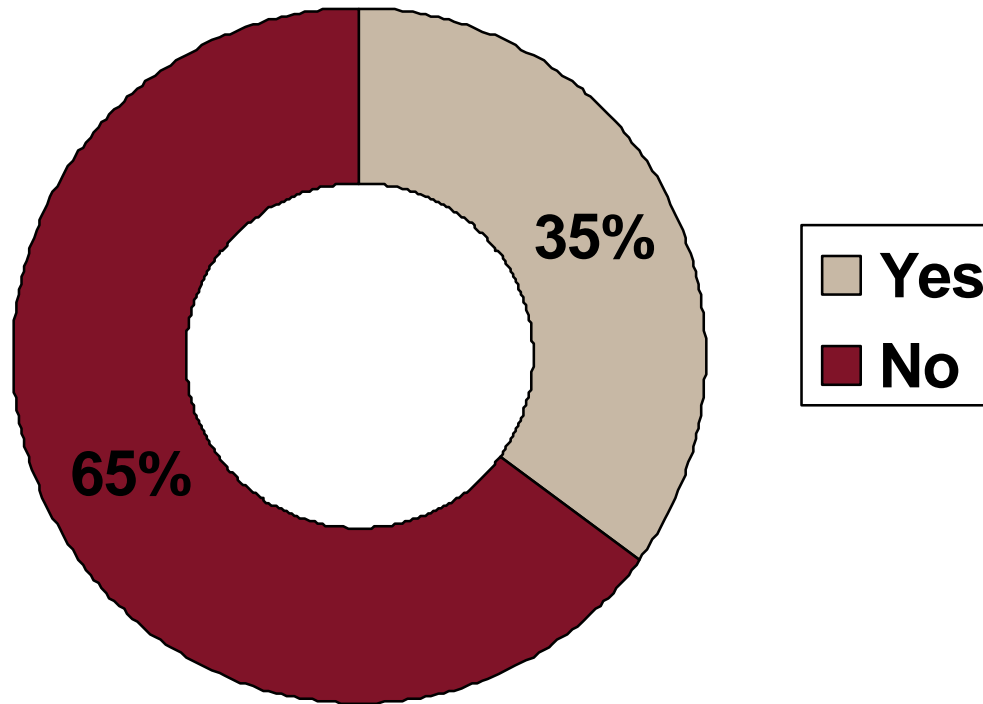


- Chrysler/GM effect on the distressed M&A market
 - Imposition of politics on financial markets
- CIT repercussions
 - Pre and Post Bankruptcy

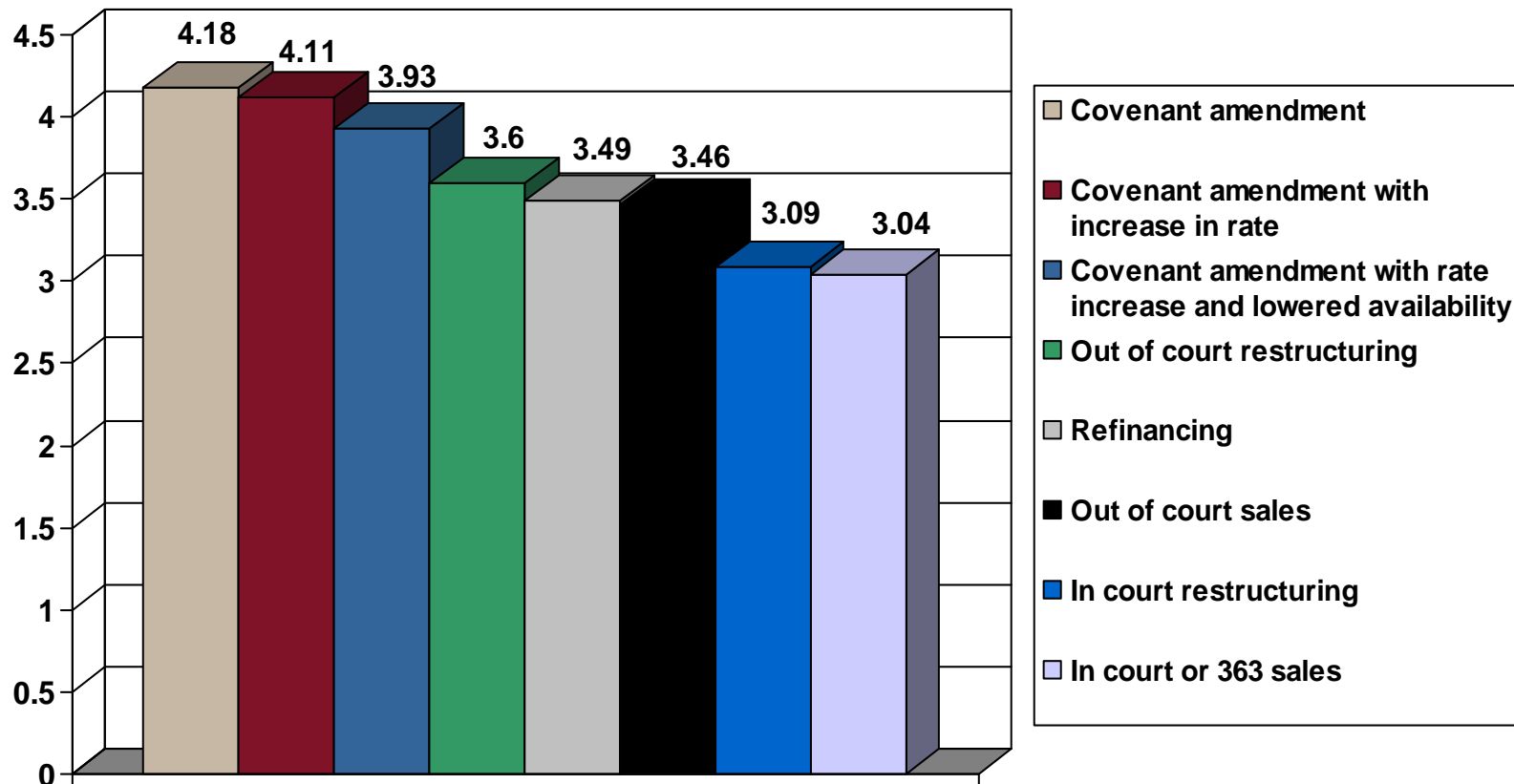
Has your firm advised on/participated in the sale of a distressed asset in the past year?



Do you plan to exit any of your distressed investments in the upcoming year?

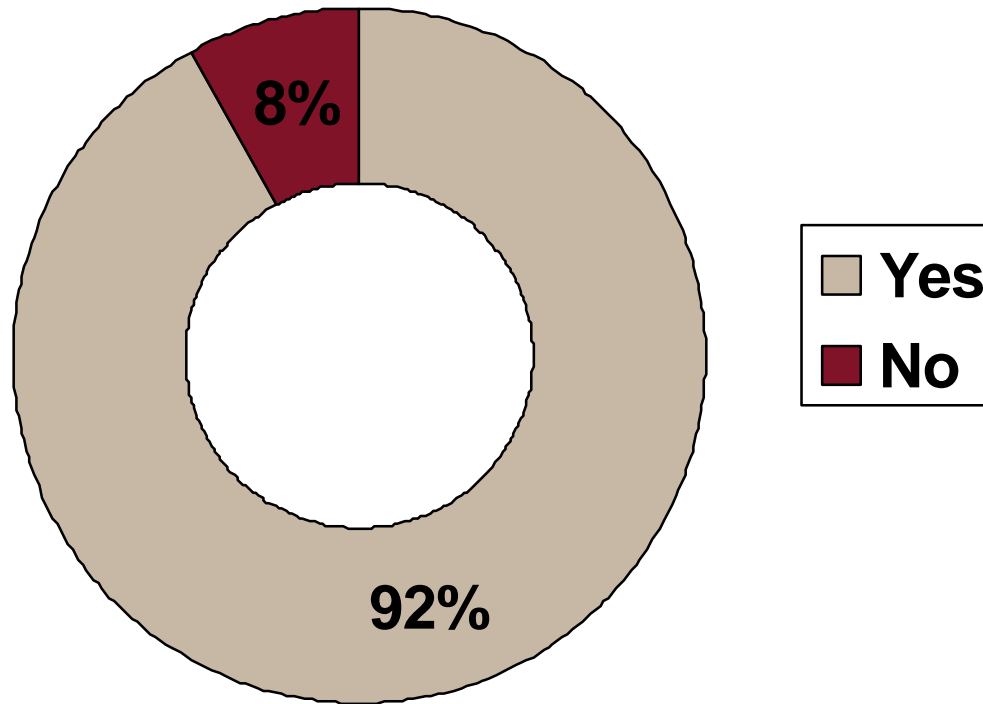


On a scale of 1 to 5, how often is each of the following solutions being used by companies to deal with distress?

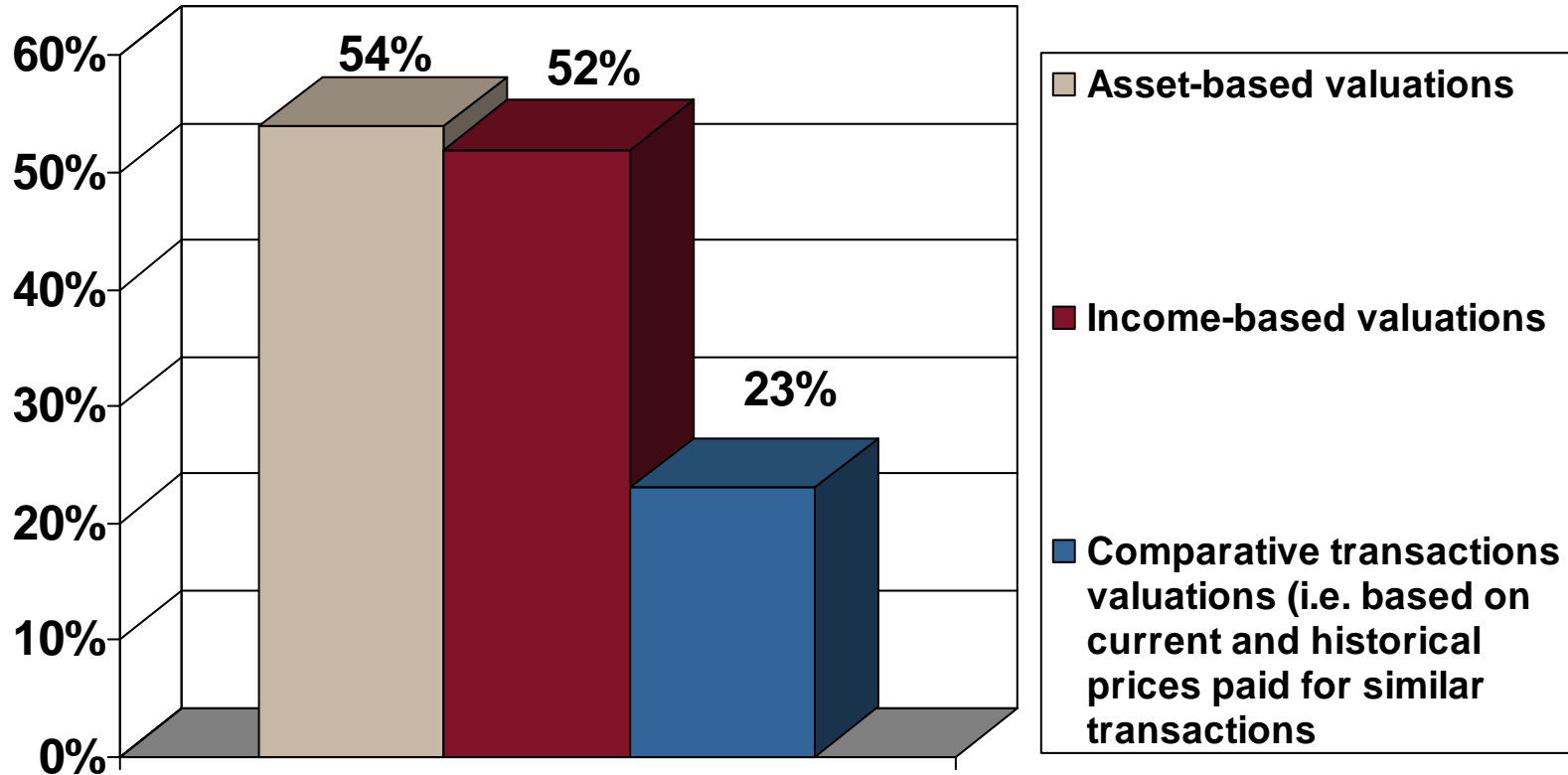


Where 1 = extremely rare and 5 = all the time

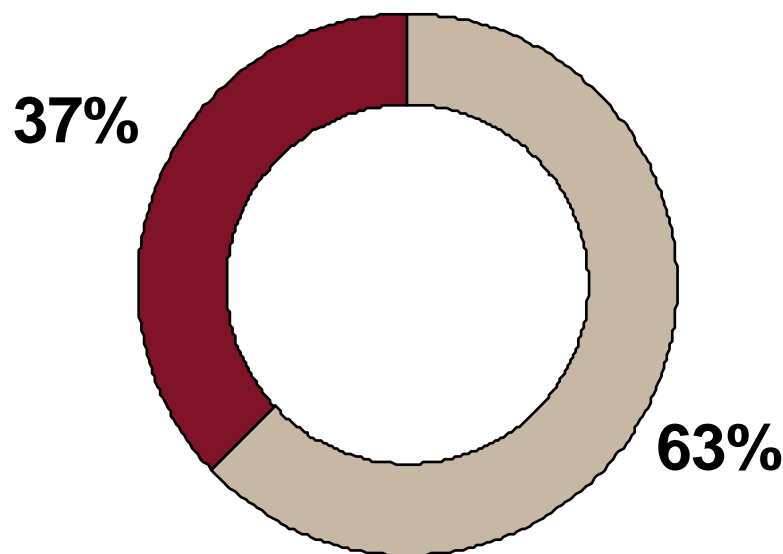
In your experience, are distressed assets selling at a greater discount in this downturn than in previous downturns?



What are the primary drivers of price?

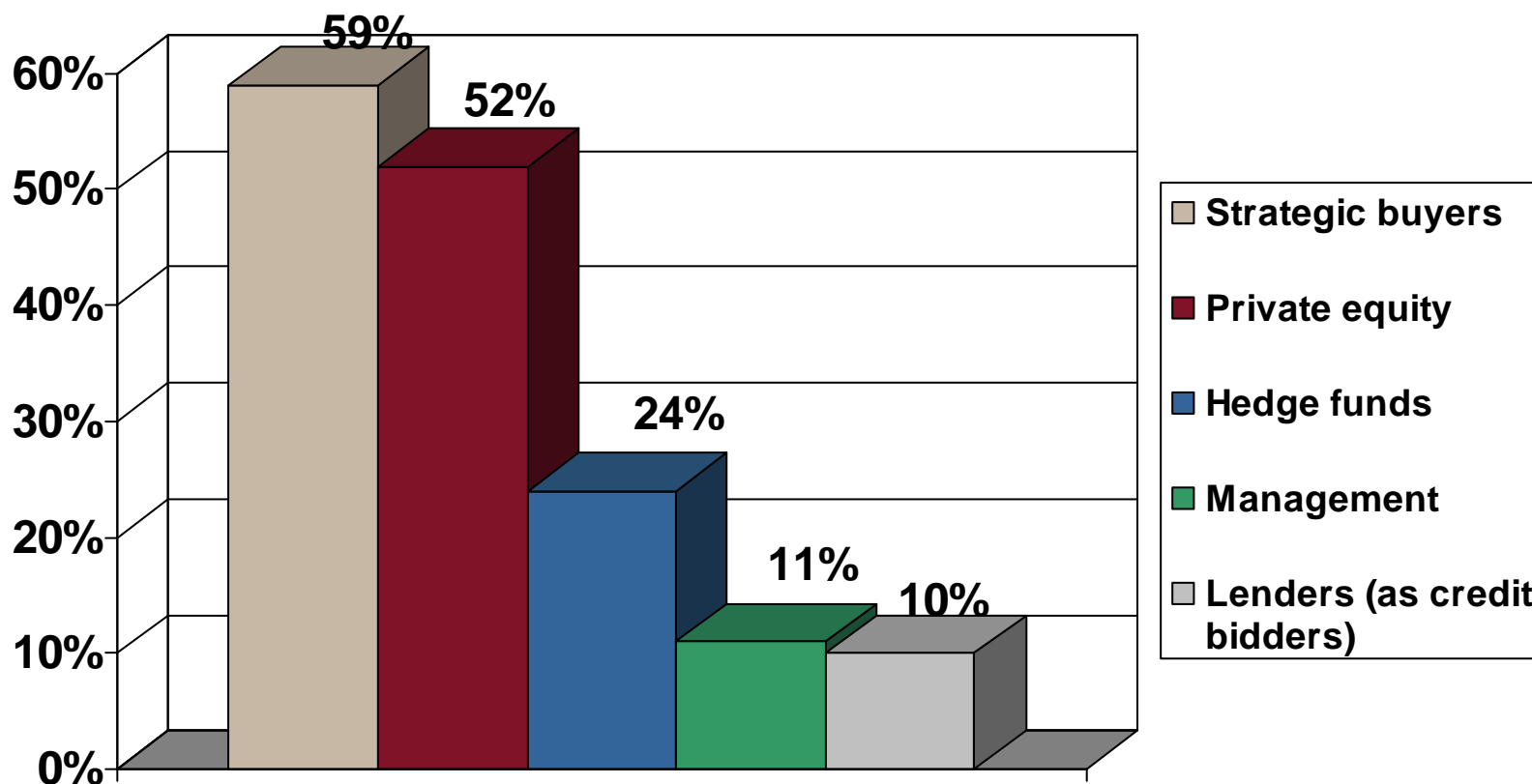


In the upcoming year, do you expect to see more distressed M&A transactions take place inside of bankruptcy or outside of bankruptcy?

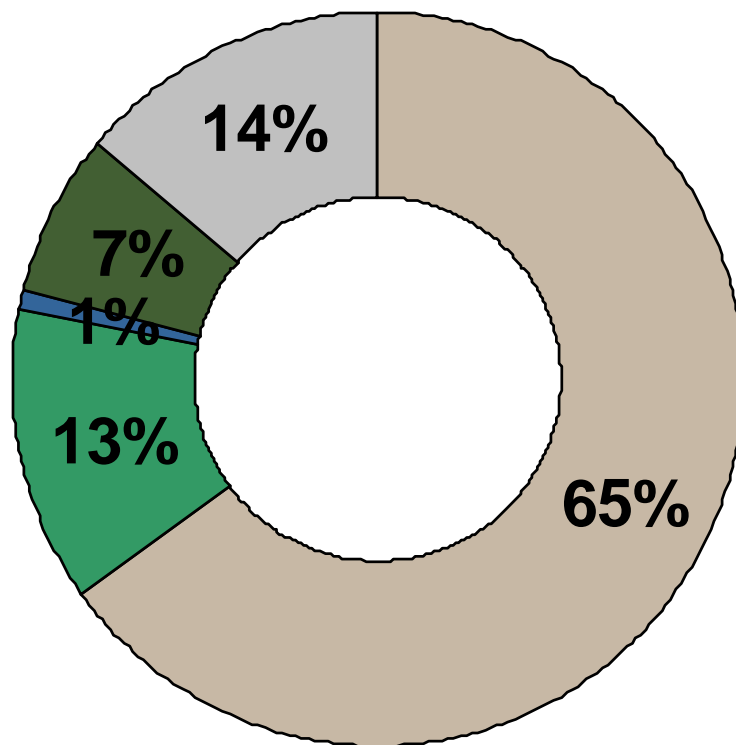







- Most transactions will take place outside of bankruptcy
- Most transactions will take place inside of bankruptcy

In the upcoming year, which of the following buyers do you expect to be most active in acquiring distressed assets?

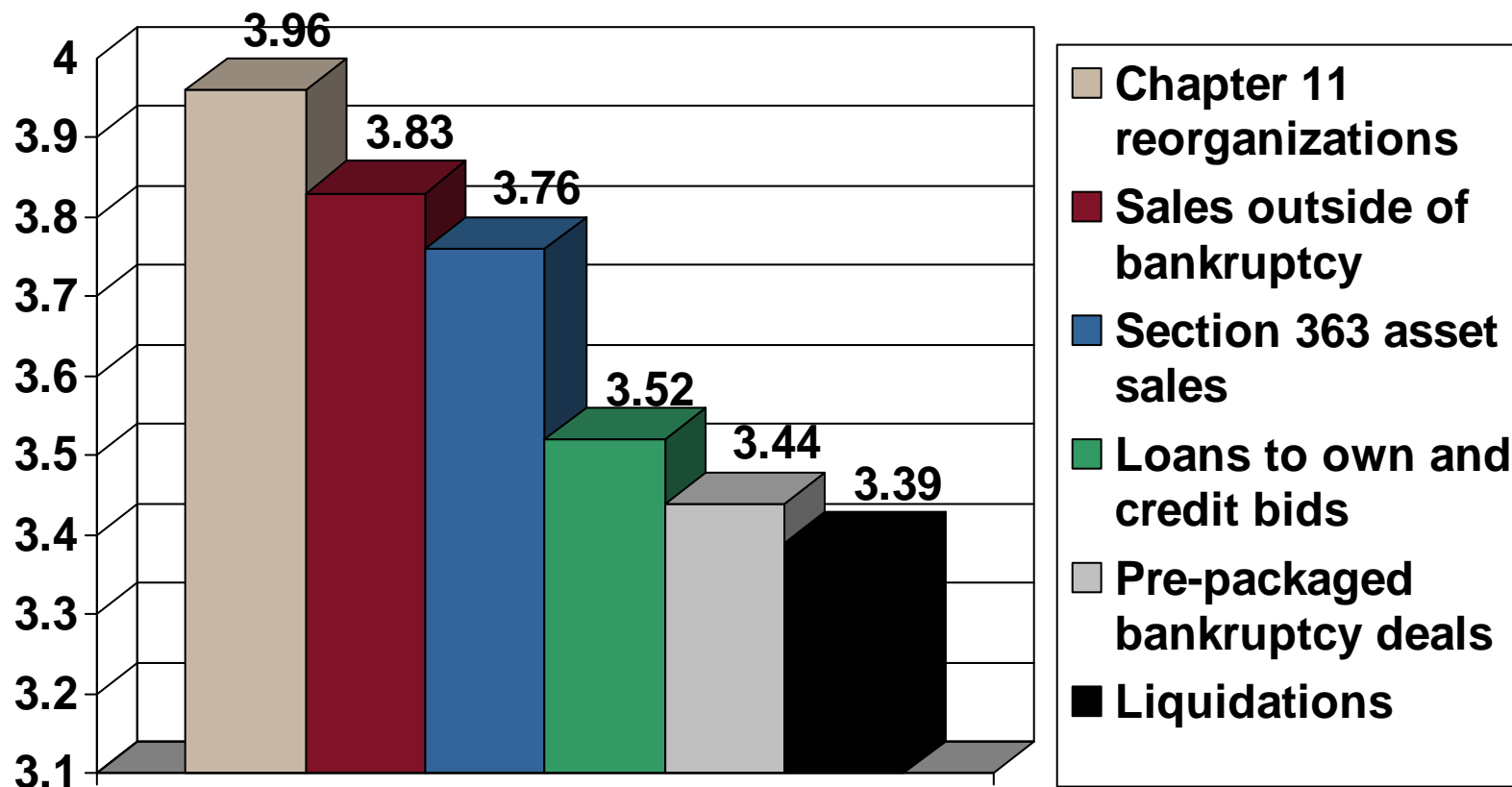


What do you expect to happen to the level of distressed debt buy-backs among private equity firms over the next 12 months?



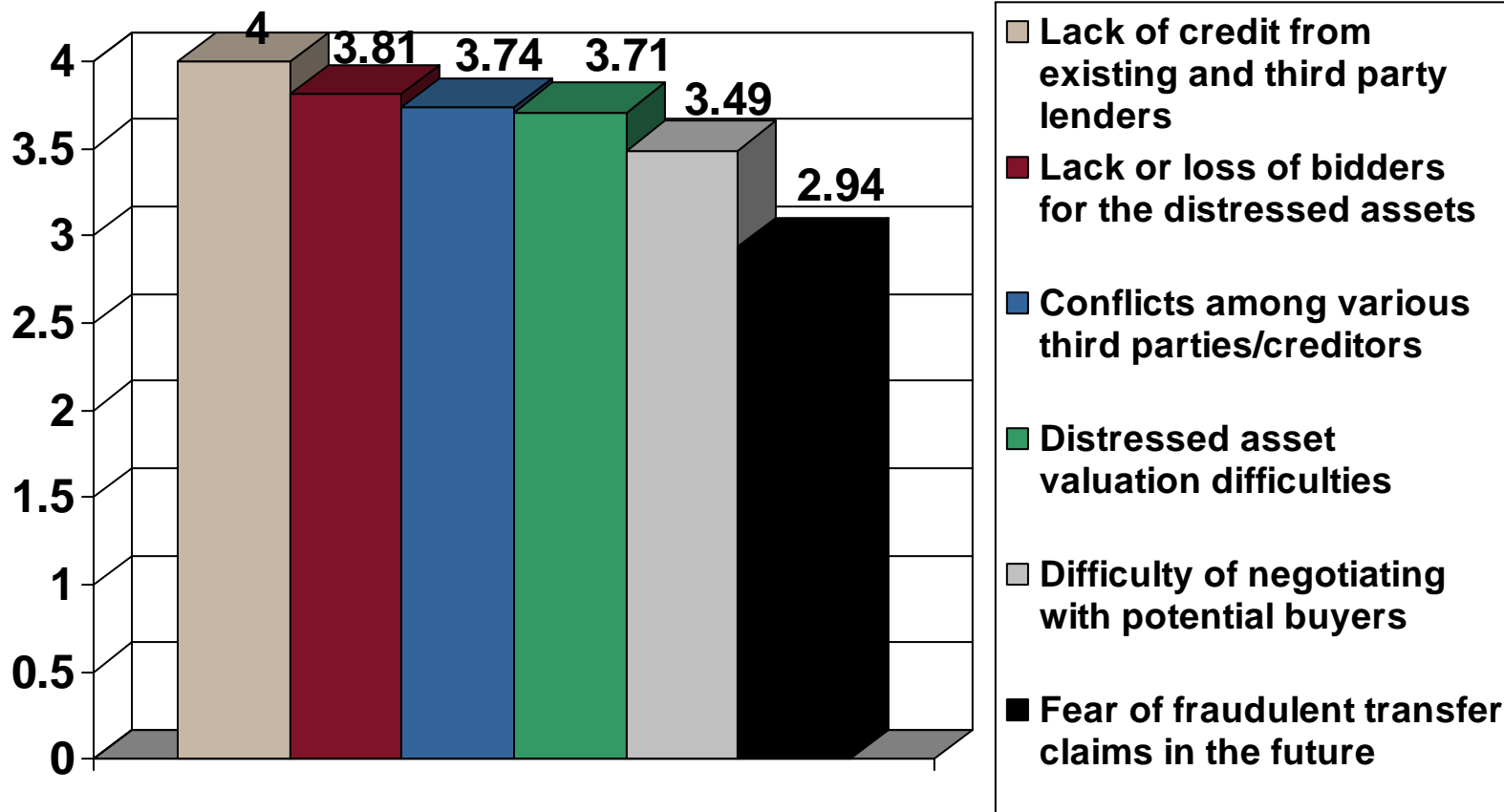
-  Increase
-  Increase significantly
-  Decrease
-  Decrease significantly
-  Remain the same

On a scale of 1 to 5, how common will each of the following transactions be in the upcoming 12 months?



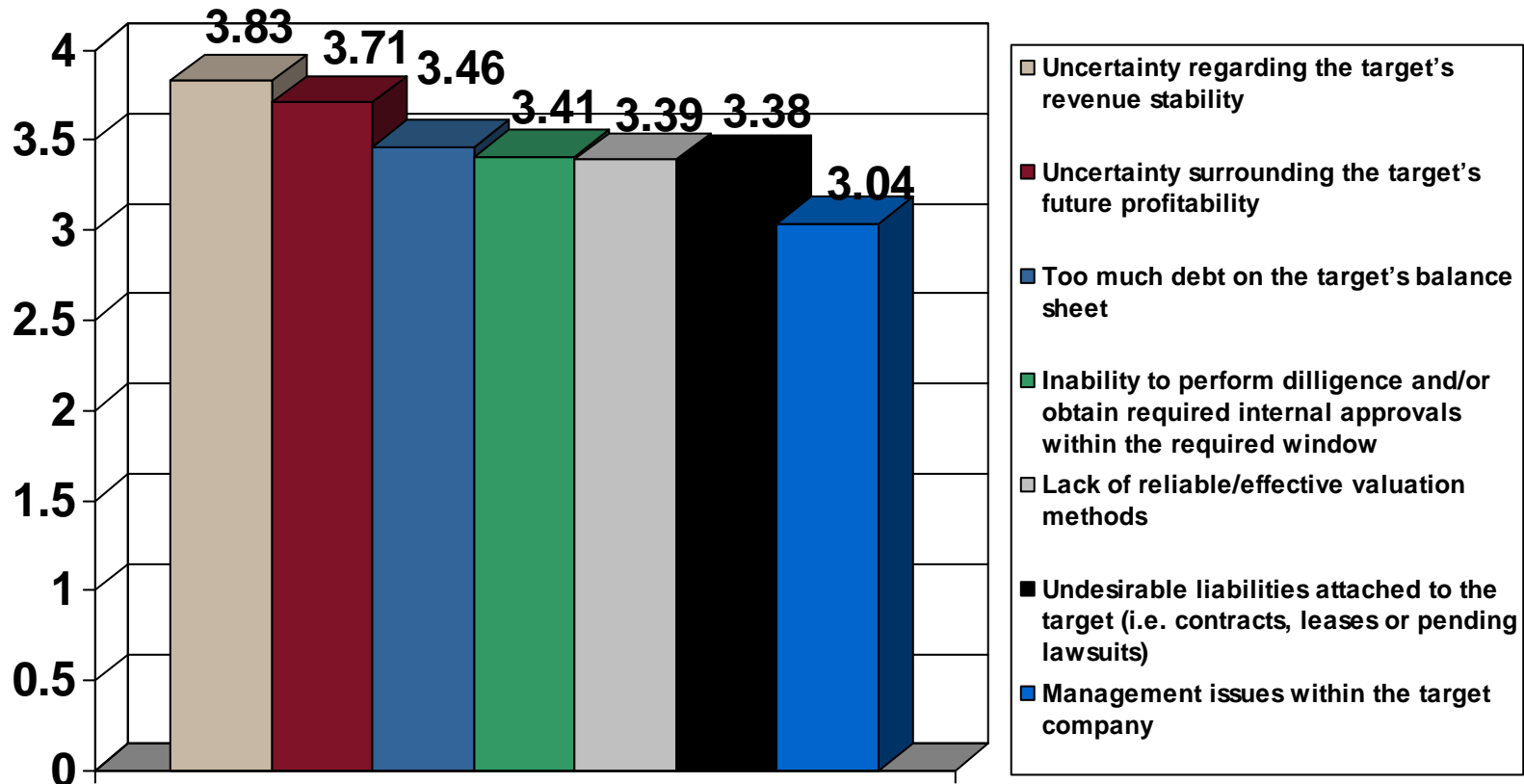
Where 1 = extremely rare and 5 = extremely common

On a scale of 1 to 5, how strong an impact do the following issues have on the progress of distressed asset sales?

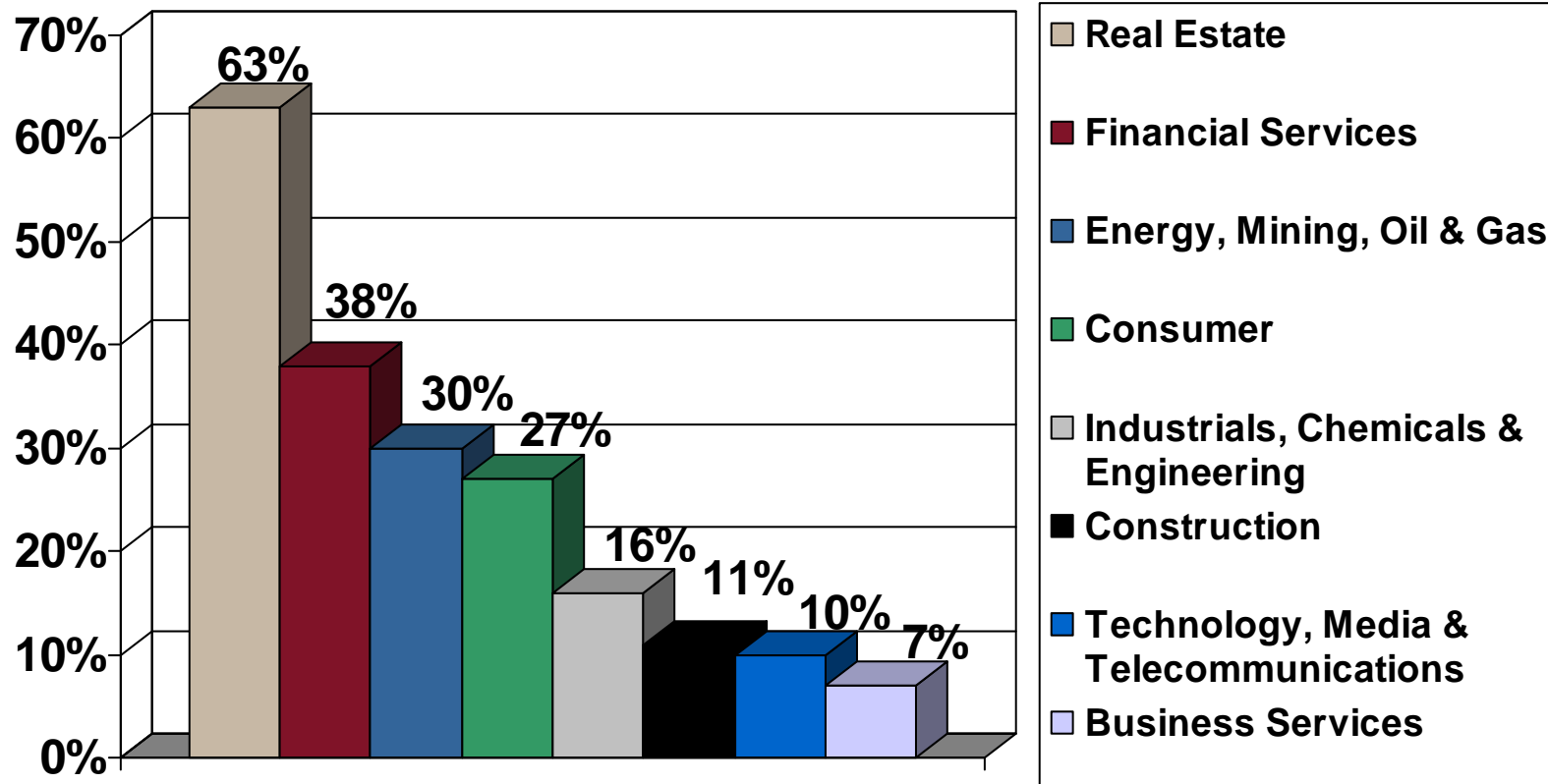


Where 1 = extremely weak impact and 5 = extremely strong impact

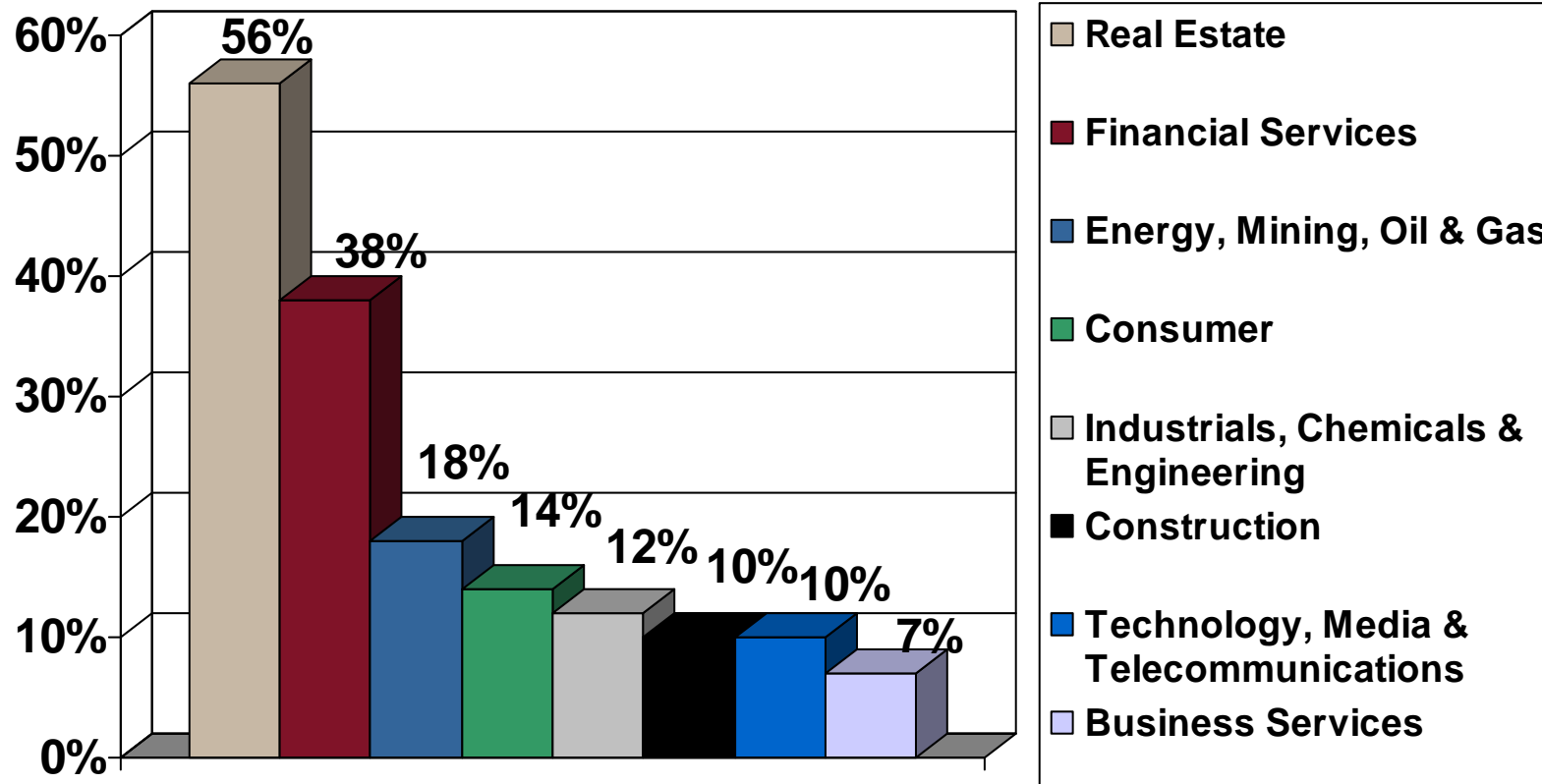
How likely is each of the following issues to deter potential buyers of a distressed company in the upcoming cycle?



In which of the following sectors do you expect to see the highest **volume** of distressed asset sales over the next 12 months?



In which of the following sectors do you expect to see the highest **value** of distressed asset sales over the next 12 months?





Question and Answer Session



Concluding Thoughts

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