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Developments in European Restructurings

Moderator:

- Tracy Edmonson, Latham & Watkins

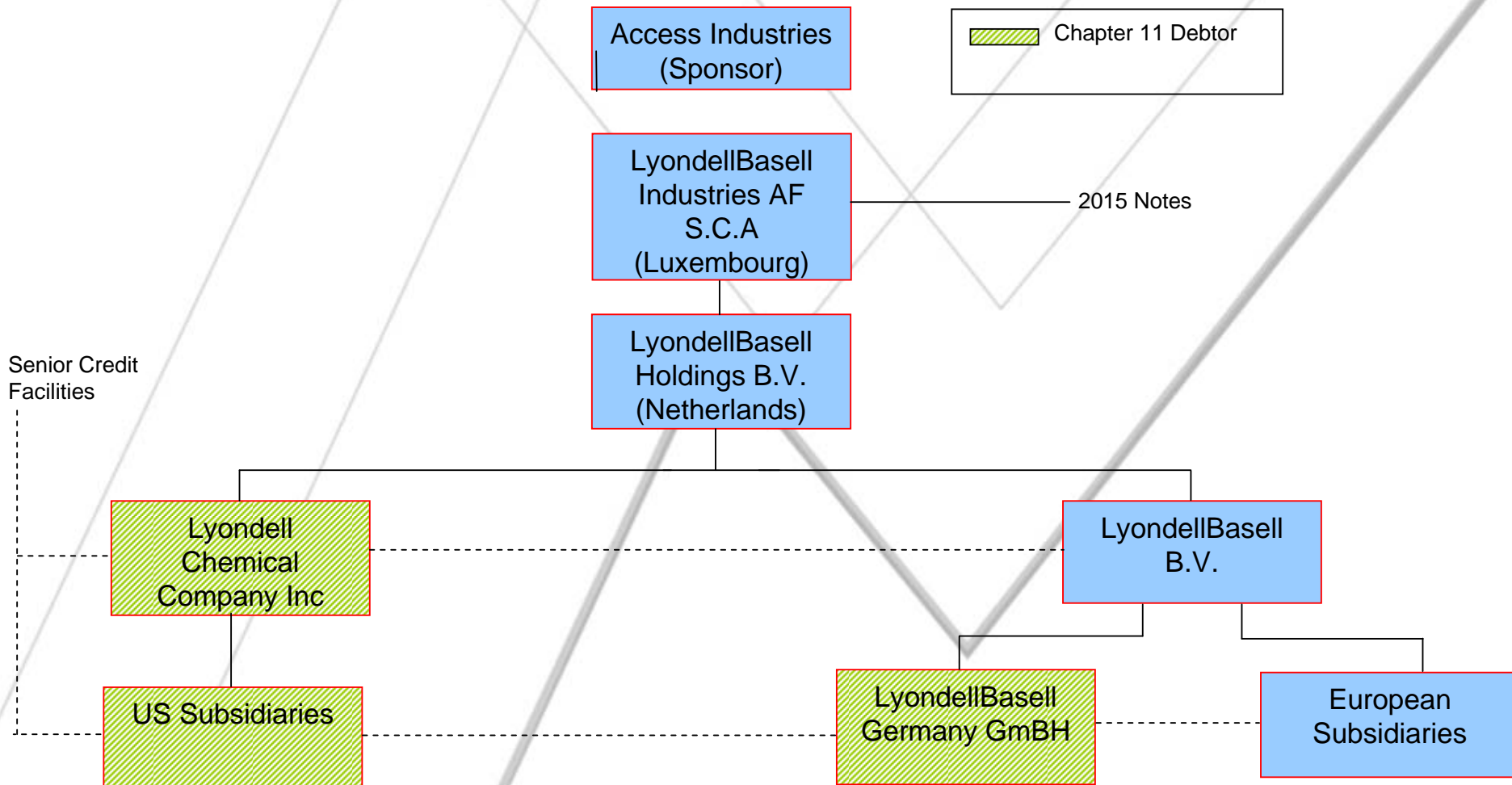
Panelists:

- Shirish Joshi, Blackstone Group
- Chris Mallon, Skadden
- Jackson Taylor/Christopher Hall, Latham & Watkins
- Bob Willoughby, Credit Suisse


Have we reached new heights with how Chapter 11 is impacting global bankruptcies?

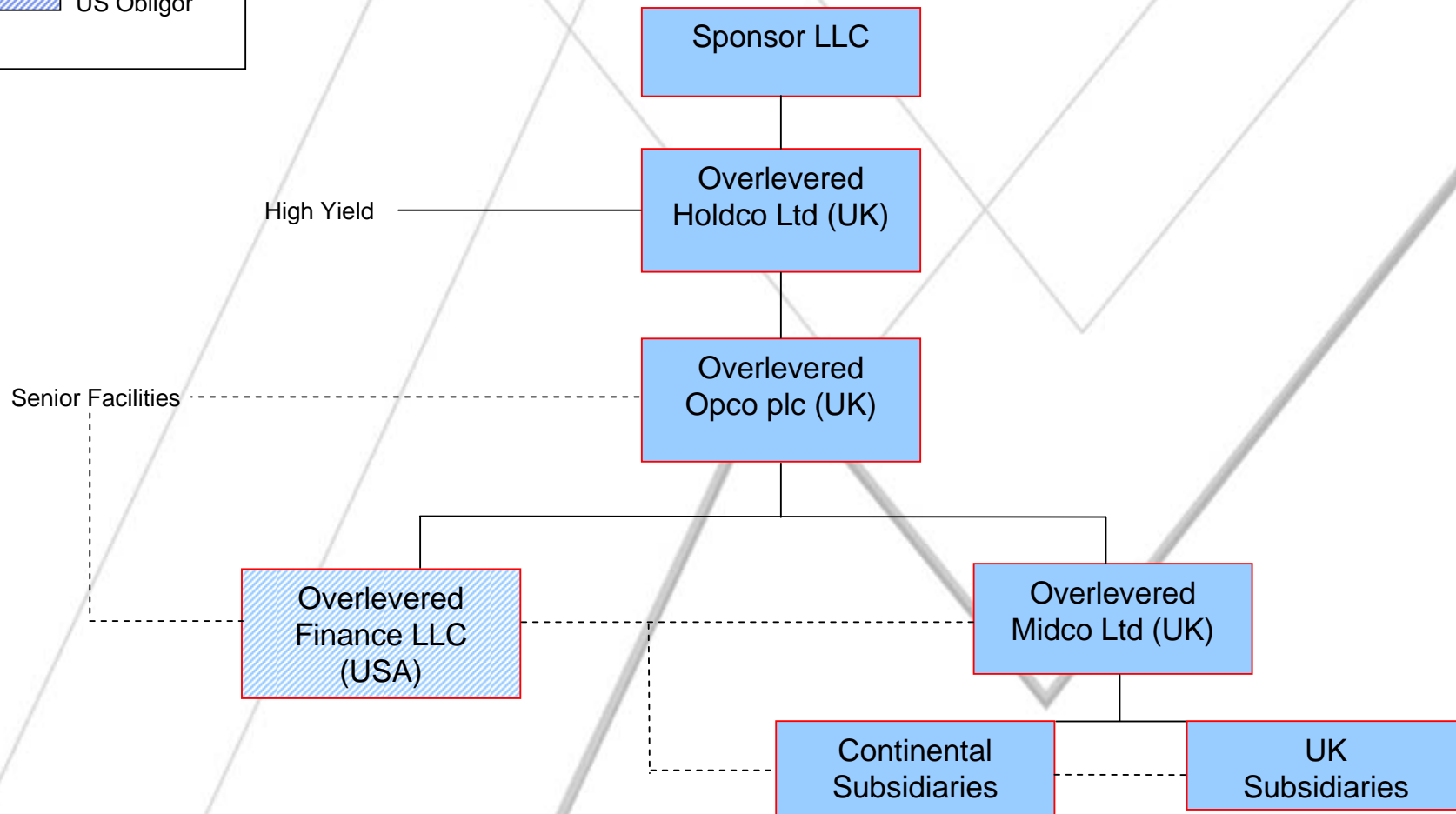
- ▶ Power of the US Courts
- ▶ Can European operations be protected from a US bankruptcy?

Lyondell Structure Chart (simplified)



Overlevered plc

 US Obligor



Will current market practice in debt buybacks continue?

- ▶ Existing documentation – will it permit the buyback?
- ▶ Costs to amend documentation
- ▶ Methods of acquisition
- ▶ Treatment of acquired debt
- ▶ Who acquires it (sponsor/affiliate/issuer/debtor group)
- ▶ Tax issues
- ▶ Current techniques

Exchange offers – why are some failing and some succeeding?

- ▶ Holdouts wield power
- ▶ Coercive structures meeting resistance
- ▶ Certain structures (leap frogging, super priority collateral, freezing out certain tranches) can face serious opposition
- ▶ Cash helps
- ▶ Other constituencies must be part of the solution

How has the balance of power shifted among companies, sponsors, and senior and junior creditors?

- ▶ Cash is king
- ▶ Where does the value break?
- ▶ Is the historical model for process breaking down?
- ▶ Loan to own – still a strategy?

***NETWORKING DRINKS
RECEPTION***