

A Two Day Programme

Debt Restructuring



Our
Accreditation
Number
557036

Group bookings of three or more delegates, qualify for a 10% discount.

Book and pay by 12 May 2006 and qualify for the Early Bird Discount.

Presented by:

Julian Roche

Date:

31 Aug - 1 Sept 2006

Venue:

**Irene Country Lodge,
Irene**



Central Park • 13 Esdoring Street
Highveld Techno Park
Centurion • South Africa
Tel: +27 (12) 678 4800
Fax: +27 (12) 6651337

Debt Restructuring

Julian Roche

Julian Roche graduated with a first class degree in Philosophy, Politics and Economics from Oxford University in 1981 and then obtained an MPhil in Soviet foreign policy at Exeter University, leaving in 1984.

He began his career with the MoD as a Soviet and East European analyst, specialising in foreign trade and economic modelling of the Warsaw Pact countries. He subsequently joined the mainstream Civil Service fast stream, where he specialised in major privatisations and procurement at the time of the development of PFI. He then returned to economic analysis of Eastern Europe in the private sector at WEFA and subsequently became a divisional forecasting head for DRI McGraw-Hill. After having established a real estate forecasting service for DRI, he subsequently developed risk management expertise through working for the London Commodity Exchange on a range of derivative contracts. In 1991 he set up his own consultancy with a range of clients, including banks, information vendors and chartered surveyors.

In 1995 he was appointed a senior consultant to a venture capital company, Hudson Venture Partners, where he advised on corporate structure, flotations, trade sales and business valuations. Since then he has been working worldwide as a consultant, advising global banks and government agencies on aspects of investment, valuation and restructuring, and has consulted to UNCTAD for many years on risk management issues, presenting at several Burgenstock Conferences. He has also published a number of books, including one on real estate derivatives and several on commodities.

His career in training commenced in 1998 and he regularly presents seminars on a range of financial topics, with a particular interest in valuation, buyouts,

leasing, investment and PPP/project finance topics. He has also presented finance and risk management seminars to investment bankers, government agencies, and other financial organisations worldwide and currently delivers around 70 days a year of training.

Benefits

By attending the course, participants will:

- Know how to spot companies in distress or heading into distress
- Understand why company restructurings are necessary and how they are executed.
- Appreciate the role of debt and equity instruments in corporate restructuring
- Learn how to evaluate shareholder value in failing and debt-ridden companies
- Gain knowledge of how banks approach corporate restructuring
- Learn how to design turnaround strategies for companies

METHODOLOGY

The course will consist of a combination of formal training, class participation and group case studies. In many respects the case studies are the core of the course, allowing participants to test and apply their knowledge to real examples.

Calculators and Laptops will be provided with Excel software A, however in the event that delegates prefer to use their own, they are more than welcome.

WHO SHOULD ATTEND?

The course is designed for employees who have a sound basic understanding of financial analysis techniques. This is a prerequisite for participating in this course. Knowledge of Excel spreadsheet modelling would be helpful, but is not essential.

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Day One: Introduction to Corporate Restructuring

Session 1: Introduction and Overview

- Reasons for restructuring
- Early warning signals and corporate distress
- Altman Z-score and other ratio analysis
- Strategy and shareholder value
- Possible Outcomes: Managing for quick sale vs. recovery & turnaround

Session 2: Recognising the Need for Corporate Change/Problem Identification and Remedy

- Causes and symptoms of decline
- Diagnostics
- Competitor Analysis
- Strategic / Operational / Financial improvements
- Product & Process Improvements

Case Study: *South African Breweries Part I: Strategic and competitor analysis of this leading South African company, valuing the company using a range of models*

Session 3: Evaluating Business Risk Exposure and Company Value

- Going concern v break-up value
- Valuation methodologies
- Who bears the pain of restructuring?
- A banking risk management framework

Case Study: *South African Breweries Part II: assessment of the quantitative and qualitative risks faced by the company*

Lunch

Session 4: Preliminary Considerations in restructuring

- Rationale
- Assets or shares
- Pre-sale hive-downs
- Strategic assessment

Case Study: *Examples of South African companies that have faced restructuring and how they can be valued*

Session 5: Equity Restructuring

- Sell-offs
- Spin-offs, split-offs and split ups
- Carve-outs and spin-outs
- Tracking stock
- Reduction of capital
- Equity buy backs
- Demerger mechanics

Case Study: *Participants will be asked to advise on restructuring a conglomerate in order to resolve its short term problems and to develop a longer term strategy.*

Session 6: Additional types of Equity Transactions

- Vendor placings
- Open offers
- Rights issues
- Capitalisation issues
- Share splits
- Convertible loan stocks
- Equity warrants

Case Study: *Participants will be asked to consider a rights issue and to advise on the theoretical ex-rights price and the options open to shareholders.*

Day Two: Debt Restructuring and Corporate Turnaround

Session 1: Debt Restructuring in Theory and Practice

- Wrongful and fraudulent trading
- Directors' responsibilities and liabilities
- Debt priority on insolvency
- Force majeure and MAC clauses
- Debentures, mortgages, charges, pledges and liens
- Loan representations, warranties and covenants
- Default, remedies, waivers and reserving rights
- Cross default and cross acceleration

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Case Study: Participants will be asked to advise a board of directors considering the restructuring of a company facing insolvency in a meeting with the company's bankers.

Session 2: Debt Rescheduling to Avoid Insolvency

- Financial distress and the slippery slope
- Gradual decline/quick descent
- Conflicting interests
- Negotiating with bondholders
- Handling vultures and freeloaders
- The distressed debt market

Case Study: Participants will be asked to advise on the restructuring proposals of a company faced with dissatisfied bankers, short term bondholders and a potential hostile bidder.

Session 3: Developing & Selling the Restructuring Proposal

- Identifying key stakeholders, key issues, key risks and target benefits
- Quantifying and managing benefits
- Need for integrated programme management approach key points
- Sacrifices and benefits

Case Study: Examples of corporate restructuring from Asia, Europe and Africa (including Ashanti Goldfields and Asia Pulp and Paper)

Lunch

Session 4: Introduction to Corporate Turnarounds

- Under what circumstances can and should a company be turned around
- Selecting a turnaround manager
- Assessment of the management team



- Immediate action and crisis mentality
- Cash flow focus and crisis stabilisation
- Formulating a workable restructuring plan
- Varying restructuring practices internationally

Case Study: Sale and leaseback in turnarounds

Session 5: Role of the Retail Bank in Turnarounds

- Bank covenants and responses to failure
- Recovery analysis by banks
- Possibilities for additional bank lending
- Revised lending structures
- Bank position on debt/equity swaps
- Evidence in practice on turnaround bank financing

Case Study: Bank lending practice on turnarounds in South Africa

Session 6: Role of Private Equity in Turnarounds

- Theoretical perspective of private equity return
- Fund managers in turnaround public companies
- Extent of private equity investment in turnarounds
- Achieved IRRs
- Raising and running a turnaround fund
- Emerging market issues

Case Study: Bank of Scotland turnaround investment policy

Course Conclusion

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Delegate Registration Form Debt Restructuring

Contact Details:

Tel: 27 (12) 678 4800 • Fax: 27 (12) 665-1337

Physical Address:

Central Park, 13 Esdoring Street
Highveld Techno Park, Centurion
South Africa

Postal Address:

PO Box 12620, Clubview
0014, South Africa

Please complete Registration Form and fax back to:

Sales Executive: Jon Lincoln

On Fax: 27 (12) 665-1337

Organisation: _____

VAT No. _____

Delegate 1: _____

Name: _____

Position: _____

E-Mail Address: _____

Delegate 2: _____

Name: _____

Position: _____

E-Mail Address: _____

Delegate 3: _____

Name: _____

Position: _____

E-Mail Address: _____

Postal Address: _____

Code: _____

Physical Address: _____

Code: _____

Tel: (____) _____

Fax: (____) _____

E-mail: _____

Signature: _____

Workshop Venue and Date:

Code: T327

Venue:

Irene Country Lodge, Irene
Tel: +27 (12) 667 6464

Date: 31 August - 1 September 2006

Methods of Payment:

Please note that payment is required no later than 7 days from date of invoice. In the event of non-payment, Brit Training reserves the right to cancel the booking and the full amount owing under disagreement will be due and payable.

Cheques to be made payable to: Brit Training (Pty) Ltd

Bank Transfer/Deposit: Brit Training (Pty) Ltd

Bank: FNB

Branch: Centurion 261 550, South Africa

Account No: 62029849786

Please quote delegate name and event codes as reference.

Credit Card: *Please debit my Visa/Master/Diners Club Card*

Card Holder's Name: _____

Card No: _____

Expiry Date: _____ CVC No: _____

Signature: _____

Group Discount:

A 10% group discount applies if three or more delegates register from the same organisation.

Confirmation Details:

If you do not receive a letter outlining participation details one week prior to the event, please contact the event coordinator on +27 (12) 678 4800.

Cancellations and Transfers:

Delegates unable to attend the event may send a substitute delegate to the event. Cancellations received at this office in writing 15 working days before the event will qualify for a 50% refund. Cancellations received at this office in writing with less than 15 working days' notice of the event will carry full liability of payment. Programme and speakers are confirmed at time of going to press. However, Brit Training reserves the right to alter this program without notice.

Event Fees per Delegate

R8 495,00 (excl VAT) x _____ persons = R _____

Early Bird Price: Book and Pay by 12 May 2006

R7 995,00 (excl VAT) x _____ persons = R _____

**REGISTRATION WILL BE CONFIRMED ON
RECEIPT OF SIGNED REGISTRATION FORM.**

Price (exclusive of 14% VAT)