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PACT, INC.
39 Mead Place
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GERMAN DISTRESSED CORPORATE LOANS *Risks, Returns and Turnaround*

NOT LEIDENDE UNTERNEHMENSKREDITE IN DEUTSCHLAND *Risiken, Ertragschancen und Trendwende*

October 5, 2005

The Intercontinental Hotel
Frankfurt, Germany
www.pactnet.net

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P A C T

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GERMAN DISTRESSED PROPERTY
Berlin, Germany - November 9-10, 2005

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October 5, 2005

7:30 - 8:00 am Registration - Anmeldung

8:00 - 8:15 am Opening Welcome - Begrüßung

John F. Tsui, *Conference Chairman*
President, **Peninsula House, LLC**

Prof. Ulrich Hommel, *Dean*
European Business School

8:15 - 9:45 am German Distressed Corporate Debt: Current Trends and Initiatives

Europe's non-performing loans have mushroomed to more than Euro 900 billion, Euro 280 billion or 25% are held by German financial institutions. Non-performing loans account for 14% of their outstanding loans and many of the npl are secured by mittelstand companies - the backbone of German economy. Stricken by the worst financial sector downturn since WW II, Germany's banks are forced to clean up their balance sheet in view of the looming Basel II rules on capital adequacy. This is further exacerbated by the termination of public subsidies of its state-owned regional banks or Landesbanken in 2005.

Deutsche Not leidende Unternehmens-kredite: Aktuelle Trends und Initiativen

Europas Not leidende Kredite sind auf über 900 Milliarden Euro angestiegen, wobei 280 Milliarden Euro oder 25% auf Deutsche Finanzinstitute entfallen. Not leidende Kredite machen 14 % aller ausstehenden Kredite aus und viele dieser Kredite wurden an mittelständische Unternehmen - das Rückgrat der Deutschen Wirtschaft - vergeben. Vor dem Hintergrund der stärksten Rezession des Finanzsektors seit dem 2. Weltkrieg sind deutsche Banken zu einer Bereinigung ihrer Bilanzen im Hinblick auf die Basel II-Richtlinien zur angemessenen Eigenkapitalausstattung gezwungen. Dies wird durch den Wegfall der öffentlichen Subventionsgewährung an die staatseigenen Regionalbanken und Landesbanken in 2005 noch verstärkt.

Dr. Derik Evertz, *Head of Business Recovery*
PriceWaterhouse Coopers

Julian Nichols, *Managing Director - Distressed Loans Europe*
Deutsche Bank AG

Andreas Doerhoefer, *Executive Vice President - Chief Credit Officer*
Bayern LB

Justin Bickle, *Partner - London*
Cadwalader Wickersham & Taft LLP

Reinhard Voss, *Chief of Loan Workout*
Commerzbank AG

Hans Joachim Weidtmann, *Head of Loan Workout*
Dresdner Bank AG

9:45 - 10:00 am Coffee and Tea - Kaffeepause



John F. Tsui
President
Peninsula House, LLC



Prof. Ulrich Hommel
Dean
European Business School



Dr. Derik Evertz
Head of Business Recovery
PriceWaterhouse Coopers



Justin Bickle
Partner - London
Cadwalader Wickersham & Taft LLP



Andreas Doerhoefer
Executive Vice President -
Chief Credit Officer
Bayern LB

CONFERENCE FEE

The conference fee, including coffee breaks, luncheon, networking reception and all materials is USD\$ 1,400 or € 1,150 for each participant. If two or more people register together from the same firm, they may take advantage of our Team Discount of USD\$ 100 or € 80 per person.

REFUNDS

Written notice is required for all cancellations. Cancellations and requests for refunds must be received in writing on or before September 21, 2005 and are subject to a USD\$ 250 or € 200 cancellation fee. Thereafter, no refunds will be granted. Participant substitutions may be made at any time at no additional charge.

PARTICIPANT LIST

A participant list derived from the information provided on the registration form below will be distributed to all conference attendees. Your registration must be received by September 30, 2005 to be included.

HOTEL RESERVATIONS

Special room rate offered for delegates at the Hotel Intercontinental Frankfurt for a standard room. Please reference PACT for hotel reservations. The Hotel will hold a room block until September 16, 2005. After this date, reservations will be accepted based on a published rate and space available basis. For hotel reservations, call (4969) 26050 or (069) 26050. Direct questions regarding reservation changes or cancellations should be addressed directly to the hotel. The Hotel is located at Wilhelm-Lauschner Str. 43 in Frankfurt, Germany.

INQUIRIES

For inquiries and more information, please visit our website: www.pactnet.net or 1 (914) 925-1041(USA) or 49 (0) 5032 963-413 (Germany).

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- Please register me for the conference
Registration Fee:USD\$ 1,400 or € 1,150 per person
- I am eligible for the Team Discount Fee - USD\$ 100 or € 80 discount for each registrant (2 or more registrations enclosed.)

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_____		_____	
Title		Title (2)	

Firm			

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Name on Card		Signature	

Billing Address of Credit Card			
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City		State	Zip

REGISTRATION

10:00- 11:00 am Case Study: Best Practices of German Mittelstand Turnaround

The current rate of insolvencies may represent only the tip of the iceberg. In 2002, 230 insolvencies took place whose companies registered sale revenue of over Euro 50 million. Some 43,000 corporate bankruptcies were filed in 2003 alone. German's financially troubled and underperforming mittelstand and large capitalization companies are facing increasing liquidity and competitive pressure. Bad balance sheet or operations mismanagement?

Fallstudie: Optimales Verfahren eines deutschen Mittelstands-Turnarounds

Die derzeitige Insolvenzquote könnte nur die Spitze des Eisbergs sein. Im Jahr 2002 waren 230 Insolvenzen von Unternehmen zu verzeichnen, die Verkaufserlöse von mehr als 50 Millionen Euro erzielt hatten. Allein in 2003 wurden ca. 43.000 Unternehmensinsolvenzanträge gestellt. Deutschlands finanziell in Schwierigkeiten geratene Mittelstandsunternehmen sowie auch Unternehmen mit großer Marktkapitalisierung sind steigendem Liquiditäts- und Wettbewerbsdruck ausgesetzt. Schlechte Bilanzen oder operatives Missmanagement?

Dr. Thomas C. Knecht, *Assistant Professor*

European Business School

Dr. Ingo Natusch, *Director*

IKB Deutsche Industriebank AG

Dr. Hans-Hermann Aldenhoff, *Head of Corporate Restructuring*

Simmons & Simmons

Dr. Wolf von der Fecht, *Partner*

Metzeler van Betteray

Dr. Klaus Thomas Eichhorn, *Principal*

Droege & Comp. GmbH

11:00 - 12:00 pm Advanced Workout Strategies - A View from Creditor, Debtor and Investor

Issues to be addressed encompass loan workouts, recovery management, multi-creditor workouts, insolvency issues, bulk portfolio sales, strategic vs. financial considerations, human resources deployment and write down impact on bank's balance sheet.

Fortgeschrittene Workout Strategien aus der Sicht des Gläubigers, Schuldners und Investors

Die behandelten Themen umfassen Kredit-Workout, Unternehmenssanierungsmanagement, Workout bei mehreren Kreditgläubigern, Insolvenz-Fragestellungen, Verkäufe von Groß-Portfolios, Gegenüberstellung strategischer und finanzieller Überlegungen, Personaleinsatz und die Auswirkungen von Abschreibungen auf Bankbilanzen.

Dr. Uwe Hartmann, *Partner - Bankruptcy & Restructurings*

Weil, Gotshal & Manges

Harald Mueller, *Workout Manager*

DZ Bank AG

Rolf Rattunde, *Partner*

Leonhardt & Partner

Dr. Christian Hollenberg, *Partner*

Orlando Management GmbH

Jochen Roelfs, *Managing Partner*

Roelfs Partners



Dr. Hans-Hermann Aldenhoff
Head of Corporate Restructuring
Simmons & Simmons



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Assistant Professor
European Business School



Dr. Ingo Natusch
Director
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Peter H. Hoegen
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Allen & Overy



Dr. Wolf von der Fecht
Partner
Metzeler van Betteray



Dr. Klaus Thomas Eichhorn
Principal
Droege & Comp. GmbH



Rolf Rattunde
Partner
Leonhardt & Partner



Harald Mueller
Workout Manager
DZ Bank AG



Dr. Christian Hollenberg
Partner
Orlando Management GmbH



Jochen Roelfs
Managing Partner
Roelfs Partners

12:00 - 1:00 pm

Corporate Restructuring Tools, Techniques and Players: Can the United States model and ways work in the German cultural and business context?

Insolvency and turnaround specialist professionals on this panel will cover the role of interim manager and DIP lender, inventory liquidators, asset based lenders, receivable financing, lease liquidators, financial advisor in capital placement and M&A, and exit financing providers.

Unternehmensrestrukturierungs-Instrumente, -Techniken und -Marktteilnehmer: Funktioniert das US-Modell auch im deutschen Kultur- und Geschäftsbereich?

Insolvenz- und Turnaround-Experten werden in dieser Diskussionsrunde die Rolle von Interim-Managern und DIP-Darlehensgebern, Inventar-Abwicklern, Asset-based Darlehensfinanzierungen, Forderungs-Finanzierung, Vermietungs-Abwicklern, Finanzberatern im Bereich Kapital-Platzierung und M&A sowie Exit-Kapitalgebern behandeln.

Wolfgang Hermann, *Head of Corporate Restructurings*

Roland Berger

Jonathan Agar, *European Business Development Director*

Gordon Brothers International

William Q. Derrough, *Co-Head of Recapitalization and Restructuring*

Jefferies & Company, Inc.

Philip A. Dougall, *Managing Director - Europe*

Sun European Partners, LLP

Bodo Kipper, *Executive Vice President*

Go Industry Karner & Co. GmbH

12:45 - 1:15 pm

Pre- Luncheon Cocktail Reception - hosted by Frankfurt Economic Development

1:15 - 2:15 pm

Luncheon - Mittagessen

2:15 - 3:15 pm

Distressed Debt Investors - Deal and Deal Structure That Works

Globally, about 40 distressed investors account for 90% of NPL investments. Hedge funds, investment banks, special situation boutiques and high yield traders are increasingly becoming integral to the creditor and debtor workout process. The sale of Dresdner Bank's corporate loans and Hypo Real Estate Bank's Euro 3.5 billion of non-performing loans point to German banks serious resolve to purge troubled loans. Some estimate that over Euro 10 billion of NPLs may trade hands in 2004.

Distressed Debt Investoren - Deals und Deal - Strukturen, die funktionieren

Weltweit entfallen auf ca. 40 Distressed-Investoren 90% der Investitionen in Not leidende Kredite. Hedgefonds, Investmentbanken, spezialisierte Investoren sowie High Yield Trader, werden zunehmend zum festen Bestandteil des Gläubiger/Schuldner-Workout-Prozesses. Der Verkauf der Unternehmenskredite der Dresdner Bank und der Not leidenden Kredite der Hypo Real Estate Bank in Höhe von 3,5 Milliarden Euro weisen auf die Entschlossenheit deutscher Banken zur Bereinigung fauler Kredite hin. Es gibt Schätzungen, dass in 2004 mehr als 10 Milliarden Euro an Not leidenden Krediten gehandelt werden könnte.

Eric G. Clause, *Managing Director - International Special Situation Debt Group (invited)*

Bank of America

Ron Rawald, *Managing Director*

Fortress Investment Group

Jens-Georg Nawrath, *Head of Distressed Debt Trading*

Commerzbank

Francis J. Griffin, *Portfolio Manager*

Avenue Europe Funds

Dr. Rudiger Teuner, *German Distressed Debt*

Credit Suisse First Boston (Europe) Limited

Andres Ebhardt, *Partner*

CMP Capital Management GmbH

Peter H. Hoegen, *Partner*

Allen & Overy



Wolfgang Hermann
Head of Corporate Restructurings
Roland Berger



Andres Ebhardt
Partner
CMP Capital Management GmbH



Philip A. Dougall
Managing Director - Europe
Sun European Partners, LLP



Bodo Kipper
Executive Vice President
Go Industry Karner & Co. GmbH



Jonathan Agar
European Business
Development Director
Gordon Brothers International



William Q. Derrough
Co-Head of Recapitalization
and Restructuring
Jefferies & Company, Inc.



Ron Rawald
Managing Director
Fortress Investment Group



Jens-Georg Nawrath
Head of Distressed Debt Trading
Commerzbank

3:15 - 3:45 pm

Coffee and Tea - Kaffeepause

3:45 - 4:45 pm

Sub-Performing and Non-Performing Corporate Loans - Creditor and Debtor Rights and Remedies

Though most US troubled loan buyers gained much experience in Japan, France and Korea, creditor rights and enforcement issues in Germany are not so clearcut. Lack of transparency and loan documentation, as well as accurate and complete disclosure of financial information are still deemed the biggest barrier to loan portfolio acquisition. Resolution strategies to liquidate npl portfolios are integral to achieving risk adjusted returns. This panel will discuss creditor and debtor rights, inter-creditor agreements and recovery issues (ie. foreclosure, discounted pay payoff or negotiated settlement, debt/equity swap, solvency test, exchange offer, lease termination, liquidation, cramdown and bankruptcy).

Sub-Performing and Non-Performing Loans - Gläubiger- und Schuldnerrechte sowie Lösungsansätze

Obwohl viele US-Käufer Not leidender Kredite viel Erfahrung in Japan, Frankreich und Korea gewonnen haben, sind die Gläubigerrechte und die Zwangsvollstreckungs-Fragestellungen in Deutschland nicht einfach. Der Mangel an Transparenz und Kredit-Dokumentation sowie an akkuraten und kompletten Finanzdaten/Informationen werden immer noch als das größte Hindernis für den Erwerb von Kredit-Portfolios erachtet. Verwertungsstrategien zur Liquidierung von Not leidenden Kredit-Portfolios sind ein wesentlicher Bestandteil zur Erzielung risikoadjustierter Renditen. Diese Diskussionsrunde wird Gläubiger- und Schuldnerrechte, Vereinbarungen zwischen unterschiedlichen Gläubigern sowie Unternehmensrettungsansätze erörtern (d.h. Zwangsvollstreckung, diskontierte Auszahlung oder ausgehandelter Vergleich, Fremdkapital/Eigenkapital-Wandlung, Bonitätsprüfung, Kreditablösungsangebot, Mietvertragsbeendigung, Liquidation, Insolvenzplanverfahren(cramdown) und Konkurs).

Detlev Specovius, *Partner*

Schultze & Braun

Dr. Richard Scholz, *Rechtsanwalt*

Wellensiek Grub & Partner

Matthias Beck, *Partner - Restructurings*

Ernst & Young

4:45 - 5:45 am

Two Years, Too Late: Role of Crisis Interim Managers, M&A Advisor and Turnaround Consultants in Corporate Loan Restructuring and Insolvencies

The bulk of German corporate loans are in the form of senior secured bank loan. Because relationship with borrowers takes precedence over timely credit review and reporting, troubled loans are often never detected until a financial liquidity event. What's the role of the turnaround professionals and their strategies in resurrecting the Company (ie. asset sales, vendor financing, lease renegotiation and termination, optimizing and streamlining processes, liability and equipment lease workout, balance sheet restructuring)

Zwei Jahre zu spät: Die Rolle von Kriseninterventions- Managern, M&A Beratern und Turnaround Consultants im Bereich Unternehmenskreditrestrukturierung und Insolvenzen

Der Großteil der deutschen Unternehmenskredite wird als vorrangig besicherte Bankkredite vergeben. Da das Verhältnis zum Kreditgeber häufig als wichtiger erachtet wird als eine rechtzeitigen Kredit-Überprüfung und Berichterstattung, werden in Schwierigkeiten geratene Kredite oftmals nicht überprüft bis Zahlungsunfähigkeit eingetreten ist. Es stellt sie die Frage nach der Rolle der Turnaround-Experten und deren Strategien zur Sanierung des Unternehmens (d.h. Verkauf der Vermögenswerte, Lieferantenkredit-Finanzierung, Mietvertrags-Neuverhandlung und -Beendigung, Optimierung und Rationalisierung von Prozessen, Workout von Verbindlichkeiten und von Büroeinrichtungs-Leasing, Bilanz-Restrukturierung).

Dr. Ansgar Zwick, *Managing Director - Germany*

Houlihan Lokey Howard & Zukin

Roman Zeller, *Managing Director - Germany*

Alix Partners, GmbH

Martin Gudgeon, *Head of Corporate Restructuring*

Close Brothers

6:00 - 7:15 pm

Cocktail Reception - Cocktail Empfang



Detlev Specovius
Partner
Schultze & Braun



Dr. Richard Scholz
Rechtsanwalt
Wellensiek Grub & Partner



Dr. Ansgar Zwick
Managing Director - Germany
Houlihan Lokey
Howard & Zukin



Roman Zeller
Managing Director - Germany
Alix Partners, GmbH