

Special Report

Successful Restructurings – 2010

Debtor	Restruct. Firm	Lead Counsel	Comments
Chemtura Corporation	Daniel Aronson, Sachin Lulla Lazard Freres & Co. Ray Dombrowski, Ralph Schipani, Julie Hertzberg Alvarez & Marsal New York, NY	Richard Cieri, Natasha Labovitz, Craig Bruens Kirkland & Ellis New York, NY	One of the largest specialty chemical companies in the U.S. successfully resolved billions of dollars in asserted environmental and mass tort claims, ultimately paying all creditors (including approximately \$1.5 billion in funded debt) in full and delivering value to pre-bankruptcy equity holders. Within 60 days of ringing the open bell on the NYSE, company's stock is trading at a 20% premium to its initial listed price.
Extended Stay	Lazard Freres & Co. New York, NY	Marcia Goldstein, Jacqueline Marcus Weil, Gotshal & Manges New York, NY	Largest Chapter 11 case ever filed by a U.S. hotel owner. Sixteen-month restructuring process involved five different reorganization plans and a prolonged bidding war between two private equity consortiums. \$3.9 billion sale of hotel chain to private equity consortium allowed company to emerge from bankruptcy with an ongoing business, preserving 9,000 jobs and reducing its debt by nearly \$5 billion
General Growth Properties	Ken Buckfire, Ronen Bojmel Miller Buckfire James Mesterharm, John Dischner AlixPartners New York, NY	Marcia Goldstein, Gary Holtzer Weil, Gotshal & Manges New York, NY James Sprayregen, Anup Sathy, Chad Husnick Kirkland & Ellis Chicago, IL	Among the largest – \$27.3 billion in debt – and most complex restructurings ever. Notable for creditors being paid in full; equity holders receiving substantial return; the first Chapter 11 debtor to relist on the NYSE prior to emergence from bankruptcy. In less than one year, GGP confirmed and consummated plans of reorganization for 262 project-level GGP debtors, restructuring approximately \$15 billion in debt and involving 108 loans across 144 properties.
LyondellBasell AF S.C.A	Kevin McShea, Becky Roof AlixPartners New York, NY	George Davis Cadwalader, Wickersham and Taft New York, NY	Successful reorganization of the third largest chemical company in the world was achieved within 16 months with record DIP financing (\$8.1B). Reorganized entity has improved capital structure (\$18B debt reduction) and reduced cost structure, shedding in excess of \$1B in costs.
Metro-Goldwyn-Mayer Studios	Navid Mahmoodzadegan, Rob Flachs, Carlos Jimenez Moelis New York, NY	Jay Goffman, Nick Saggese Skadden, Arps, Slate, Meagher & Flom New York, NY; Los Angeles, CA	After defeating corporate raider Carl Icahn in contentious 11th-hour hostile takeover attempt, MGM won support for its reorganization plan from approximately 96 percent of its secured lenders. MGM's prepack recapitalized the entire worldwide business, allowing the studio to continue to make classic films, including the widely discussed next round of Hobbit and James Bond films.
Reader's Digest	Ken Buckfire Miller Buckfire & Co Larry Young AlixPartners New York, NY	Jamie Sprayragen, Paul Basta, Nicole Greenblatt Kirkland & Ellis New York, NY	Successfully emerged from Chapter 11 in February 2010 with \$40 million higher EBITDA, \$1.6 billion lower debt, and saving 3,000 jobs. As a further sign of how successful Reader's Digest's restructuring was, it was able to refinance its exit facility through a high-yield offering immediately after exiting from Chapter 11, becoming the first company to accomplish this in five years.
Smurfit-Stone Container Corporation	Samuel Star FTI Consulting New York, NY (FA for Creditors' Committee)	James Conlan Sidley Austin Chicago, IL (Debtor) Thomas Moers Mayer, Robert Schmidt Kramer Levin Naftalis & Frankell New York, NY (Creditors' Committee)	Second largest manufacturer of paperboard and paper-based packaging products in North America. Well-orchestrated Chapter 11 process in which value of the enterprise was preserved and maximized for the benefit of shareholders while balance sheet was restructured. Over \$2 billion of unsecured debt converted to 95.5% of the equity of the reorganized company.
Spansion	John. P. Brincko Sitrick Brincko Group Santa Monica, CA Peter Kaufman, Henry Owsley, David Herman Gordian Group New York, NY	Michael Lurey, Gregory Lunt, Peter Devereaux Latham & Watkins Los Angeles, CA	Filed bankruptcy with \$30 million in cash and bonds trading at 30% par. Quick turnaround achieved by controlling cash, shutting down unprofitable businesses, and restructuring expenses to align company to its lower revenues resulted in over \$300 million in cash by November 2009 and bonds trading at 129% par. Exited bankruptcy in May 2010 with significant recovery to creditors.
Tronox	Todd Snyder, Homer Parkhill, Jay Johnson, Tyler Alexander Rothschild Jeff Stegenga, Gary Barton, Ryan Omohundro Alvarez & Marsal New York, NY	Richard Cieri, Jonathan Henes, Patrick Nash, Nicole Greenblatt Kirkland & Ellis New York, NY	Reorganization plan resolved billions of dollars in legacy environmental and tort liabilities. Company's environmental settlement one of the largest in bankruptcy history, covering more than 2,800 sites around the country. Bankruptcy judge applauded plan as an "extraordinary achievement," noting that restructuring was "in the best traditions of Chapter 11."
Vertis Holdings	Randall Eisenberg FTI Consulting New York, NY	Seth Jacobson, Mark McDermott, Ken Ziman Skadden, Arps, Slate, Meagher & Flom Chicago, New York	Under reorganization plan, Vertis will swap roughly \$495.1 million owed to second-lien noteholders for 96.25% of new common stock and the chance to participate in a \$100 million private placement of 10 million new shares. Holders of senior pay-in-kind notes owed \$258.4 million will receive the remaining 3.75%. This transaction is the first-ever "double-prepack-merger."