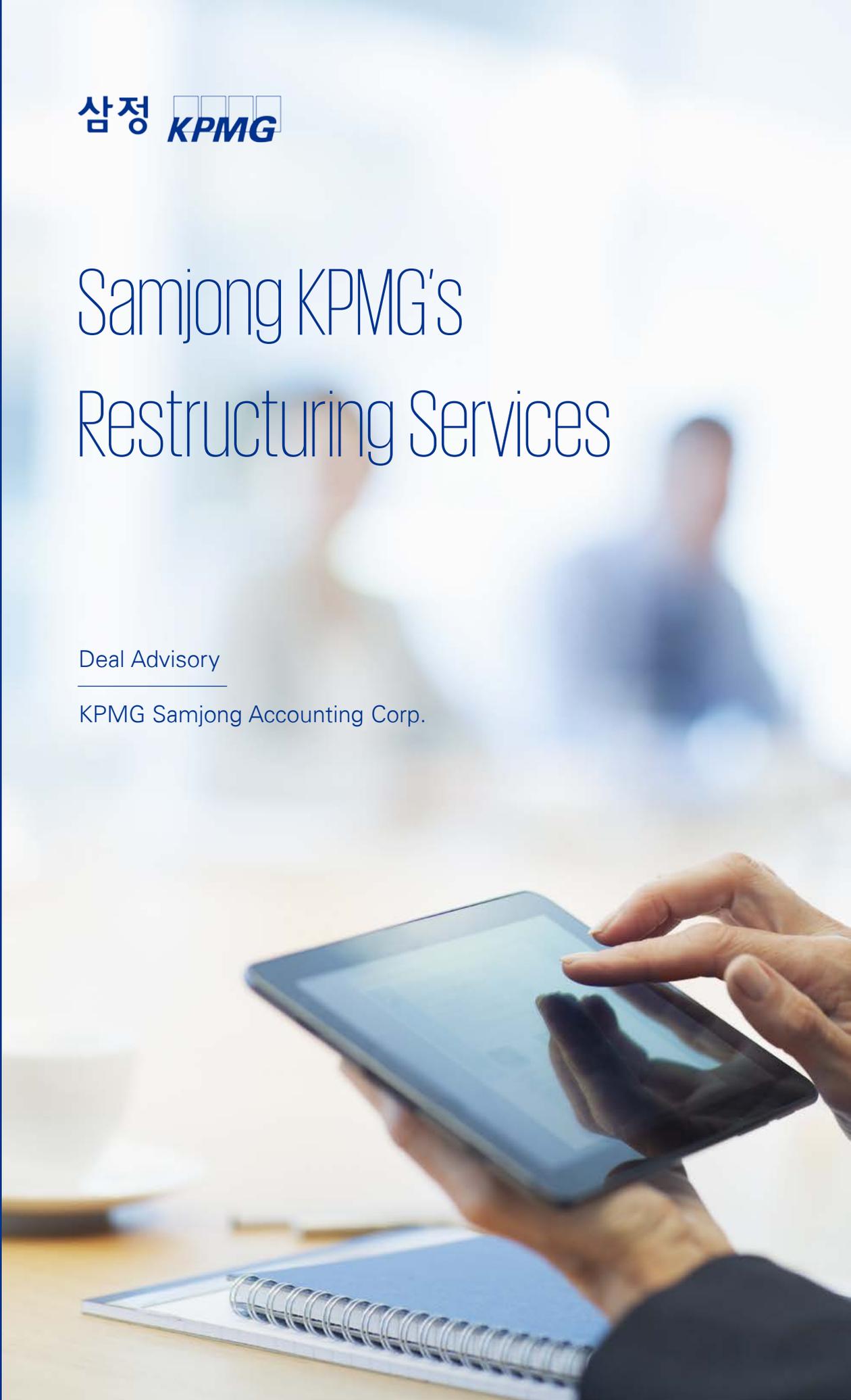




Samjong KPMG's Restructuring Services

Deal Advisory

KPMG Samjong Accounting Corp.

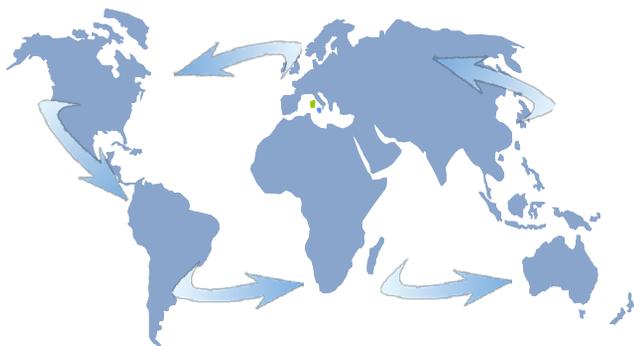


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Overview of Samjong KPMG Restructuring Group

Introducing KPMG Restructuring Services



KPMG is the global advisory firm whose aim is to turn knowledge into value for the benefit of its clients, people and communities.

KPMG International is a global network of professional firms providing Audit, Tax, Advisory services. KPMG has over 189,000 outstanding professionals working together to deliver value in 152 countries worldwide.

Samjong KPMG has established a wide range of networks with various corporations and financial institutions.

Samjong KPMG, a Korean member firm of KPMG International, provides various advisory services including but not limited to corporate finance, restructuring and transaction services.

No. Employees	KICPA	AICPA	Professionals	Others	TOTAL
Samjong KPMG	1,480	168	701	196	2,545

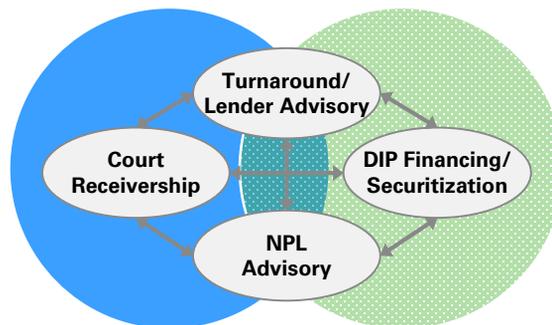
With various experiences of corporate advisory business, KPMG has established close ties with various corporations and financial institutions.

Samjong KPMG Restructuring Group provides the best quality of Restructuring Services.

Through a series of financial advisory services for companies in their restructuring processes, Samjong KPMG restructuring group provides high-quality service not only to enable distressed companies to develop optimal corporate restructuring plans, but also to deliver better results for the related parties.

No. Employees	Team Members	Partners	TOTAL
Samjong KPMG Restructuring	98	8	106

Major Services & Products



Turnaround Planning and Lender Advisory

With profound understandings of the client's needs, KPMG supports development and implementation of optimal turnaround strategies.

KPMG also supports the creditors' decision making procedures. This includes financial due diligence and review of the client's restructuring plans and refinancing strategies.

- **Key Credentials** : Daewoo Shipbuilding and Marine Engineering, Samsung Heavy Industries, Dongkuk Still Mill and Hyundai Merchant Marine

Court Receivership and Distressed M&A Advisory

Based upon professional understandings of the Debtor Rehabilitation and Bankruptcy Act and related procedures from both financial and legal perspectives, KPMG provides various services including sell / buy side advisory services of distress companies.

- **Key Credentials** : Dongbu Construction, Pantech, and Hankook Ilbo

DIP Financing and Securitization Advisory

Where the company is in financial distress, various financing options are available, including DIP financing and securitization of assets.

- **Key Credentials** : Dongbu World (DIP Financing) and IFC Mall (Refinancing)

NPL (Non Performing Loan) Advisory

There is a constant increase in impaired loans from financial institutions and the market becomes more active each year.

- **Key Credential** : Landmark 72 and various NPL sell-side advisory for major financial institutions including IBK, KB and Woori Bank.

Turnaround Planning

Companies that are currently in the midst or in imminent financial threat may need their own restructuring plans.

- Companies with low profitability due to fall in revenue
- Companies with high debt-to-equity ratio with increasing short-term borrowings
- Companies with poor liquidity due to incompetence of self-funding
- Foreign corporations with poor oversight/control from regional headquarters



Lender Advisory

Lender advisory services are targeted to support financially deteriorated companies and their related creditors to make strategic decisions.

- Companies planning to apply for the creditors' voluntary agreement or corporate workouts
- Companies planning to file for corporate rehabilitation
- Companies with high credit risks

Institutional Restructurings

Applicability of Institutional Restructurings (Corporate Workout or Court Receivership)

- Review on client's debt structure and creditor compositions
- Establishment of optimal restructuring plans - Workout, Creditors' Agreement and Corporate Rehabilitation
- Establishment of restructuring strategy considering client's ownership structure and its business plan

Financial Analysis

- Computation of liquidation value, distribution rate (at liquidation), etc.
- Computation of going-concern value, cash flow projections and related sensitivity analysis
- Analysis on possible contingent liabilities

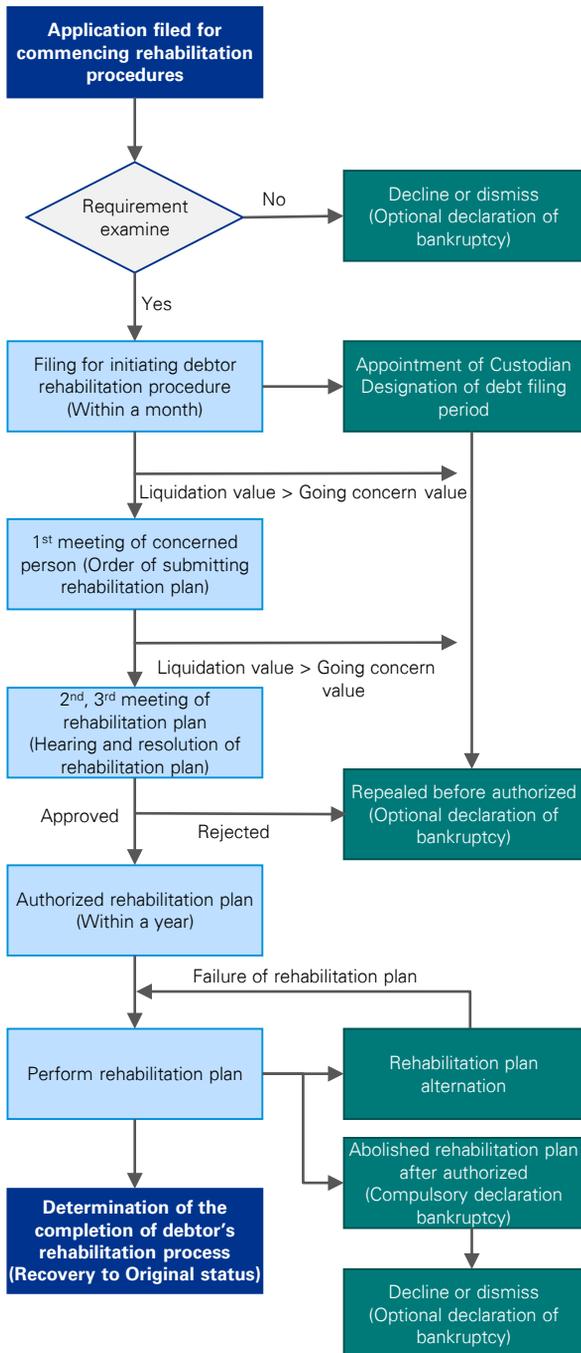
Restructuring Planning

Establishment of Restructuring Plans

- Feasibility analysis on company's restructuring plans
- Feasibility analysis on asset backed securitization via collateralization of assets including receivables and buildings
- Feasibility analysis on additional financing through issuance of new stocks, BW, CB, etc.
- Review on cost improvement plan through labor and business unit restructuring plans
- Sale of non-operating assets considering various aspects including ownership structure, business plans and possible tax effects

Court Receivership and Distressed M&A Advisory

General Rehabilitation Procedure



Target Company

- Companies with poor ability for debt repayment due to excessive debt, liquidity deterioration, etc.
- Companies with relatively high level of commercial debts
- In case payment guarantee contracts are formed among affiliates, the client must consider applying for rehabilitation process for all affiliates
- Company considering the court rehabilitation procedure as a turnaround method

Clients can promptly move from crisis to financial structure improvements through corporate rehabilitation procedure

KPMG Service

Advisory on Corporate Rehabilitation Procedure and Drafting Rehabilitation Plan (with Law Firm)

- Drafting petition and other legal documents for commencement of corporate rehabilitation
- Provide assistance to debtor with procedures for admitting or negating of the reported claims
- Provide assistance in responding to inspector and related parties^(*)
- Advise on drafting rehabilitation plan^(*)
- Provide assistance in persuading concerned persons^(*)

^(*) Services that cannot be solely performed by law firm

Creditor Proxy Service

- Review and follow up on Debtor company's inspection reports
- Draft independent/separate rehabilitation plan from creditor's perspective
- Mediation of interest conflicts between Debtor company and creditors

Distressed M&A Advisory

- First accounting firm to organize its departments by Industry/ Functions
- KPMG possesses an extensive network accumulated through its financial services
- KPMG has rich experiences as distressed M&A advisor for major domestic corporations
- KPMG has continuing development in rehabilitation procedures



Target Company

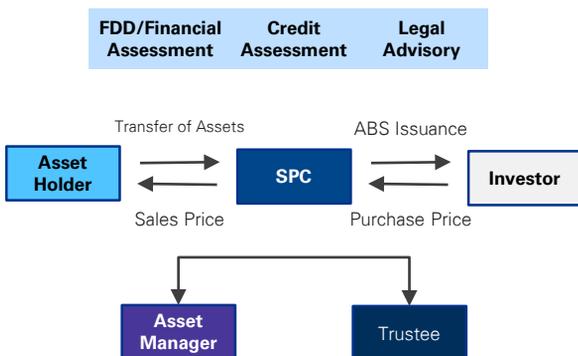
- Companies temporarily in financial distress
- Companies in need of financing through securitization of assets
- Companies in need of financing based on their consistent cash flows
- Companies in the midst of rehabilitation process in need of financing for working capital procurement

DIP financing(*) Service

- Attraction of potential investors through creation of investment opportunities, and advisory on drafting teaser memorandum
- Understanding of the client through financial due diligence
- Project optimal investment scale and propose exit strategy for investors
- Support negotiations with investors
- Advisory on drafting documentations for court briefings
- Advise on re-drafting rehabilitation plan, and support early graduation from rehabilitation procedure
- Mediation of interest conflicts among concerned persons

(*) DIP(Debtor in possession) financing : A special form of financing provided for companies in financial distress, generally for companies in rehabilitation procedure or in insolvency state

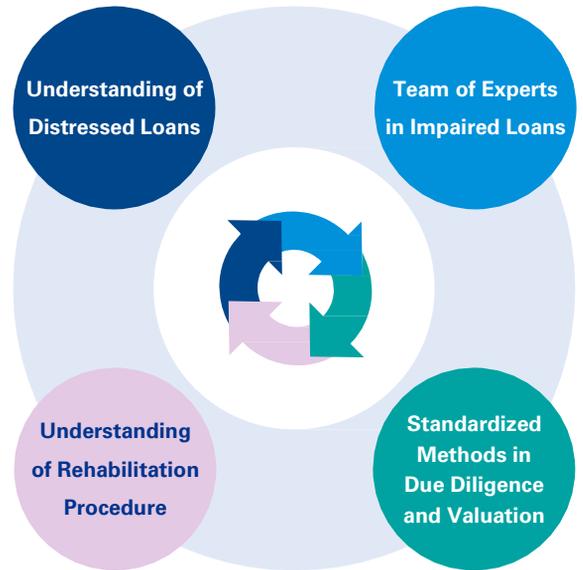
General Securitization Structure



Securitization Advisory Services

- Review optimal financing structure/method
- Review composition and structure of securitization assets (real estate, etc.)
- Due diligence and assessment on securitization assets
- Feasibility review on redemption of the principal and accrued interests
- Advisory on securitization procedure and establishment of securitization company (SPC)

Non Performing Loan (NPL) Advisory Services



Sales of Impaired Loans

- Impaired loans portfolios are diverse, including regular secured loans, corporate loans, unsecured loans, card loans, credit recovery loans, rehabilitation loans as well as PF loans.
- In case of corporate rehabilitation loans and PF loans, large-scale sale of individual bonds are being expected.

Sales Volume of Impaired Loans

- Due to the recession, there is a constant increase in overdue loans from financial institutions. However, with the majority being large scaled corporate loans, the volume of NPLs that could be sold / disposed in the market may not increase as much as expected.
- As well as this, impaired PF loans continue to increase. This is also linked with the persisting global recession, which makes the real estate market appears to be difficult to recover.
- The household lending segment has also been increased, as well as the credit card loans issued by the credit card companies. Increase in household loans and delinquency rates on consumer lending have made a substantial increase in impaired loans.

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