



Valuation & Business Modeling Services

Bankruptcy and restructuring valuations

A critical issue facing distressed organizations is navigating the complex task of properly valuing the business enterprise and/or its underlying assets and liabilities. The Valuation & Business Modeling Services group provides a broad suite of services to companies facing financial and/or operational challenges requiring a business to restructure either inside or outside bankruptcy court protection or after emergence from bankruptcy.

KPMG teams support clients across various industries and at different stages of restructuring, providing valuations for bankruptcy and restructuring purposes commonly used by:

- Senior management and boards of directors (and their external auditors)
- Legal counsel
- Federal and state courts
- Lenders, bondholders, and creditor committees
- Equity shareholders.

Why KPMG?

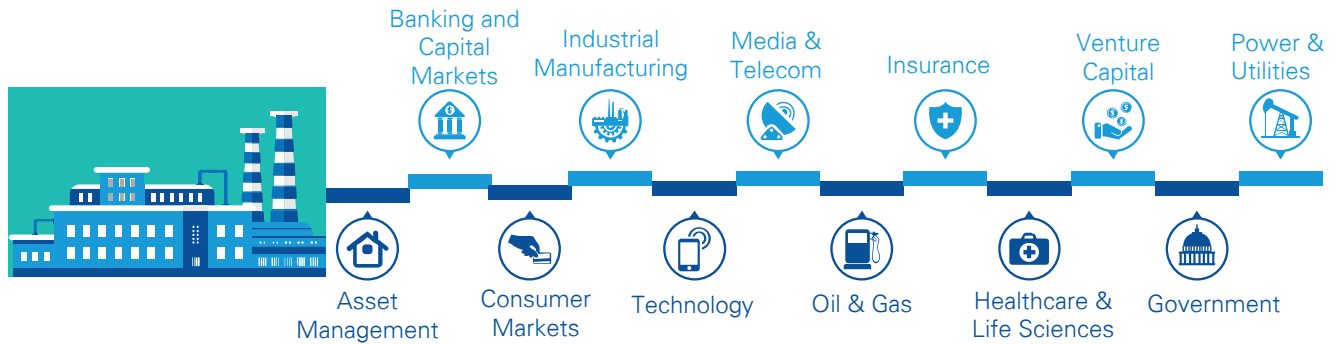
Professionals within the Valuation & Business Modeling Services group have significant bankruptcy and restructuring valuation experience. We work closely with our other cross-functional professionals to provide informed restructuring related advice. We can address your needs within a single, integrated team united by common experience and effective project management. Such needs typically involve nonroutine areas of accounting and reporting during bankruptcy, including “fresh start” upon emergence, tax planning, and the impact of restructuring events on the financial statements of the business.

Bankruptcy and restructuring valuations include:

- **Financial reporting:** ASC 852, *Reorganizations* (formerly SOP 90-7); ASC 350, *Impairment Testing*; ASC 360, *Property, Plant and Equipment*; and ASC 825, *Financial Instruments*
- **Tax reporting:** IRC 108, *Debt Cancellation*; IRC 165, *Worthless Stock*; and IRC 382, *Net Operating Loss*
- **Stakeholder analyses:** Strategic planning, plan of reorganization analysis, and transaction analyses (e.g., structuring, pricing, and security design)
- **Bankruptcy analyses:** Valuations in conjunction with asset sales under Section 363 of the Bankruptcy Code, feasibility Testing, and preference and fraudulent conveyance analyses
- **Management planning:** Fixed asset management and financial modeling
- **Litigation:** Damages analyses expert testimony



KPMG supports clients across various industries



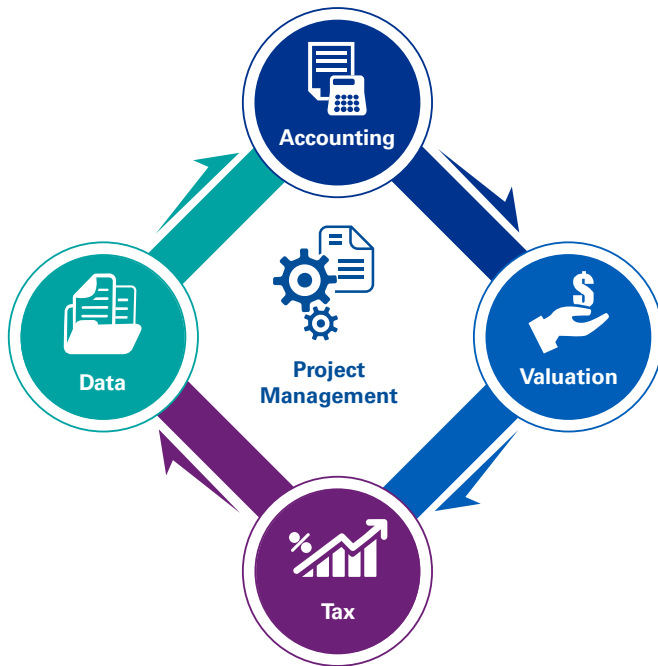
Example engagements

- **Retail.** Fresh start accounting upon emergence; data aggregation, accounting, and valuation of over 3,000 real estate leases
- **Automotive.** Fresh start accounting upon emergence, including valuation of over 1 million tangible assets and real estate in over 30 countries
- **Packaging.** Impairment testing of goodwill and long-lived assets (real estate, property, and equipment)
- **Finance.** Accounting for modification of debt, valuation of new capital structure, and fresh start accounting for several million loans, leases, and other financial assets
- **Telecom.** Restatement of three years of financial statements due to widespread fraud and support with amended SEC filings
- **Real estate.** Budget and forecast financial model building to optimize property cash flows during financial distress
- **Gaming.** Fresh start reporting (SEC filings) and fixed asset management (FAM) services related to segregation and componentization of fixed assets under a new operating structure upon emergence from Chapter 11
- **Energy.** Fresh start reporting for emergence and a significant business combination on a pro forma basis for securities offerings

Representative business interests and assets valued



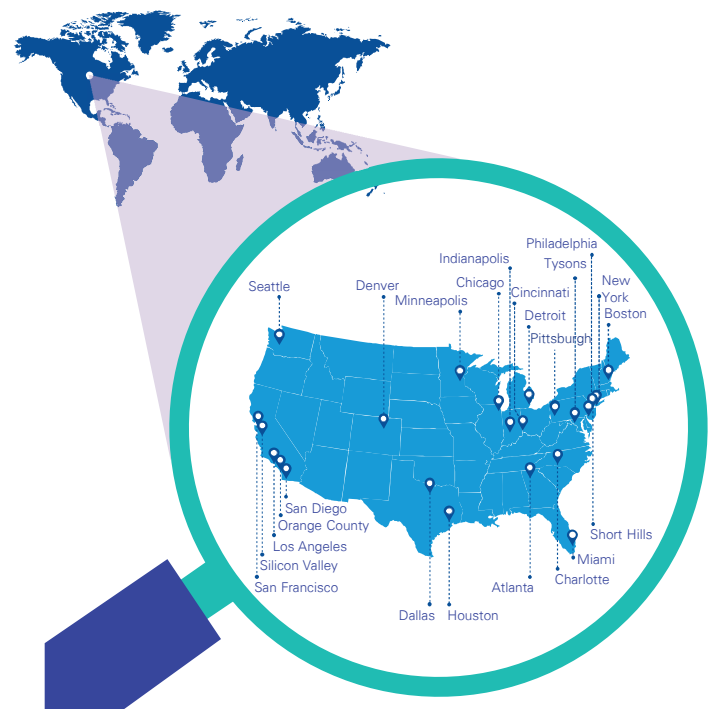
Our multidisciplinary team attains a holistic view of your needs by combining valuation, accounting, tax, and technology skills



How can KPMG assist your company?

KPMG recognizes valuation issues are often related to broader business activities, so our valuation group is closely integrated with other KPMG practices. In fact, we are the only Big Four valuation services provider that is part of a national Tax practice. This allows our valuation practice to help you address your valuation requirements with greater efficiency and confidence. With the increase in U.S. and global scrutiny around valuation issues, our integration with other KPMG practices allows for coordinated teaming of disciplines often required in tandem to address bankruptcy and restructuring needs.

1,200+ 70+
Valuation professionals countries



Globally, the member firms of KPMG International have more than 1,200 valuation professionals. Team members are located in over 70 countries, including Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, the Netherlands, Russia, South Africa, Spain, the United Kingdom, and the United States.

Contact us

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The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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