Our global network of restructuring professionals can help you develop financial and operational strategies to help improve liquidity, credit availability and return to your shareholders.

Our multi-disciplinary team offers integrated, objective advice and helps you evaluate capital options, improve the benefits of transactions and achieve your strategic goals – whether you are buying or selling a distressed asset, restructuring your business or dealing with underperformance or cash management.

Wherever you are in the world, we provide you with creative advice and draw on our significant industry and sector knowledge to create a tailored commercial approach appropriate to your needs.

Our strong track record in advising some of the world’s largest businesses has made Ernst & Young’s restructuring teams market leaders in many geographies.

Leading companies employ a range of practices across four key areas of the capital agenda to build competitive advantage

- Stress and distress – e.g., liquidity issues and turnaround plans
- Customer and supplier analysis
- Preserving tax assets and minimizing costs
- Refinancing or restructuring debt, equity and other obligations
- Dealing with stakeholder relationships and pressure
- Dispute resolution

- Optimizing asset portfolio
- Delivery of synergies and effective integration
- Improving working capital and releasing cash
- Optimizing capital structure
- Optimizing tax and corporate structure

- Acquisitions and alliances
- Planning and structuring transactions to optimize stakeholder return
- Focused due diligence to mitigate risk and drive value
- Asset valuations
- Cost- and tax-efficient structures

- Fundraising (equity and debt)
- IPO readiness, rights issues, PE, private placement and capital markets
- Optimizing funding structures
- Asset divestment
- Infrastructure projects
- Cost- and tax-efficient structures

How organizations manage their capital agenda today will define their competitive position tomorrow.

Expertise and experience in preserving capital are the key enablers for building sustainable operations. Resilience of core operations is important at any time, but in times of stress or distress, it represents the difference between success and failure.
Driving the Capital Agenda — Restructuring

**Legal entity rationalization**

- Have your corporate structures become large and complex through M&A and organic growth?
- Is the cost and time of statutory compliance and regulation a burden to your business?

We advise companies as they rationalize and simplify their legal entity structures. Simplifying corporate structures can help management achieve administrative and compliance cost savings and tax efficiency.

Our process typically involves four steps:

1. **Identify** — engage with key project stakeholders and validate current legal entity structure
2. **Diagnose and design** — perform full-entity reviews to identify rationalization/elimination blockers; design and agree on rationalization/elimination plan
3. **Deliver** — resolve blockers and execute initial rationalization steps
4. **Sustain** — help execute elimination of entities and/or implement robust processes, systems and/or controls to sustain the rationalized legal entity structure in the future

We advise and assist clients to help them drive rapid and sustainable release of cash from working capital. Using a three-phase approach, our teams help clients to identify the key drivers of working capital improvement, quantify this opportunity and provide recommendations on activities required to realize the cash.

Our approach:

1. **Identify** — conduct pilot site visits, external or internal benchmarking and metric-setting; perform strategic opportunity assessment

**Working capital services**

- Do you have significant working capital balances combined with a complex supply chain and multi-site operations?
- Do you need to generate more cash and manage balance sheet equity?
- Do you have limited or no visibility of short-term cash flow?
- How reliable and timely is your current short-term cash flow forecasting process?

We advise and assist clients to help them drive rapid and sustainable release of cash from working capital. Using a three-phase approach, our teams help clients to identify the key drivers of working capital improvement, quantify this opportunity and provide recommendations on activities required to realize the cash.

Our approach:

1. **Identify** — conduct pilot site visits, external or internal benchmarking and metric-setting; perform strategic opportunity assessment

**Distressed supplier advisory**

- What would happen to your business operations and revenues should a key supplier fail to deliver?
- Are you fully aware of — and do you regularly monitor — the early warning signs of supplier duress?
- A key supplier is failing — what should you do?

In a volatile and interconnected global economy, it is no longer enough to know what is happening within your own enterprise. Businesses today must be acutely aware of the financial health and operational welfare of all members within the supply chain.

Supply chain disruption is a stop-the-show business risk. Distressed supply chains can lead to lost revenues, as well as damaged reputations and the loss of customer confidence. Consequently, companies need to adopt a proactive approach. Our supply chain team can provide:

1. **Initial diagnostics** — to prioritize key risks and essential focus areas

We advise our clients on navigating through distressed supplier situations, avoiding business interruption while mitigating financial exposure.

1. **Supplier due diligence** — enabling the business to assess the state of specific suppliers
2. **Supply-chain advisory** — leading to immediate actions for the short term as well as alternatives for proactively detecting and preventing future problems

We advise our clients on navigating through distressed supplier situations, avoiding business interruption while mitigating financial exposure.
Our services

We understand the requirements of different stakeholders in underperforming businesses or businesses in stress or distress, and our teams are trusted by lenders, investors and management teams to help them preserve and (or) increase capital.

We can assist you with the following services, including:

- **Crisis stabilization** — using our experience in helping companies forecast and manage cash and rapidly reduce costs in order to defer potentially difficult requests for further bank support; providing clear advice and strategies to management during liquidity constrained periods in working with its various stakeholders
- **Business and strategic reviews** — providing an independent appraisal of the business, its markets and management strategy; identifying potential future challenges and funding needs and providing strategic alternatives on the various restructuring options
- **Corporate debt advisory** — advising on funding alternatives, identifying potential alternative lenders and helping clients to plan and execute a refinancing
- **Operational restructuring** — working with management teams to develop and execute a turnaround plan; providing advice on specific aspects of the turnaround process and support and service in implementation roles
- **Accelerated disposals** — advising and working with management to identify, and dispose of under-performing or non-core subsidiaries and assets in an efficient and cost-effective manner to increase liquidity and improve overall corporate performance (Service provided by Ernst & Young Capital Advisors, LLC)
- **Business closure or downsizing** — developing and assisting management with business closure or downsizing initiative strategies, including planning, implementation and closure of tax related issues and elimination of dormant entities

Amid financial duress, early actions can help stem business losses and potentially accelerate the return to financial viability. Our global network of restructuring professionals can help your company determine the best path forward. Whether within restructuring or through a more formal insolvency process, we can help to pinpoint the range of financial, strategic and operational alternatives for improving liquidity, credit access and overall returns to your stakeholders.

Services vary by jurisdiction and may include:

- **Financial restructuring** — analyze stakeholder positions, identify key points of leverage and develop and assist in the implementation of viable financial restructuring plans
- **Bankruptcy support** — assist management during formal proceedings including:
  - Developing successful reorganization strategies
  - Assisting with the preparation of bankruptcy filings including communications protocols and reporting requirements
  - Advising on implications of assuming/rejecting contracts
  - Providing Section 363 sales process assistance
  - Developing plans of reorganization

**Financial restructuring/formal insolvency**

- Are shifting business conditions or lender dynamics leading your company to experience liquidity constraints or creditor pressure?
- Are you experiencing supply chain or operating disruptions, customer or employee defections or other symptoms of financial duress?
- Is your business on the brink of formal insolvency proceedings and in need of specialist advice or assistance?
- Is there still time to weigh other options such as a financial restructuring?
If you would like to discuss our restructuring services, please contact your usual Ernst & Young advisor or any of the contacts listed below.

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**About Ernst & Young’s Transaction Advisory Services**

How organizations manage their capital agenda today will define their competitive position tomorrow. We work with our clients to help them make better and more informed decisions about how they strategically manage capital and transactions in a changing world. Whether you’re preserving, optimizing, raising or investing capital, Ernst & Young’s Transaction Advisory Services bring together a unique combination of skills, insight and experience to deliver tailored advice attuned to your needs – helping you drive competitive advantage and increased shareholder returns through improved decision making across all aspects of your capital agenda.

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