

Introduction to Valuation: *Methodologies & Best Practices*

The Fuqua School of Business
Duke University

Wednesday, November 2, 2011
7 AM—1 PM

Sponsored and Administered by:

J.P.Morgan

Statement of Educational Purpose

Businesses may be valued for various purposes such as mergers and acquisitions, sales of securities (including IPOs), LBOs, restructurings, investment decisions and taxable events. Business valuation results can vary considerably depending upon the reasons for and the circumstances surrounding the valuation and also depending upon the methodology used to value the business.

In this boot camp, investment bankers from J.P. Morgan will describe relative valuation methodologies, including comparable companies and precedent transaction analyses, and contrast these approaches with discounted cash flow and leveraged buyout valuation analyses. J.P. Morgan's professionals will also discuss the pros and cons associated with these methodologies and provide experiential insights to frame valuation analyses within the context of real-world facts and circumstances. During the boot camp Fuqua students will work in teams in separate breakout rooms on valuation assignments. The students will present their analyses in the classroom and their work product will be evaluated and critiqued by J.P. Morgan's professionals.

The educational objectives of the boot camp include,

- enhancing students' comprehension of relative valuation methodologies and related analytical skills;
- bridging academic valuation concepts and theories with industry application; and
- advancing students' appreciation of the roles and responsibilities of investment bankers and trusted advisor best practices.

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Agenda

Session Topic	Time
Boot Camp Introduction & Agenda	7:00 – 7:15 AM
Valuation Methodologies: Overview	7:15 – 9:00 AM
Break	9:00 – 9:15 AM
Case Study: Overview	9:15 – 9:45 AM
Case Study: Team Breakout Session	9:45 – 11:00 AM
Team Presentations and Review	11:00 AM – 12:15 PM
Working Lunch: Trusted Advisor Discussion and Q&A	12:15 – 1:00 PM

Biographies

Benjamin Rouah, Executive Director Real Estate and Lodging, J.P. Morgan



Benjamin Rouah joined J.P. Morgan Real Estate & Lodging Investment Banking group in 2000 and is currently an Executive Director based in New York. He is involved in originating and executing a variety of transactions for REITs, lodging and gaming companies: mergers and acquisitions; IPO, equity follow-on and convert offerings; asset sales and sale-leaseback transactions; high grade and high yield debt offerings; CMBS and syndicated financings. Prior to moving to New York in early

2005, Benjamin spent more than 4 years working in J.P. Morgan's London office covering real estate and lodging clients in France, Belgium, Spain and Eastern Europe.

Some of the significant transactions Benjamin has worked on include: advisor to iStar on its recapitalization in 2011 (\$3bn), advisor to Wyndham Worldwide on its acquisitions of USFS in 2008 (\$131mm), advisor to Equity residential on its disposition of Lexford Housing in 2006 (\$1.1bn), advisor to Wyndham International on its acquisition by The Blackstone Group in 2005 (\$3.2bn), advisor to Brandywine on its acquisition of Prentiss in 2005 (\$3.3bn), advisor to SFL on its acquisition by Inmobiliaria Colonial in 2004 (Euro2.5bn), advisor to France Telecom on the disposition of its real estate portfolio in 2001 (Euro3.5bn).

Benjamin graduated from HEC School of Management in Paris with a major in Finance and from Esade Business School in Barcelona with a Master in International Finance.

Center for Financial Excellence

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About the Center

The Center for Financial Excellence advances MBA finance education by bridging foundational academic concepts and theories with essential applied skills and best practices utilized by finance practitioners. The Center also enhances students' understanding of the roles and responsibilities associated with financial industry career paths. Further, the Center elevates students' awareness of the profound public policy considerations and important regulations that govern the financial industry. Additionally, the Center promotes and supports Fuqua's world-class faculty in its leading research and curricular initiatives.

The Center for Financial Excellence was founded in 2009 in the aftermath of the global financial crisis. Pre-crisis, mastery of textbook financial concepts was widely accepted as a measure of educational success for MBA finance graduates. The financial industry's near-death experience revealed critical shortcomings in this standard. While MBA students must develop a mastery of core financial theories, Fuqua recognizes that far more is expected of finance professionals in today's global, hyper-competitive, fast-changing, and ultra-demanding environment. The Center for Financial Excellence, through its practitioner administered boot camps, financial industry focused programs, workshops and other innovative educational and career development initiatives, works diligently to help prepare Fuqua's MBA students to meet the financial industry's rapidly evolving needs and challenges and to become finance practitioners and leaders of consequence and excellence.

Matthew Sable, Executive Director Financial Institutions Group, J.P. Morgan



Mr. Sable is an Executive Director in J.P. Morgan's Financial Institutions Group and is responsible for a range of client coverage and execution across a variety of sectors, including specialty finance, financial technology, market structure, asset management and others.

Key advisory roles include HSBC's sale of its \$30bn private label and credit card business, HSBC's sale of its upstate New York retail branches, JPMorganChase's acquisition of The Bear Stearns Companies, Chicago Board of Trade's sale to Chicago Mercantile Exchange (and hostile defense from IntercontinentalExchange), Visa Inc.'s global restructuring, JPMorganChase's asset swap of its corporate trust business for Bank of New York's retail banking business, JPMorganChase's acquisition of Sears Canada's Credit Business, Neiman Marcus's sale to Warburg Pincus and Texas Pacific Group, CIT's acquisition of Education Lending Group, MBNA's acquisition of Premium Credit Limited, JPMorganChase's sale of Bear Wagner Specialists, MBNA's acquisition of Sky Financial Solutions and the sale of MetWest Securities to Wachovia. Key equity roles include serving as lead left bookrunner on Visa Inc.'s \$19.7 billion initial public offering (the largest IPO in U.S. history), global coordinator on Wells Fargo's \$8.6bn follow-on offering, bookrunner on Jefferies' follow-on offering, MarketAxess's initial public offering, Encore Capital Group's convertible bond issuance and Provident Financial's convertible bond issuance.

Additionally, Mr. Sable has executed a number of debt and credit transactions, and has experience on a broad range of corporate finance subjects, including capital distribution policy, ratings and other topics.

Mr. Sable is a graduate of Colgate University, where he received a B.A. in economics and has been with J.P. Morgan since 2001.

Biographies

Michael Barina, Associate, Mergers and Acquisitions, J.P. Morgan



Michael Barina is an Associate in J.P. Morgan's Mergers and Acquisitions group. He joined the bank in the summer of 2010 after interning with the bank in 2009. He has an MBA from the Kellogg School of Management and worked in healthcare consulting prior to business school.

Nana Kyei, Associate, Technology/Media/Telecom, J.P. Morgan



Nana Kyei is an Associate in J.P. Morgan's Technology, Media & Telecom group. He joined the bank in the summer of 2011 after interning with the bank in 2010. Prior to earning an MBA from Vanderbilt University, Mr. Kyei worked in risk management.

Stephen Martin, Associate, Consumer and Retail, J.P. Morgan



Stephen Martin is an Associate in Investment Banking covering a diverse range of corporate clients in the consumer and retail sectors. He joined J.P. Morgan in July 2008. Prior to J.P. Morgan, Mr. Martin worked as a consultant at The Camden Group with a focus on strategic planning for hospitals and health systems.

Mr. Martin holds an MBA from The University of Texas at Austin and a B.S. in Management Science from the University of California, San Diego.

Biographies

Shawn Saparamadu, Associate, Diversified Industries, J.P. Morgan



Shawn Saparamadu is an Associate in J.P. Morgan's Diversified Industries group. He joined the bank in the summer of 2011 after interning with the bank in 2010. He has an MBA from Duke University's Fuqua School of Business and worked in the corporate development group of an automotive supplier prior to business school.

Seth Gardner, Executive Director, Center for Financial Excellence



Seth Gardner is the Executive Director of the Center for Financial Excellence at The Fuqua School of Business at Duke University. Seth joined Fuqua in November 2009. From 2003 to 2009, Seth worked at Cerberus Capital Management, L.P. in New York City, where he was a Managing Director in the private equity group and responsible for sourcing, evaluating, structuring and negotiating private equity transactions. During 2008 and 2009, Seth played a lead role in managing the restructurings of the firm's investments in GMAC, Chrysler, and Chrysler Financial. While at Cerberus, Seth served on

the boards of directors of several portfolio companies, including Chrysler Financial, Tower Automotive and Scottish Re.

From 1995 to 2003, Seth was an associate at Wachtell, Lipton, Rosen & Katz, a New York City law firm, where his practice specialized in large corporate restructurings, reorganizations and workouts. Seth graduated from Duke University in 1989 with an A.B. degree. He also received an M.B.A. from The Fuqua School of Business at Duke University and a J.D. from Duke Law School in 1994.