

SOLVENCY OPINIONS



CLIENTS

Our clients include a variety of constituents taking part in a transaction, including:

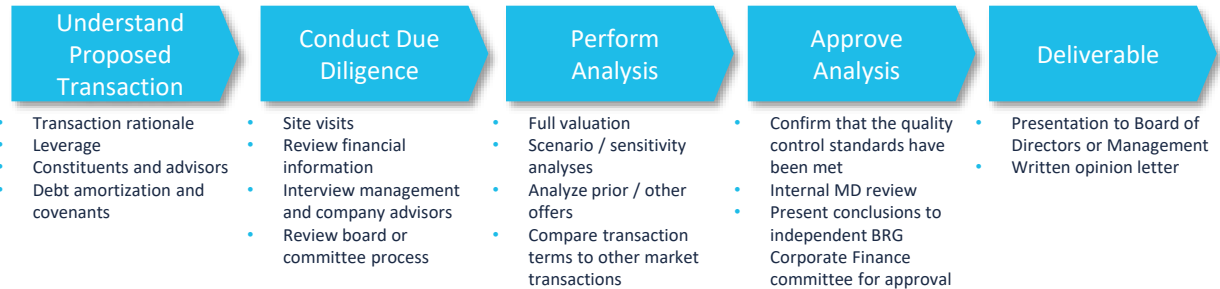
- Boards of Directors and Special Committees of Public and Private Companies
- Attorneys
- Private Equity Funds
- Hedge Funds
- Business Development Companies
- Pension Funds
- Family Offices
- Financial Institutions

Overview

BRG provides solvency opinions to help companies and their boards of directors mitigate the risk of fraudulent conveyance claims in connection with a proposed transaction. Our services also provide a valuable and independent aid to decision-making. Examples of the types of transactions for which we have provided solvency opinions include:

- Dividend recapitalizations
- Leveraged buyouts
- Refinancings
- Restructurings
- Exchange offers
- Spin-offs
- Share repurchases
- Going private
- Fraudulent conveyance litigation

Solvency Opinion General Procedures



Industries

We understand the issues, valuation drivers, and trends that shape a particular industry's future and have experience working in a variety of different industries, including:

- Automobiles and Components
- Chemicals
- Consumer Products and Apparel
- Entertainment and Media
- Financial Services
- Gaming, Lodging and Hospitality
- Healthcare and Pharmaceuticals
- Infrastructure and Energy
- Manufacturing, Metals and Mining
- Oil and Gas
- Professional and Other Services
- Real Estate and Construction
- Restaurants and Food Services
- Retail and Wholesale Distribution

Select Representative Transactions

 Spinoff	 Sale of 5 Retail Banners	 Shareholder Buyout	 Dividend Recapitalization	 Dividend Recapitalization	 Dividend Recapitalization
 Dividend Recapitalization	 Dividend Recapitalization	 Dividend Recapitalization	 Debt Exchange	 Dividend Recapitalization	 Acquisition





Selected Case Study

NORTHROP GRUMMAN'S LEVERAGED SPINOFF OF \$6.7 BILLION SHIPBUILDING BUSINESS

Northrop Grumman Corporation [NYSE: NOC], a leading global security company that provides products, services, and solutions in aerospace, electronics, information systems, shipbuilding, and technical services sectors, announced a spinoff of its shipbuilding business after a strategic review.

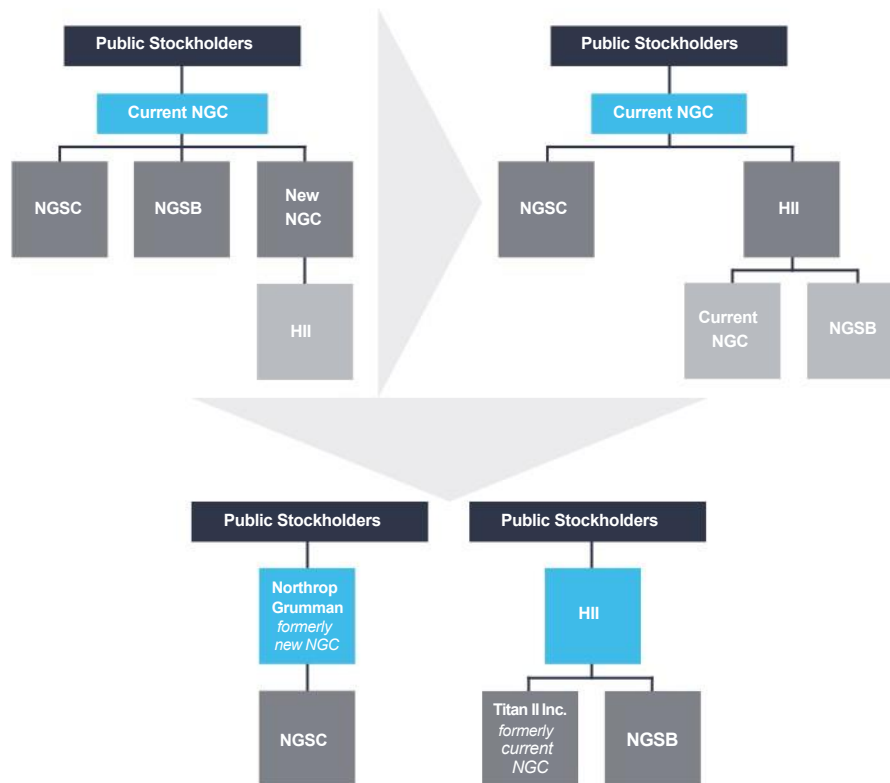
In order to complete the spinoff, Northrop Grumman underwent a complex, multistep internal reorganization through a series of internal transactions involving the transfer of corporate assets and liabilities, issuance of new corporate debt obligations, and distribution of dividends.

BRG Valuation Services, LLC

(f/k/a Capstone Valuation Services, LLC) was engaged by the Board of Directors of Northrop Grumman to provide a series of solvency opinions in connection with the leveraged spinoff transaction. Our professionals:

- Analyzed the sequence of transaction steps of the proposed corporate reorganization and consulted with the company's Board of Directors and legal counsel on the steps requiring solvency opinions.
- Performed valuation analyses and solvency tests and consulted management on the impact of the proposed financial leverage on key operating metrics, financial ratios, and debt covenants under base case and downside scenarios.
- Delivered written solvency opinion letters to the boards of directors of each of the entities requiring such opinions.

Once the spinoff of Northrop Grumman's shipbuilding assets was completed, Huntington Ingalls Industries, Inc. began trading on the NYSE under the ticker symbol HII.



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Team

Our team brings extensive transaction opinion experience through years of working on some of the most complex transactions.

BRG adds depth to our analyses through its global network of senior experts and professionals with significant industry experience. Our teams imbed the most knowledgeable industry experts in our assignments to provide unparalleled insight into the prospects for strategy realization and value creation.

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STRATEGIC & TRANSACTION ADVISORY • FUND TRANSPARENCY ADVISORY • INVESTIGATIONS & DISPUTE RESOLUTION