A dark teal background with a diagonal cutaway on the right side. The cutaway reveals a blurred financial chart with various data points and lines in shades of blue and green. The chart includes numerical values such as 1.2925, 1.2870, 1.2815, 1.2760, 1.2715, and 1.2700. A red and white box highlights a specific data point with the value 1.2745. The overall aesthetic is professional and data-driven.

2015 Global High-Yield Bond Study

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The sample population may not be an exact representation of the universe of deals because of limitations in the availability of deals.

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Executive Summary

Welcome to the fourth edition of Proskauer's *Global High-Yield Bond Study*, our analysis of market terms for high-yield bond offerings.

Using data from our extensive proprietary database of high-yield deals, the study covers 1,236 deals closed globally in 2011–2014 that meet our selection criteria. In this edition, we examine trends in the 2012–2014 period. We categorize deals by geography, deal size, industry, credit rating and whether they are backed by private equity sponsors.

What's new

As the high-yield market evolves, our study evolves with it. We've thus made a number of changes from last year's edition.

New categories of analysis include:

Equity claw: The percentage of deals permitting an issuer to redeem more than the traditional 35% of bonds with the proceeds of a certain equity offering during the non-call period

Change of control portability: The percentage of deals with exceptions to the traditional put right of bondholders upon the occurrence of a change of control

Unlimited leverage-based restricted payments: The percentage of deals permitting the issuer to make unlimited restricted payments subject to a pro forma leverage test

2014: A slower year for high-yield*

Activity in the global market for high-yield bonds subsided in 2014. Deal value was modestly lower at \$352 billion compared to \$372 billion in 2013, while deal count dropped to 664 from 2013's 808.

The biggest declines in activity were in the first and fourth quarters of the year. Issuance fell most in the first quarter compared to 2013 in the manufacturing, communications, wholesale/retail and oil & gas industries. The picture in the fourth quarter was similar, when oil & gas, communications, wholesale/retail and services accounted for the largest share of the decline.

Key takeaways

The study yielded a number of noteworthy observations about trends and practices among the high-yield deals in our database:

It's good to have a sponsor (pages 45, 79, 94, 170). High-yield issuers backed by private equity sponsors continue to benefit from greater flexibility in deal terms than non-sponsor-backed issuers. For instance, the average size of the senior credit facilities debt basket for sponsor-backed issuers in 2014 was 321% of the issuer's pro forma cash flow for the last 12 months, compared with 210% for deals without sponsor backing.

Issuers' increased flexibility (pages 15, 90, 132). Certain deal terms that were once perceived as aggressive or unusual are now more common. An example is an issuer's ability to make unlimited restricted payments if the issuer meets a specified leverage ratio. Although this is relatively new to the high-yield market, approximately one-third of 2014 deals allowed it.

* Source: *Prospect News*. Includes only bonds denominated in U.S. dollars.
Note: *Prospect News* considers tranches in the same transaction as separate deals.

Executive Summary

Rise of European high-yield (pages 7, 11, 16, 23, 76). High-yield has become a mainstream asset class in Europe/Middle East/Africa (EMEA). Issuance is approaching U.S. levels after years of relative obscurity, and there is a trend toward more creativity and flexibility in EMEA deals compared to the U.S. For example, an increasing number of EMEA deals permit the sale of the issuer to a third party without triggering a change of control put right if certain tests are met.

Moreover, in 2014, 13% of EMEA deals gave the issuer the right to call 10% of an issue at 103% of par annually during the non-call period, almost triple the U.S.'s 5%; and 50% of EMEA deals allowed the issuer to call more than 35% of an issue using the proceeds of certain equity offerings during the non-call period, vs. 27% in the U.S.

Investment-grade or hybrid covenant packages in the high-yield market. A meaningful percentage of high-yield deals have terms and covenant packages that mirror the investment-grade market or hybrid terms between the investment-grade and high-yield markets. While many of these deals in 2014 were for larger, public companies that were BB credits at the time of issuance and often formerly investment-grade (or “fallen angels”), several issuers rated below BB were able to negotiate investment-grade or hybrid covenant packages.

Shift toward private-for-life (pages 132–134, 136). Most high-yield deals have historically been private offerings under Rule 144A, but came with registration rights obligating the issuer to exchange the private bonds for public bonds typically within the first year after the bonds were issued. Until relatively recently, there was a perception that issuers would have to pay a higher interest rate to issue bonds without registration rights, known as “private-for-life” deals, given a perceived lack of liquidity by bondholders. But the market has become much more receptive to private-for-life deals with seemingly no incremental interest cost to the issuer. In 2014, 52% of U.S. high-yield deals were private-for-life, a meaningful increase from 33% in 2012.

Some post-crisis terms may be here to stay (page 148). The number of secured high-yield deals surged during and immediately after the financial crisis, mainly due to the freeze in bank lending, as issuers and investors saw secured high-yield deals as a replacement for senior secured bank loans in the issuer's capital structure. Despite a resurgence in the bank loan market, secured deals continued to represent about 30% of the overall number of deals done through 2014, a significantly higher level than pre-crisis.

Some weaker credits get better terms (pages 44, 55, 73, 78, 82, 88, 99). In 2014, as in preceding years, some weaker credits (rated CCC and below) negotiated terms that were more issuer-friendly than did higher-rated credits (rated B or better). For example, CCC deals tended to have larger baskets as a percentage of the issuer's total assets for the senior credit facilities debt basket and as a percentage of the issuer's cash flows for the general restricted payments and general permitted investments baskets. In addition, the percentage of deals that included secured leverage-based liens growers and restricted payments baskets for excluded contributions and 6% of IPO proceeds was meaningfully higher for CCC deals than for higher-rated deals.

Industry matters (pages 28, 31, 67). The incidence of certain terms and flexibilities is often driven more by an issuer's industry than its rating or credit quality. For example, whereas most 2014 deals (83%) had a ratio debt test based on a fixed charge coverage ratio, 59% of technology, media & telecom (TMT) deals had a test based on a leverage ratio. Similarly, deals in TMT were far likelier to contain a general restricted payments builder basket based on cash flow than in other industries, while 100% of health care deals in 2014 calculated this basket based on the issuer's net income.

In conclusion

We hope you enjoy the *2015 Global High Yield Study* and welcome your feedback. Please feel free to contact any of our lawyers listed inside the front cover with questions.

Methodology

General

- Reviewed 1,236 high-yield deals closed globally from 2011–2014.
- Our 2015 study analyzes trends from 2012–2014.
- Data broken down by geography, deal size, industry, rating and whether sponsor-backed.
- Outliers that were three or more standard deviations away from the mean for any given data set were excluded from our calculations.
- In circumstances where less than 1% of reviewed transactions contained a specific term, such term was excluded from our calculations.
- Deals in the sample population with only a pledge of stock are not considered to be secured deals for purposes of this study. In addition, for purposes of identifying lien priorities, deals with “super priority” payment rights are not considered to have lien priority.
- Deals reviewed also include high-yield rated bonds with investment-grade or hybrid covenant packages. These deals have been excluded for purposes of covenant analysis.

Allocation

- In geographic analysis, Canada is included in the U.S. data, Australia is included in the Asia data and issuers operating in the Caribbean are included in the Latin America data.
- In industry breakdown, deals in the sample population are categorized as follows:
 - Issuers in the real estate industry are included in our Hospitality/Gaming category.
 - Issuers in the power and mining industries are included in our Industrials category.
 - Service providers to the oil & gas industry are included in our Oil & Gas category.

Financial Metrics

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) and total assets calculations were based on the applicable issuer’s trailing four quarters (or last 12 months, if applicable) of data disclosed in the relevant marketing materials.
- References to EBITDA include “Adjusted EBITDA” when the relevant marketing materials contained such presentations and “Pro Forma EBITDA/Adjusted EBITDA” when such metrics were presented.

Ratings

- All ratings categories are based on credit ratings by Standard & Poor’s.
- Calculations based solely on rating exclude deals that were not rated.
- The rating categories do not distinguish “+” or “-” signs within a ratings category.

Definitions

6% IPO Proceeds: A basket permitting restricted payments of up to 6% (or more) of the proceeds received from an IPO.

103% Redemption: The ability of the issuer to call up to 10% of notes per year at 103% of par during the non-call period.

Cash Flow-Based: With respect to the restricted payments builder basket, a restricted payments test based on EBITDA minus a multiple of interest expense.

Change of Control Portability: The bondholders' change of control put right is only triggered if, after giving effect to the transaction, both a change of control and an additional negative event occurs (such as a failure by the issuer to meet a specified leverage ratio test or a reduction in the rating of the notes).

Contribution Indebtedness: A basket permitting debt in an amount equal to 100% (or more) of the amount of proceeds received from equity issuances or cash contributions to equity capital.

Covenant Fall Away: Certain covenants are permanently removed upon the issuer's achievement of investment-grade ratings.

Covenant Suspension: Certain covenants are suspended upon the issuer's achievement of investment-grade ratings, but reinstated if the issuer's ratings are subsequently downgraded to non-investment-grade.

Designated Non-Cash Consideration: For purposes of satisfying the cash consideration test for asset sales, the ability to treat a certain amount of non-cash consideration as if it were cash.

EBITDA: Earnings before interest, taxes, depreciation and amortization.

Equity Claw: The ability of the issuer to call a certain percentage of bonds with the proceeds of certain equity issuances during the non-call period.

Definitions

Excluded Contributions: A basket permitting restricted payments equal to the amount of proceeds received from equity issuances or cash contributions to equity capital that are designated by the issuer as “excluded contributions” and are not subject to the restricted payments builder basket.

FCCR (Fixed Charge Coverage Ratio): Generally EBITDA divided by fixed charges.

Leverage Ratio: Generally debt divided by EBITDA.

Net Income-Based: With respect to the restricted payments builder basket, a restricted payments test based on 50% of consolidated net income.

Ratio Debt Condition: With respect to mergers and consolidations, whether the issuer must meet the debt incurrence ratio test on a pro forma basis, or if such ratio must only improve or be no worse on a pro forma basis.

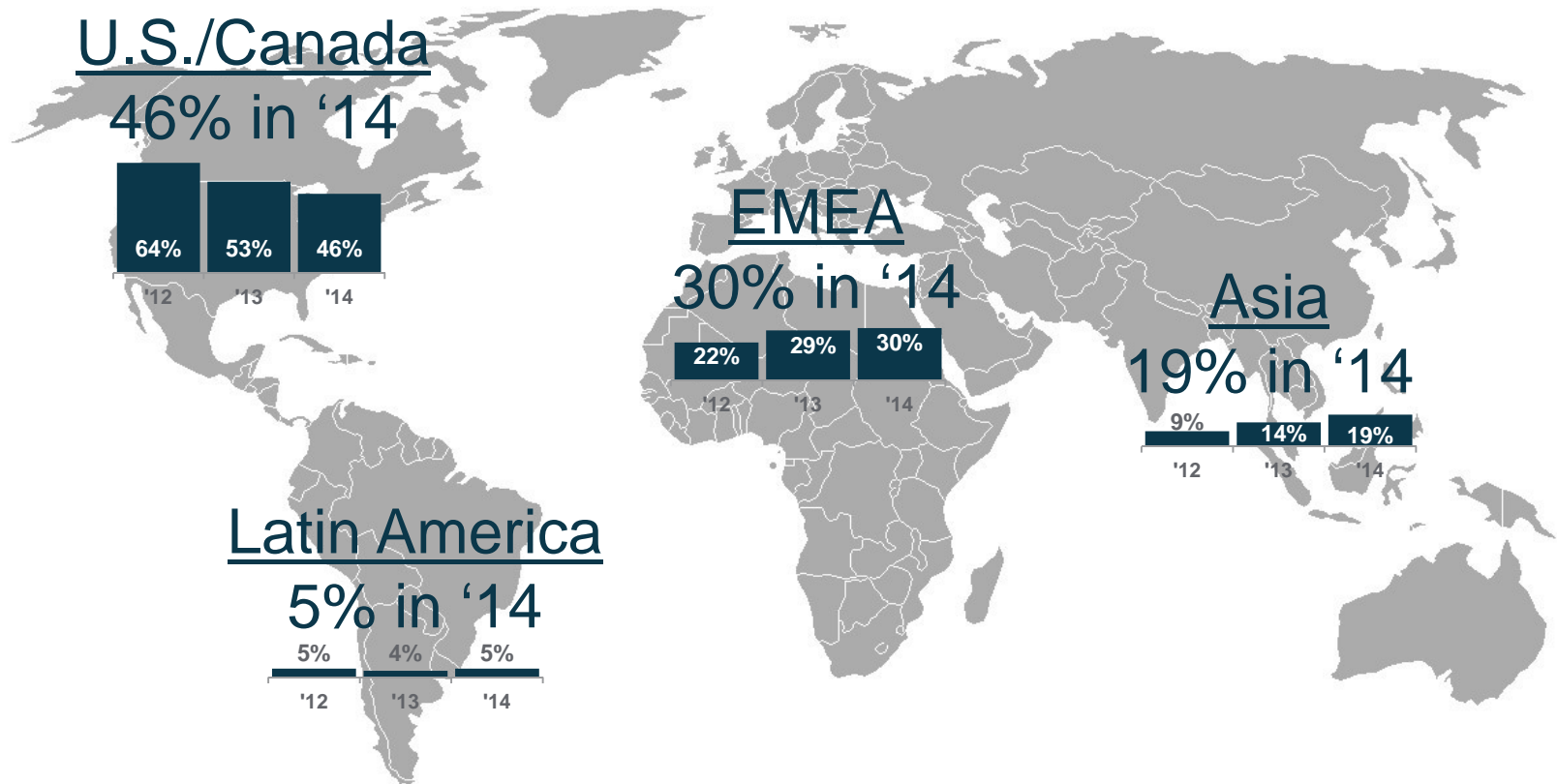
Secured Leverage Grower: A basket permitting unlimited liens on debt subject to a pro forma secured leverage test.

Unlimited Leverage-Based Restricted Payments: A basket permitting unlimited restricted payments subject to a pro forma leverage test.



2014 Global High-Yield Market

% of Deal Count



Source: Prospect News

Categories of Analysis

- Geography
 - U.S./Canada
 - Europe, Middle East and Africa (EMEA)
 - Asia
 - Latin America
- Size of Deal
 - Small: \$0–\$200 million
 - Medium: \$201–\$499 million
 - Large: \$500 million+
- Industry
 - Consumer
 - Financial Services
 - Health Care
 - Hospitality/Gaming
 - Industrials
 - Oil & Gas
 - Technology, Media and Telecommunications (TMT)
- Ratings
 - BB
 - B
 - CCC
- Sponsor

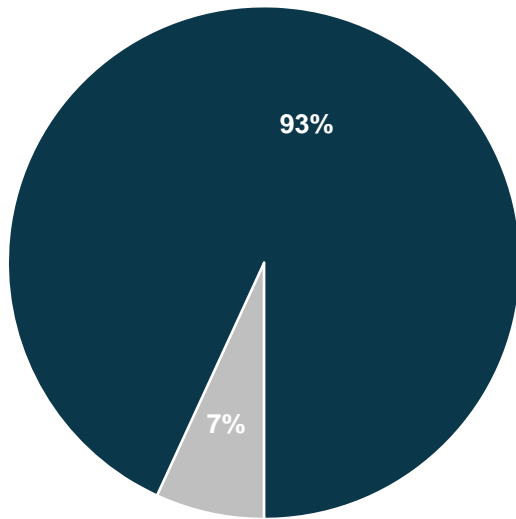


Call Protection



103% Redemption % of Deals

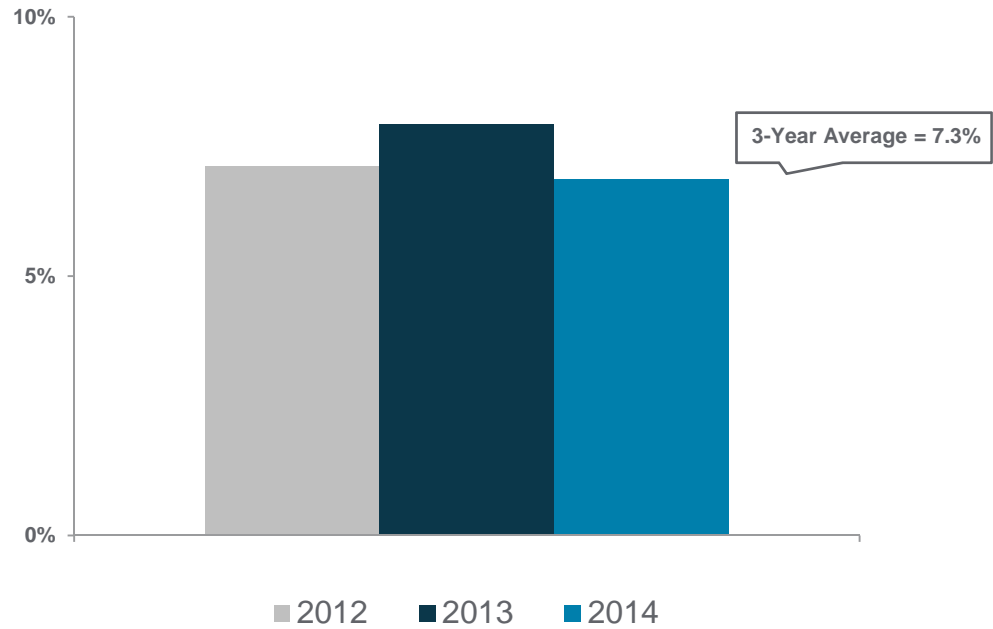
Global 2014



■ With 103% Redemption
■ Without 103% Redemption

Global

% of Deals with 103% Redemption

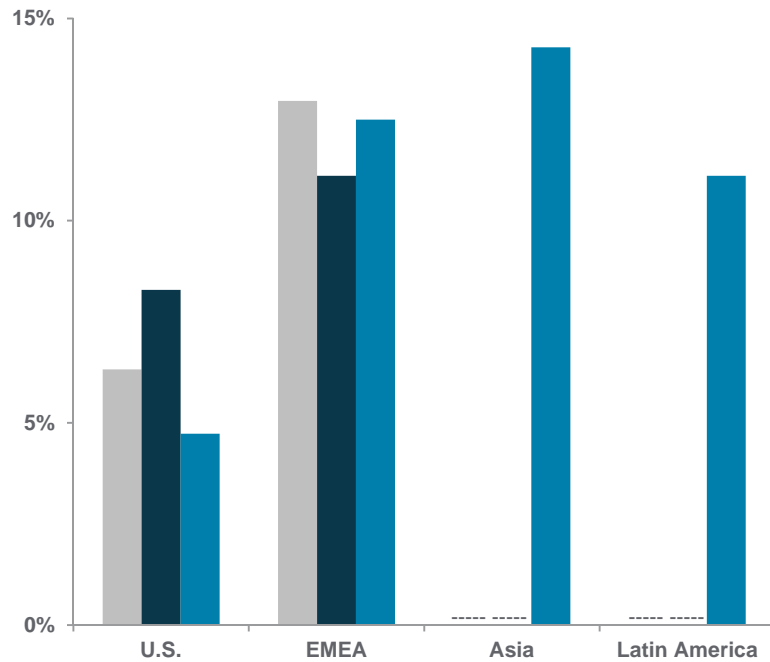




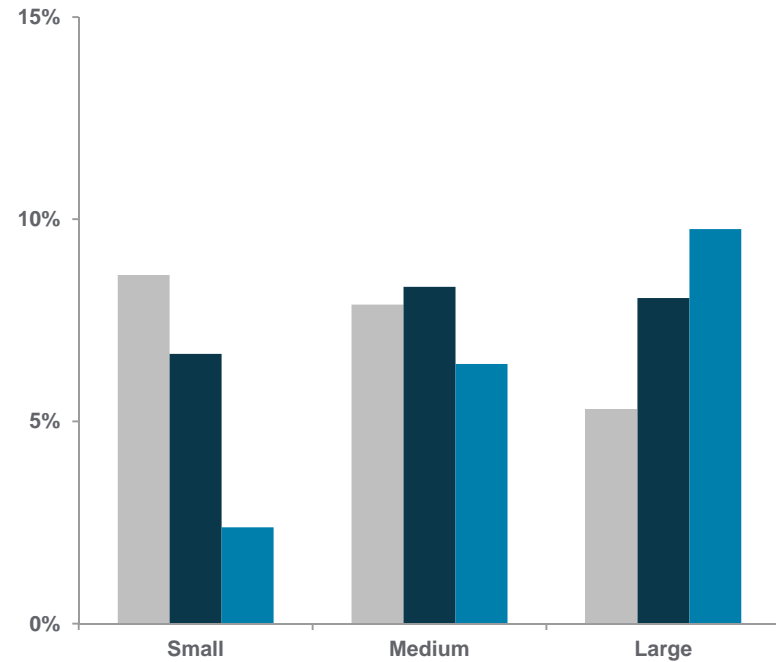
103% Redemption

% of Deals with 103% Redemption

Geography



Deal Size



■ 2012 ■ 2013 ■ 2014

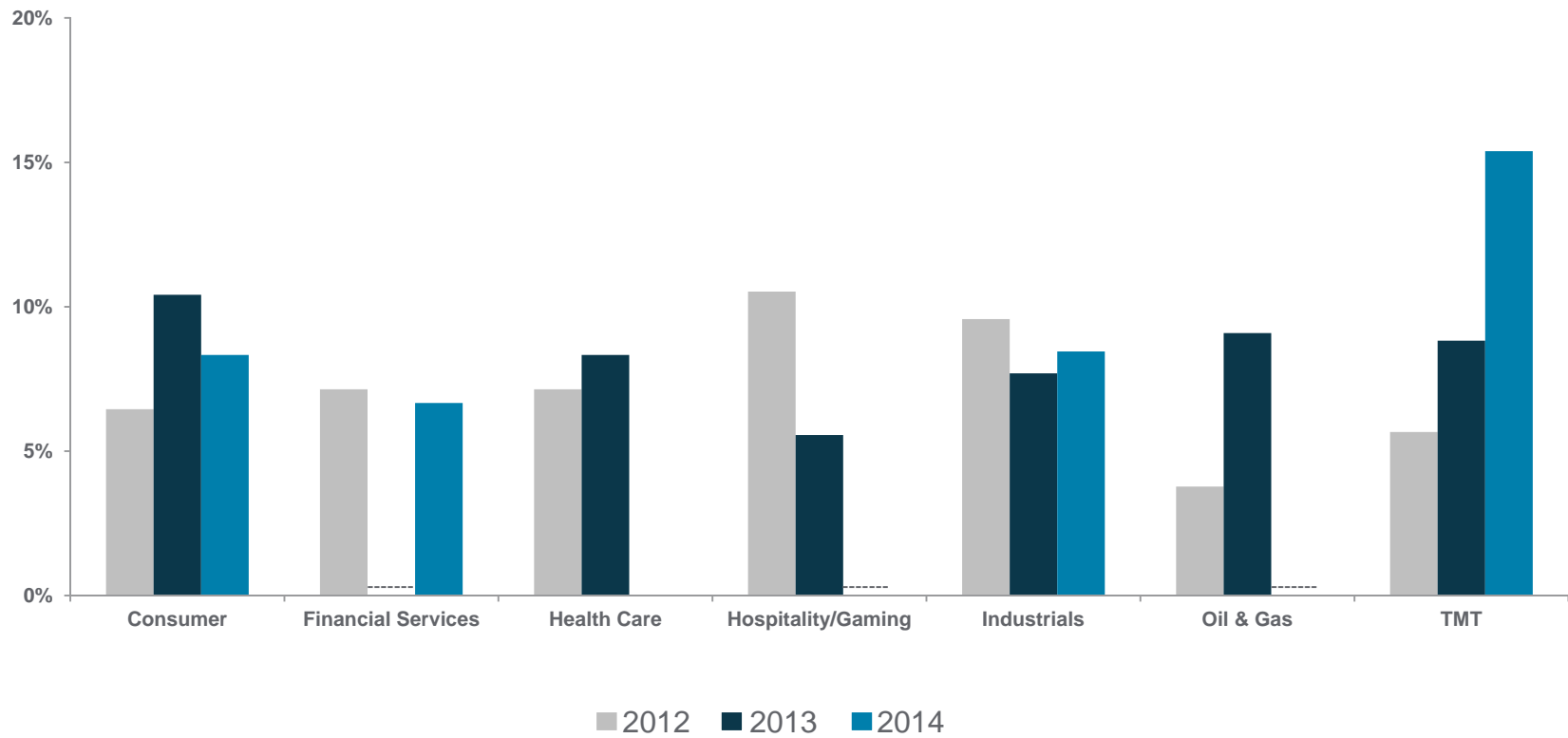
----- Indicates no reviewed deals contained term



103% Redemption

% of Deals with 103% Redemption

Industry



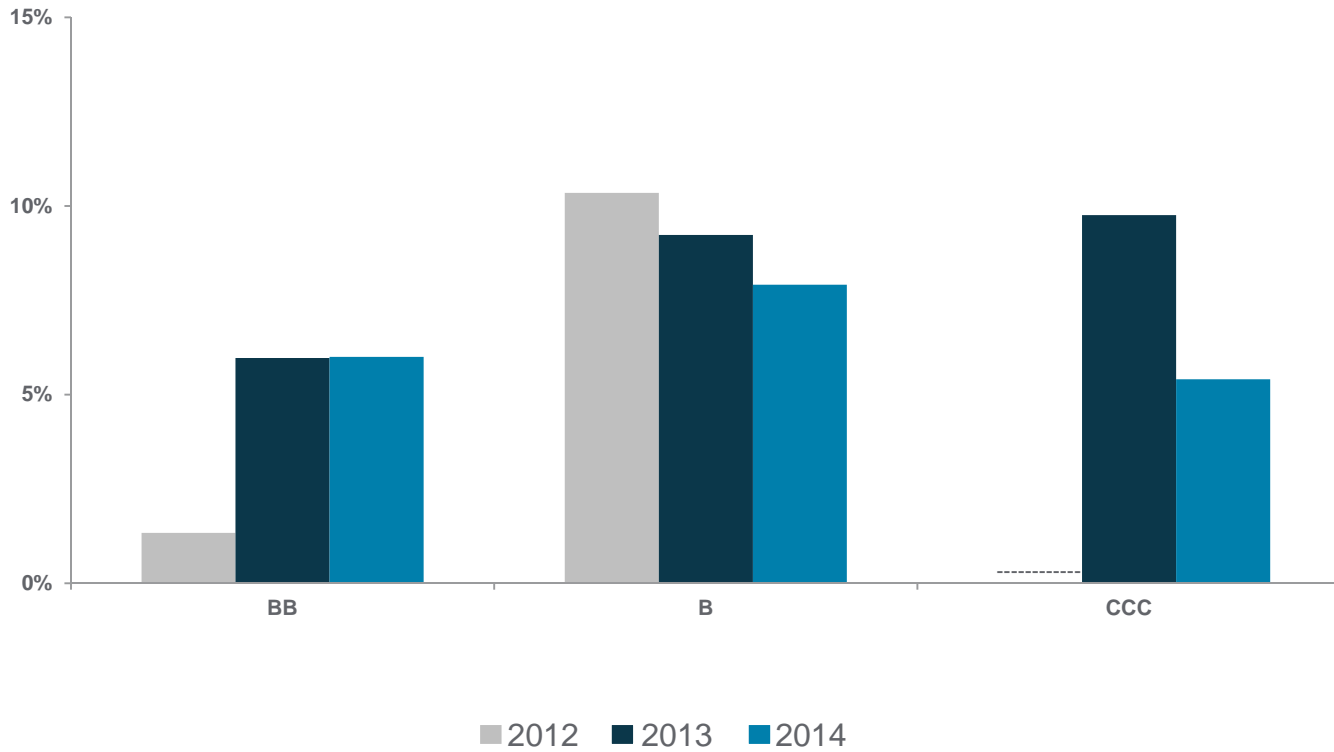
----- Indicates no reviewed deals contained term



103% Redemption

% of Deals with 103% Redemption

Ratings



----- Indicates no reviewed deals contained term

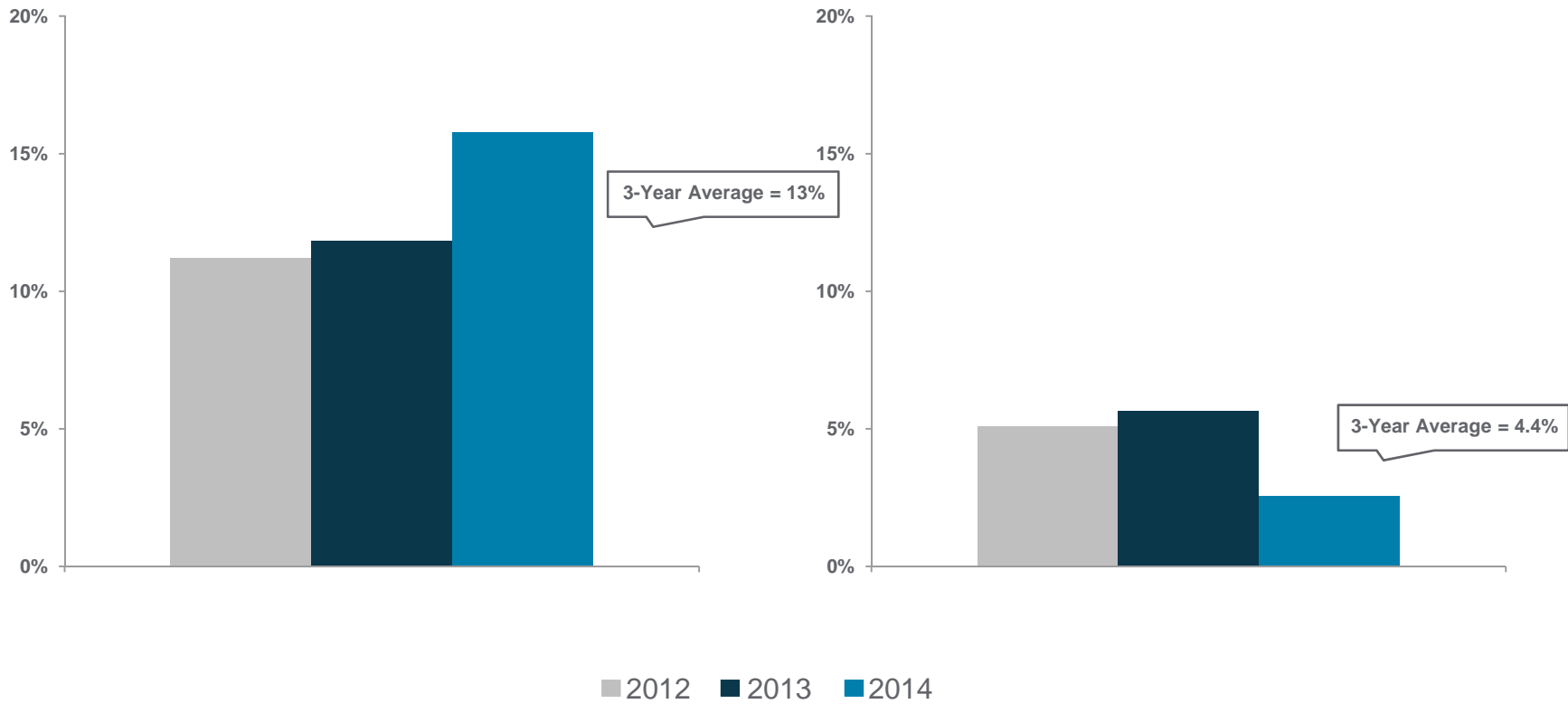


103% Redemption

% of Deals with 103% Redemption

Sponsor

Non-Sponsor

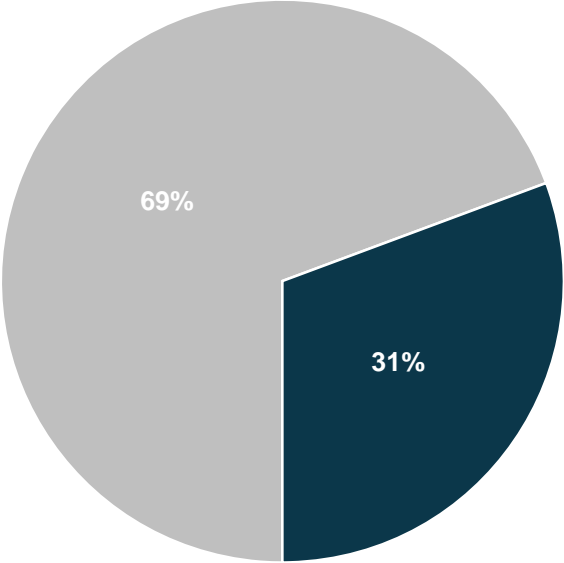




Equity Claw

% of Deals

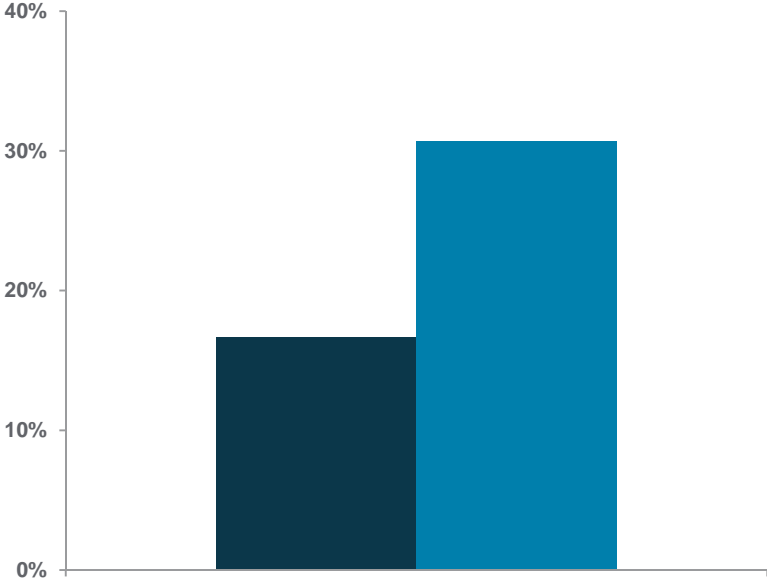
Global 2014



■ Permits up to 35%
 ■ Permits Greater Than 35%

Global

% of Deals Permitting Greater Than 35%



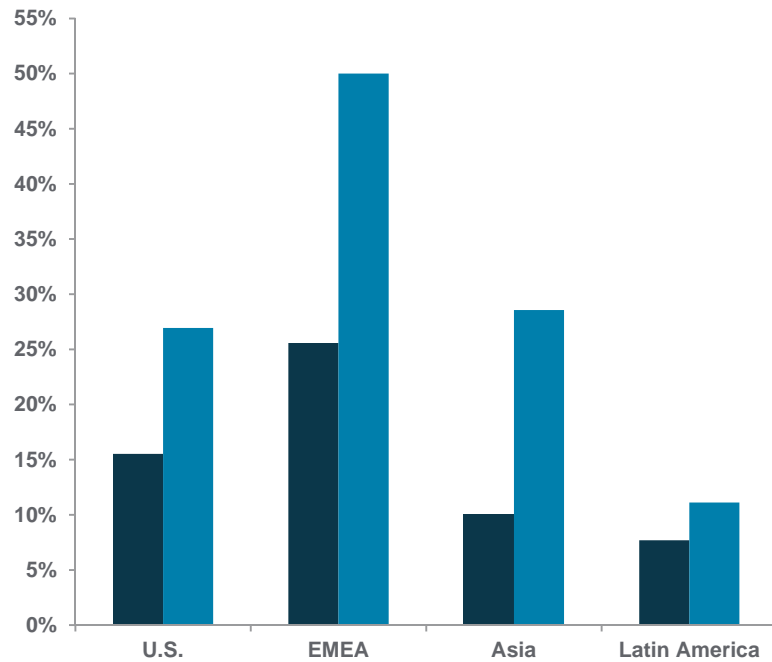
■ 2013 ■ 2014



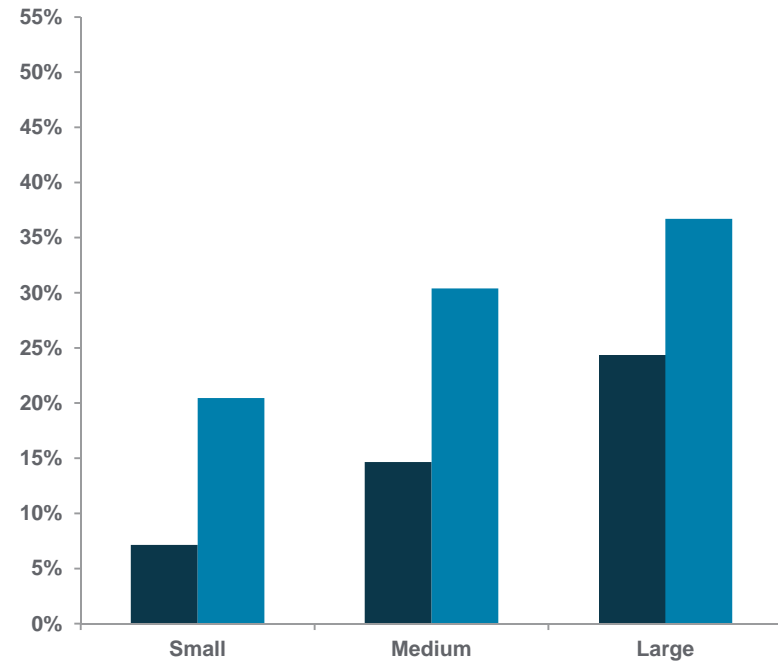
Equity Claw

% of Deals Permitting Greater Than 35%

Geography



Deal Size



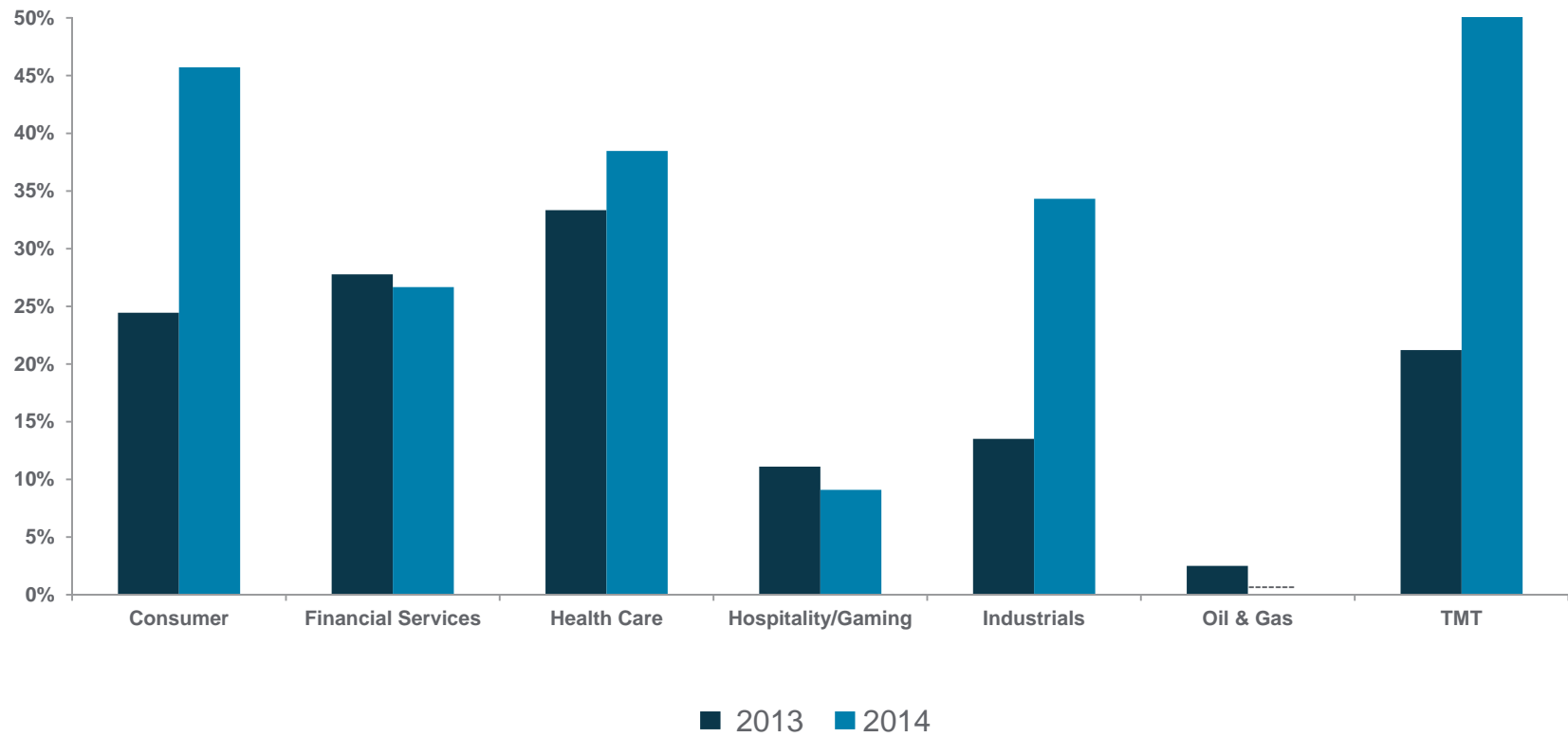
■ 2013 ■ 2014



Equity Claw

% of Deals Permitting Greater Than 35%

Industry



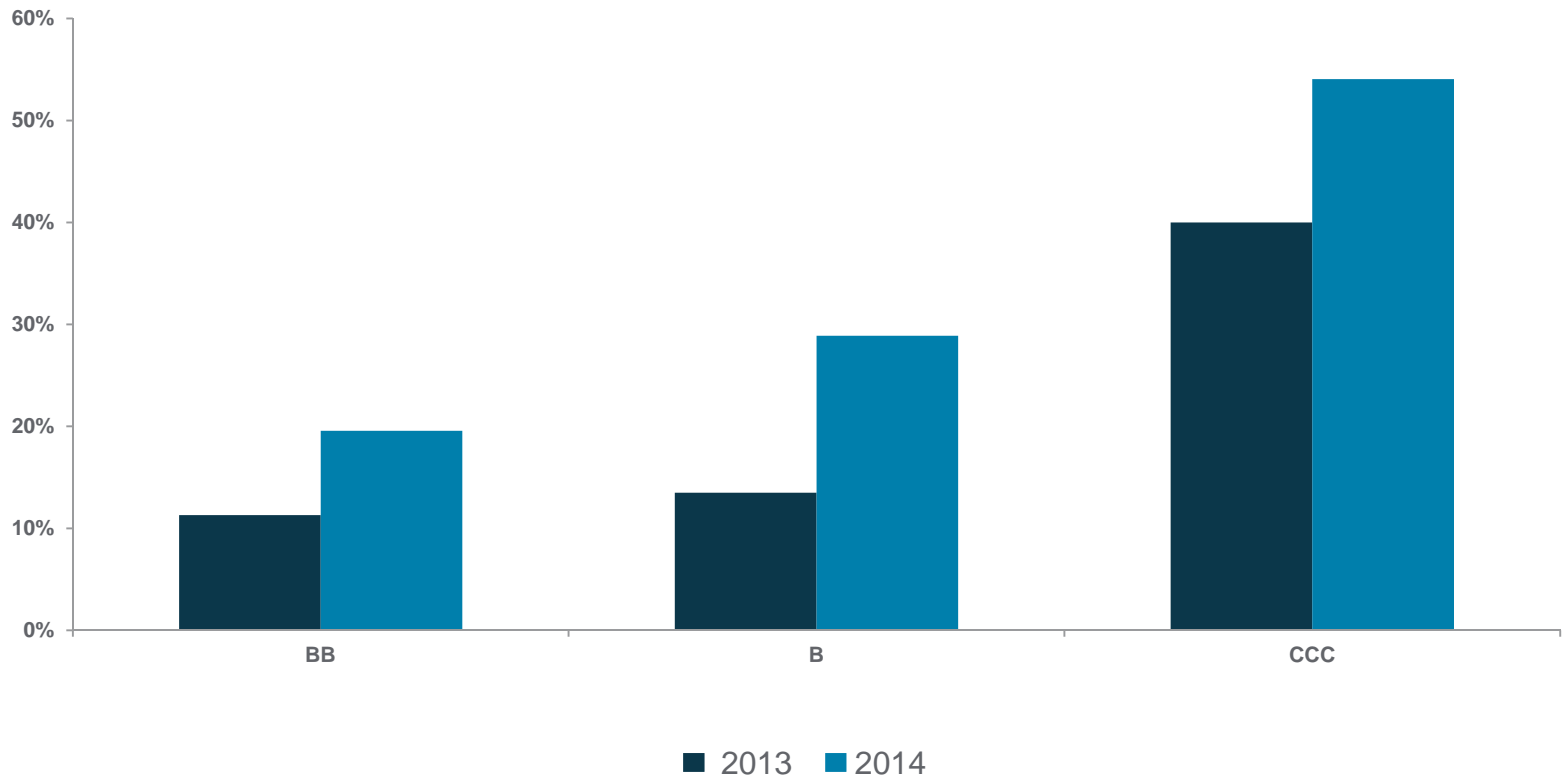
----- Indicates no reviewed deals contained term



Equity Claw

% of Deals Permitting Greater Than 35%

Ratings

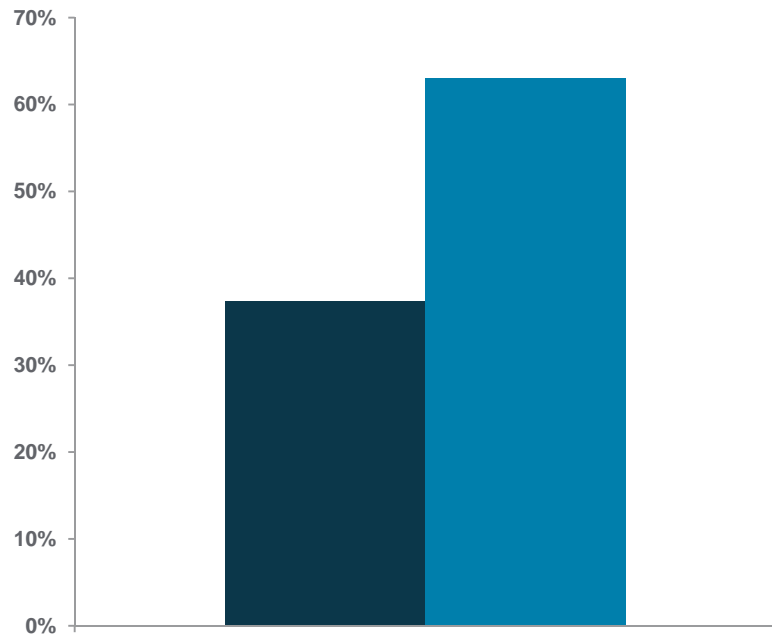




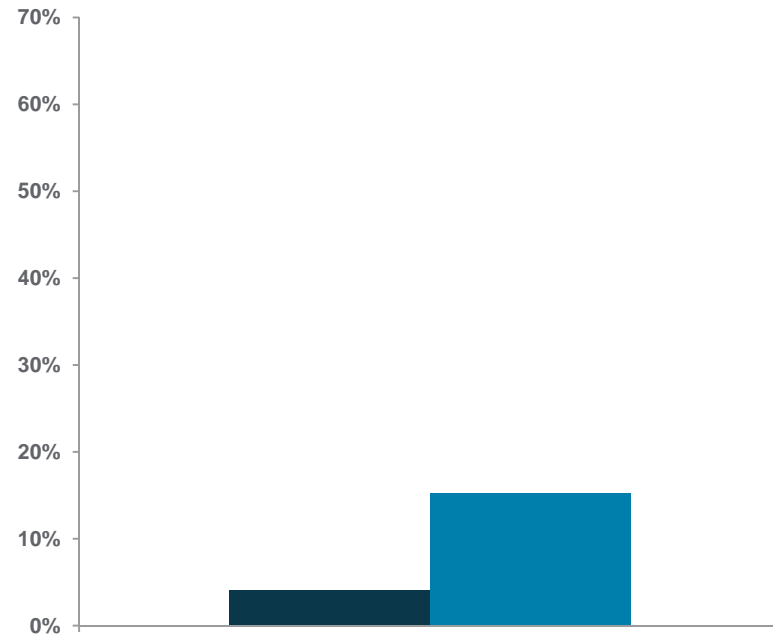
Equity Claw

% of Deals Permitting Greater Than 35%

Sponsor



Non-Sponsor



■ 2013 ■ 2014





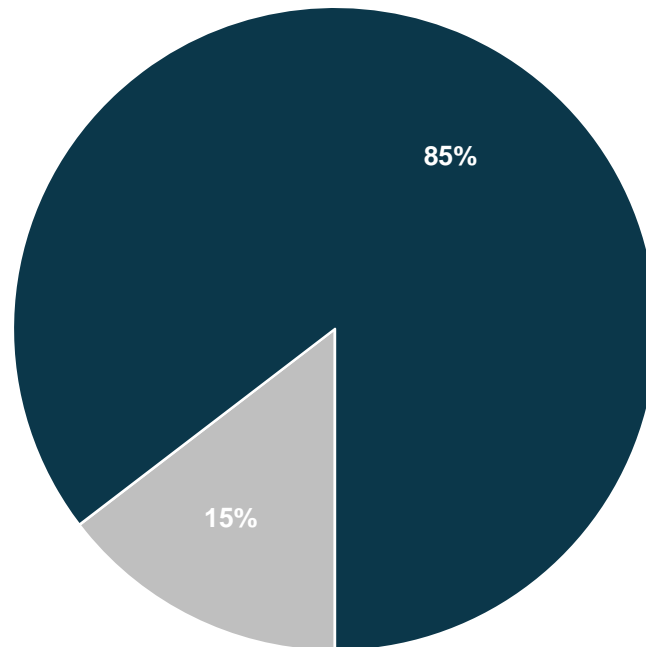
Change of Control Portability



Change of Control Portability

% of Deals

Global 2014



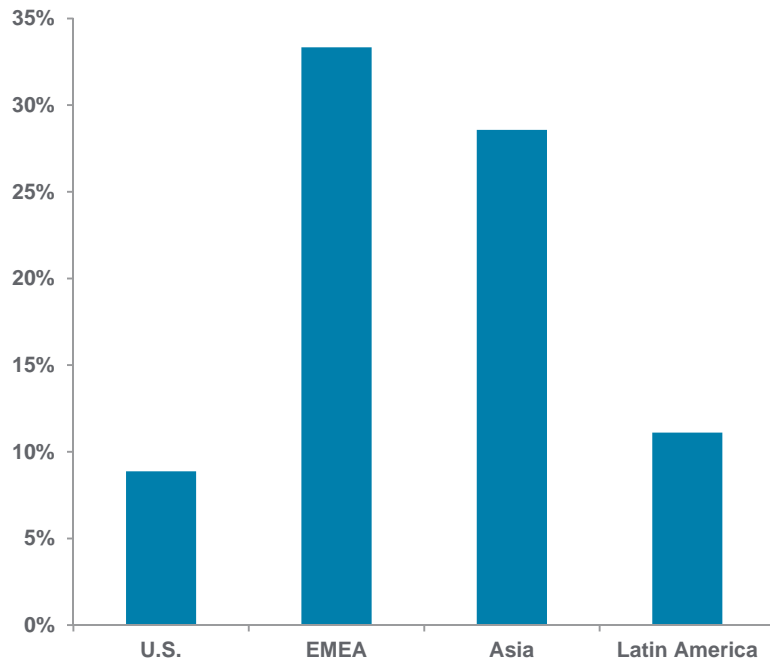
■ With Change of Control Portability ■ Without Change of Control Portability



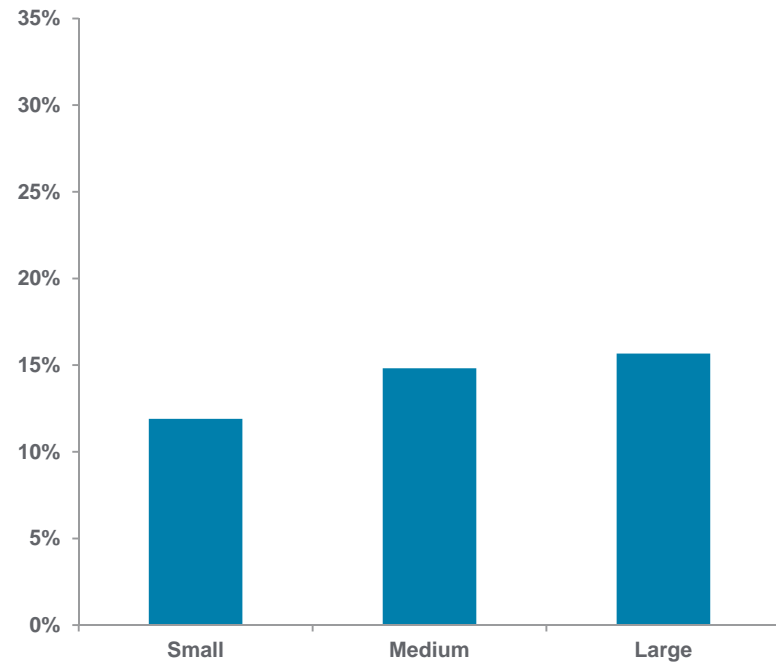
Change of Control Portability

% of Deals with Change of Control Portability

Geography 2014



Deal Size 2014

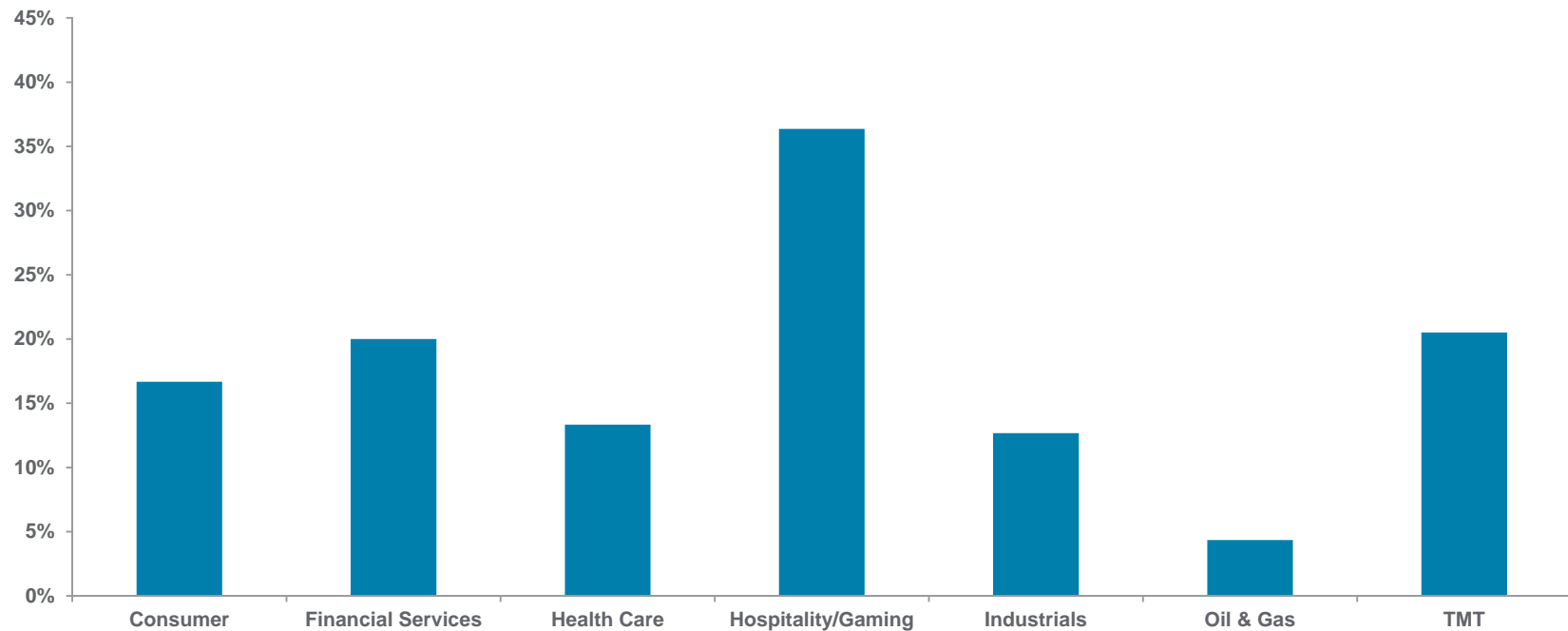




Change of Control Portability

% of Deals with Change of Control Portability

Industry 2014

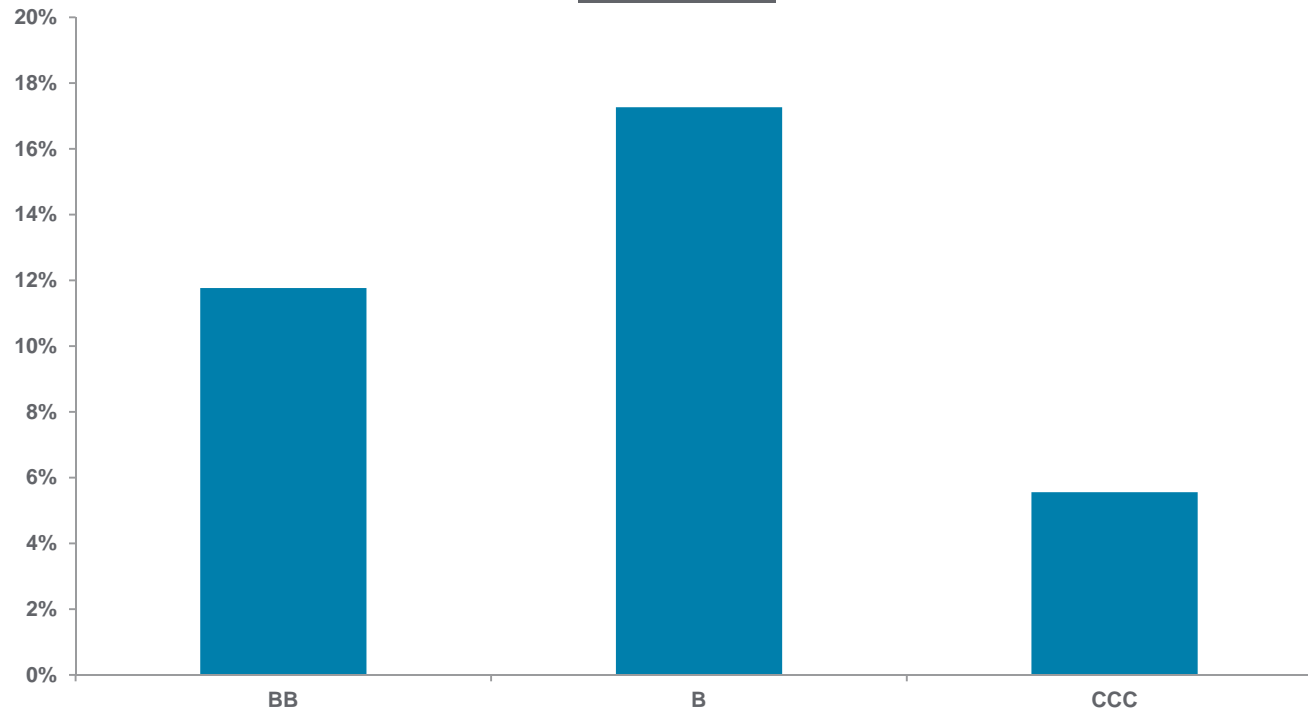




Change of Control Portability

% of Deals with Change of Control Portability

Ratings 2014

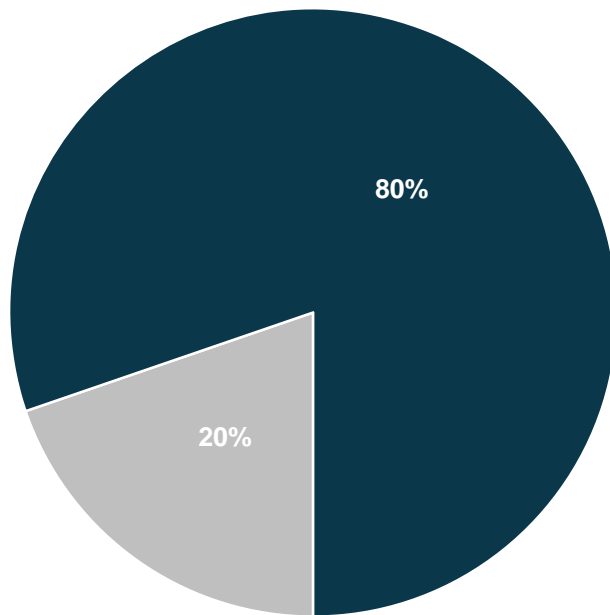




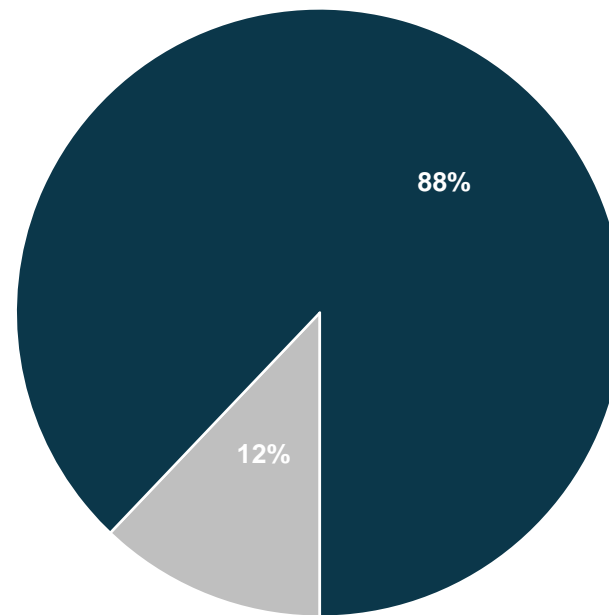
Change of Control Portability

% of Deals

Sponsor 2014



Non-Sponsor 2014



■ With Change of Control Portability
■ Without Change of Control Portability

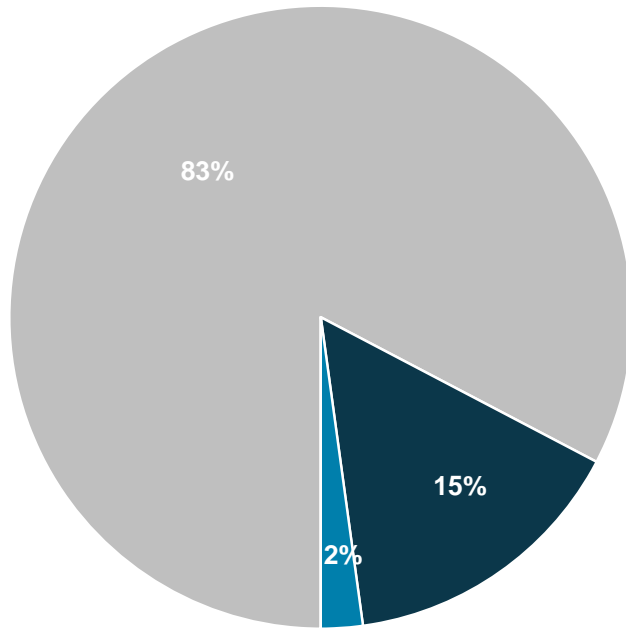


Debt

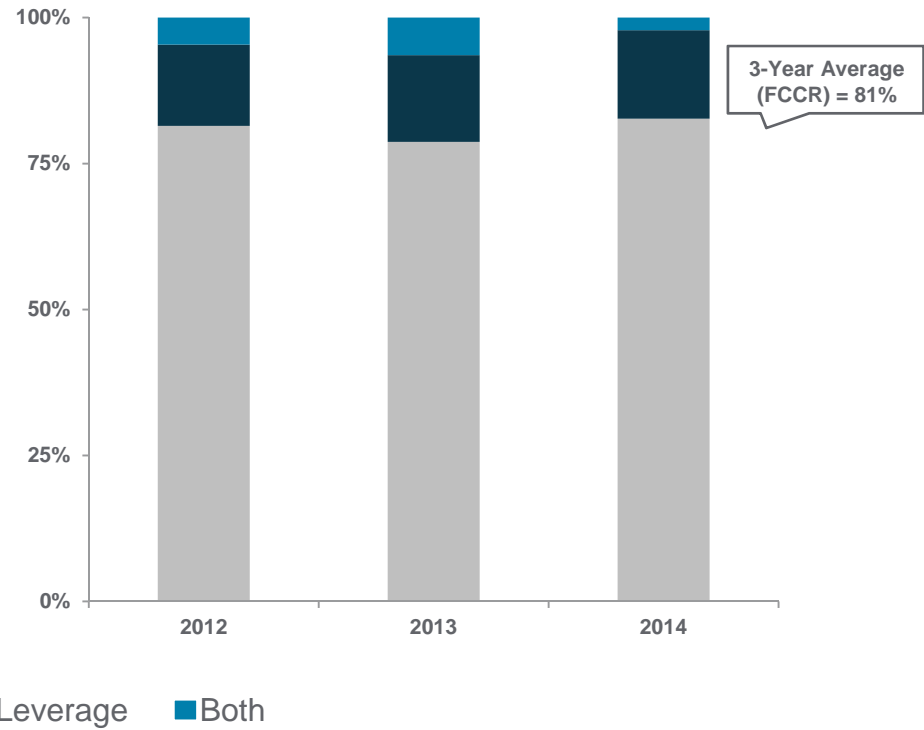


Ratio Debt % of Deals

Global 2014

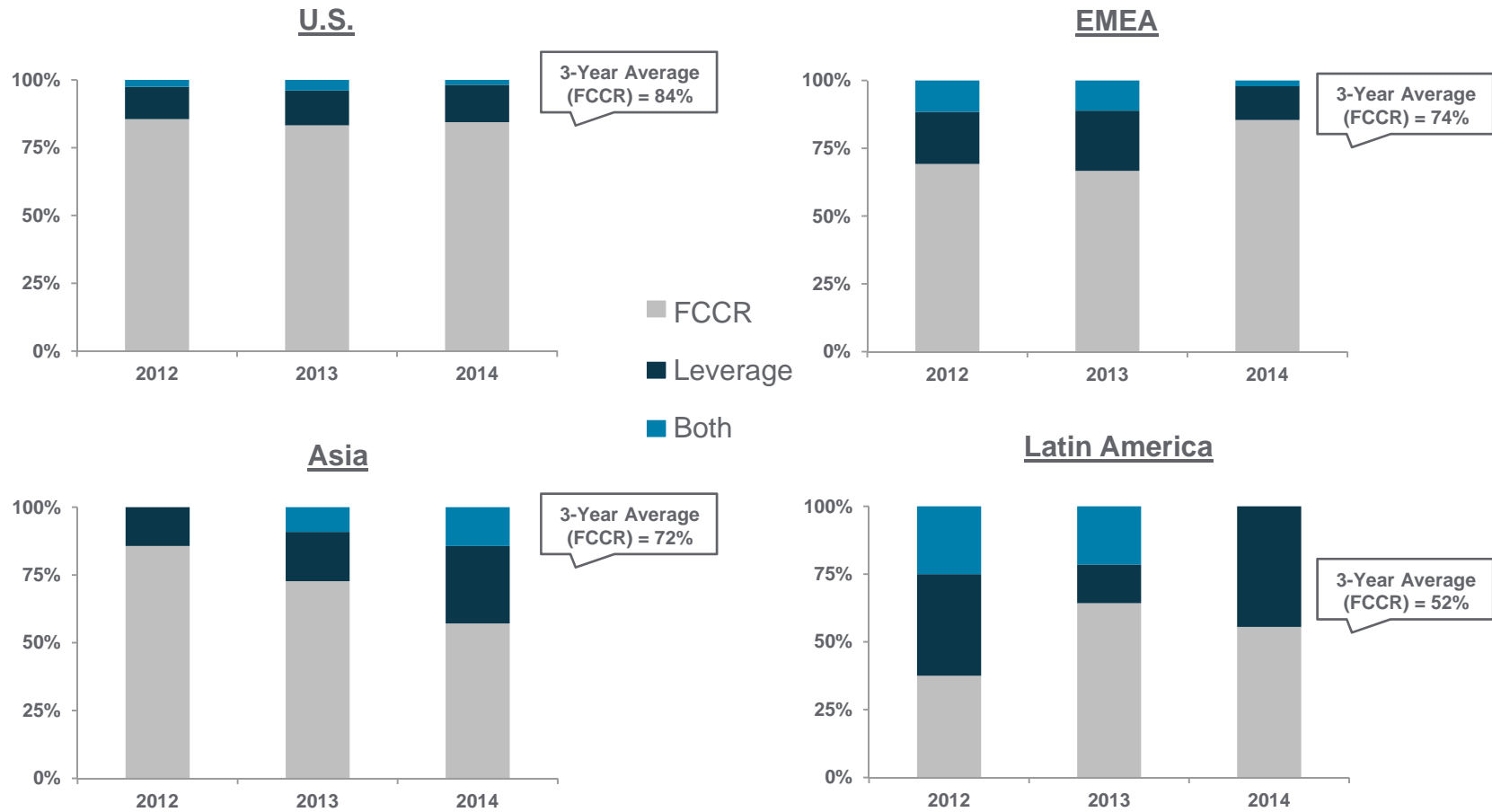


Global



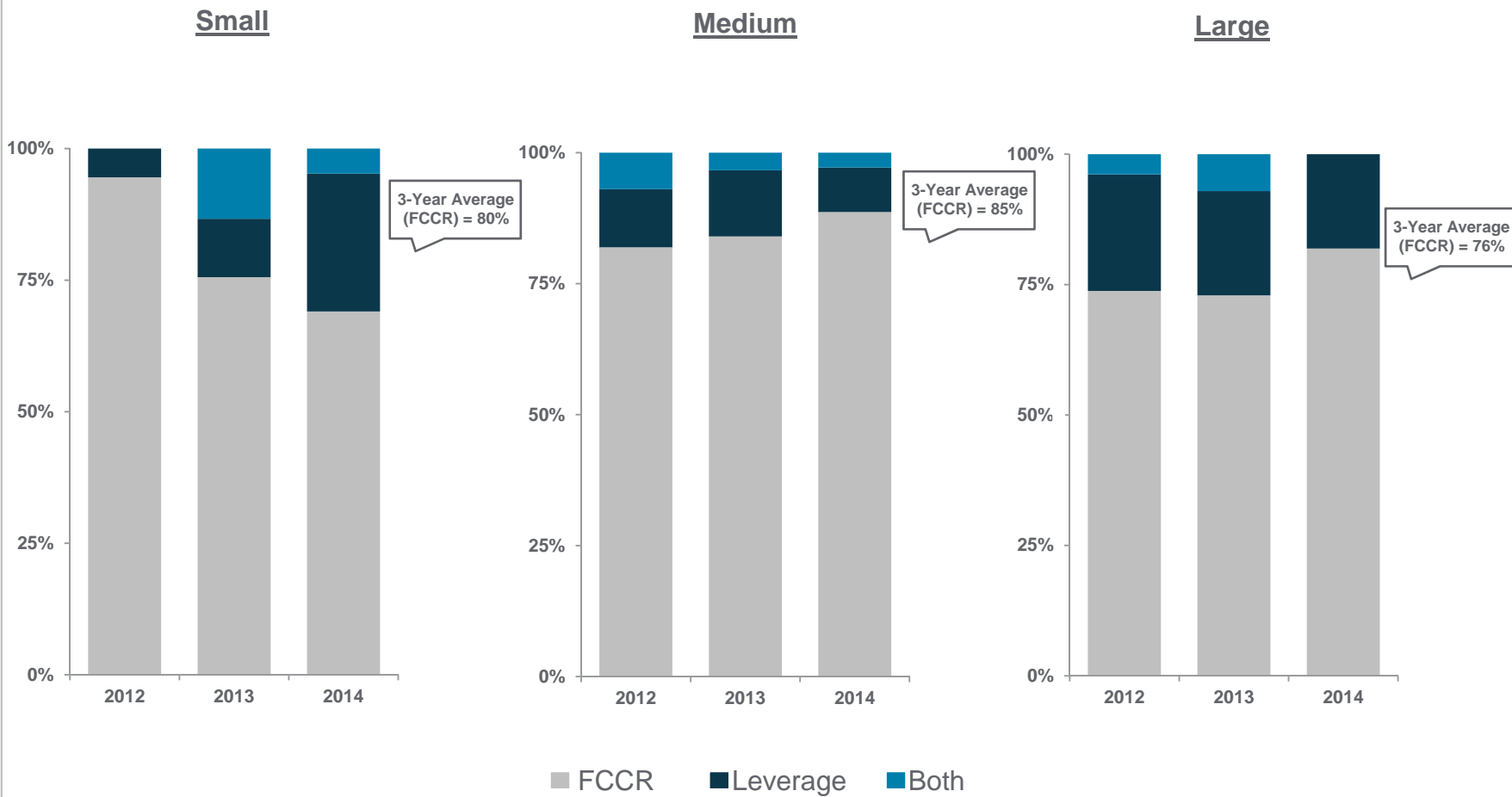


Ratio Debt Geographic Breakdown



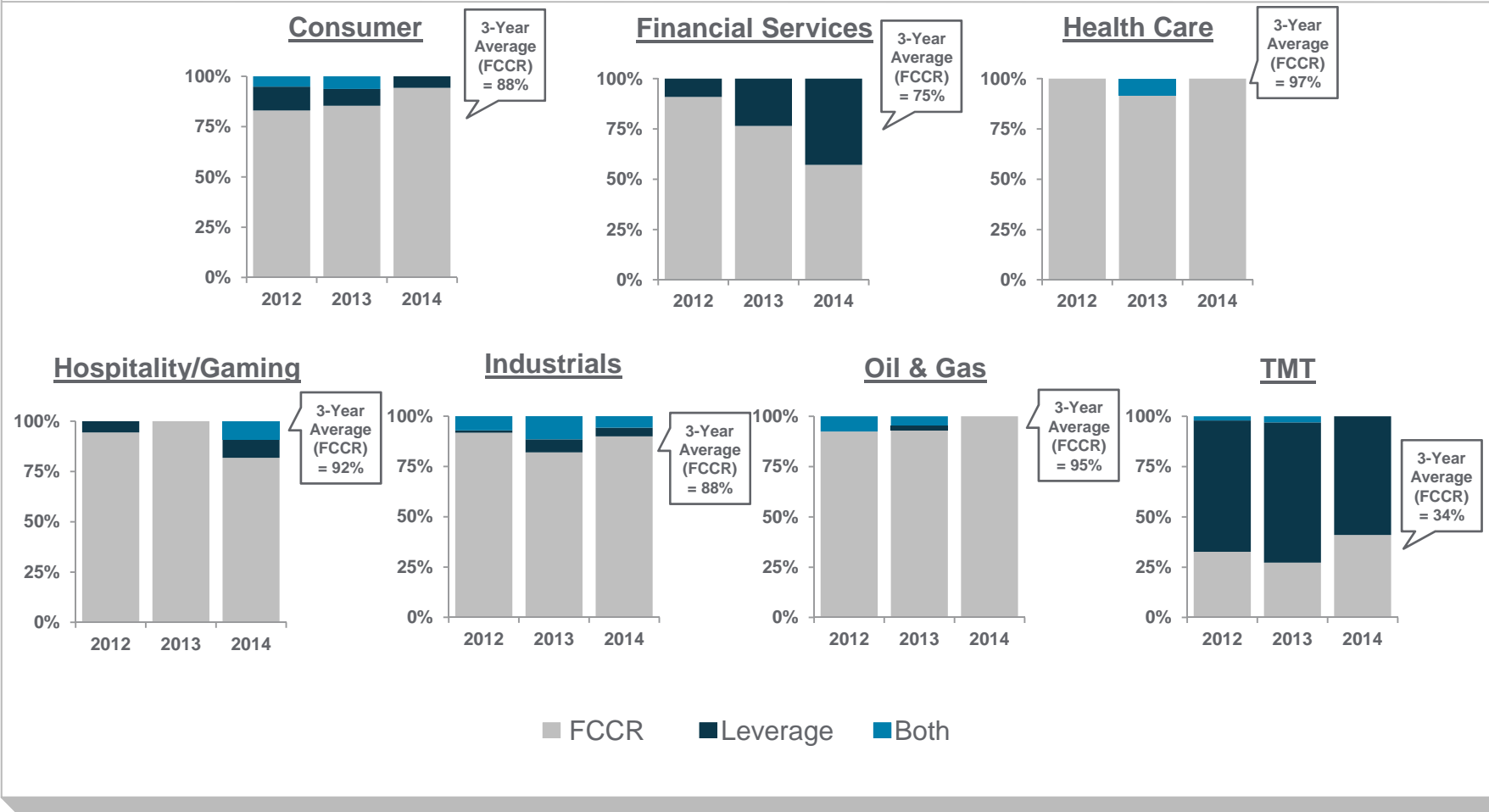


Ratio Debt Deal Size Breakdown



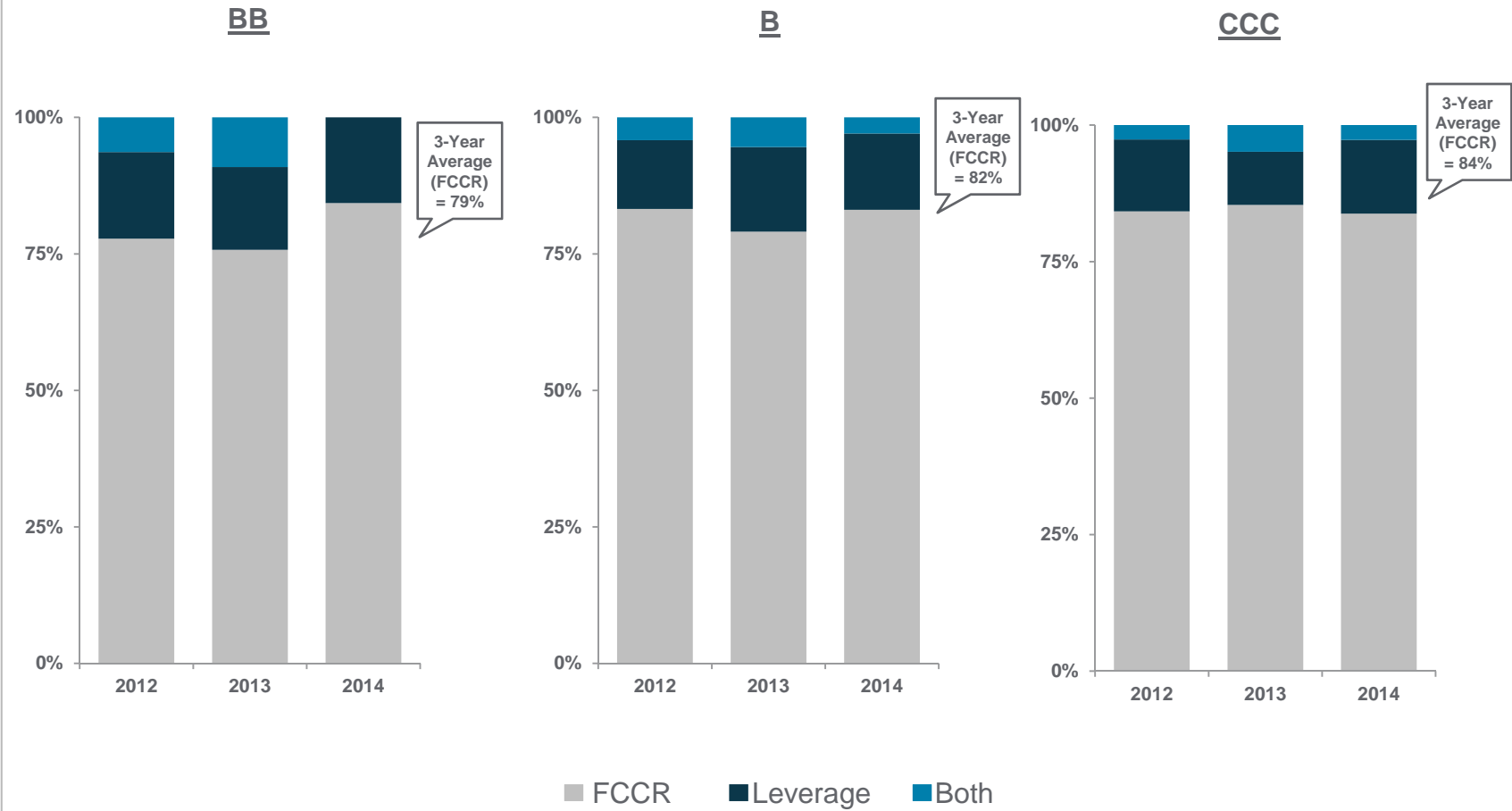


Ratio Debt Industry Breakdown



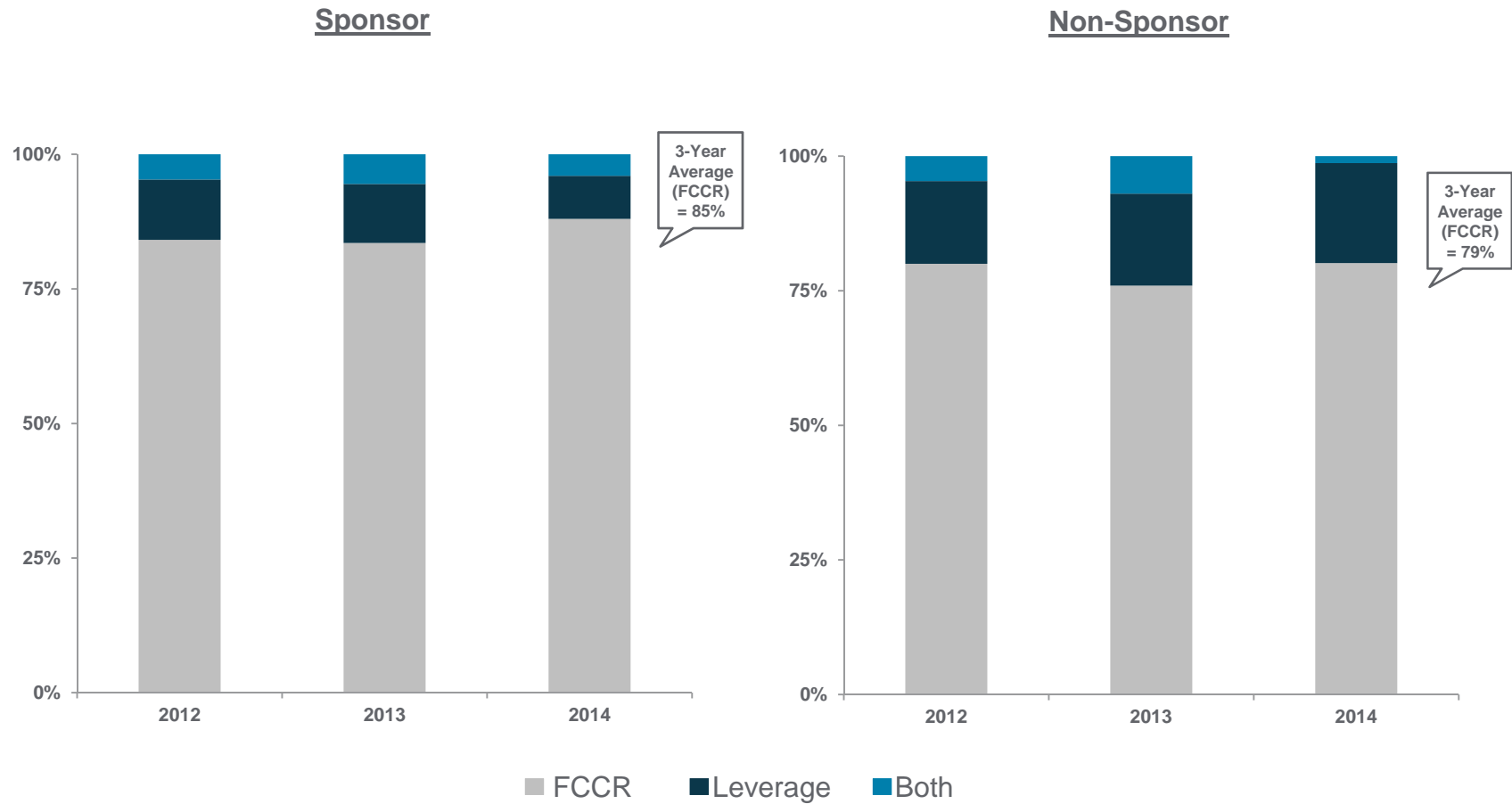


Ratio Debt Ratings Breakdown





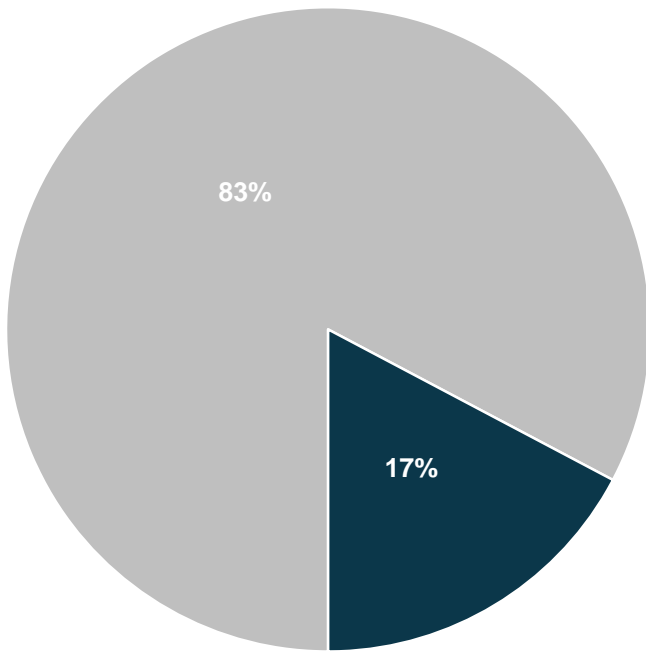
Ratio Debt Sponsor Breakdown



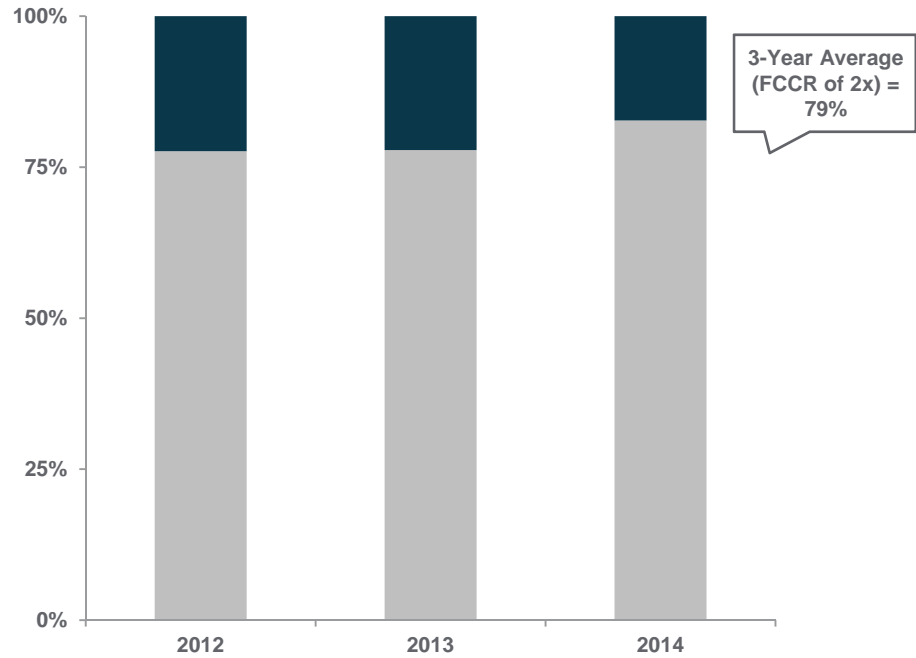


Ratio Debt % of Deals

Global 2014



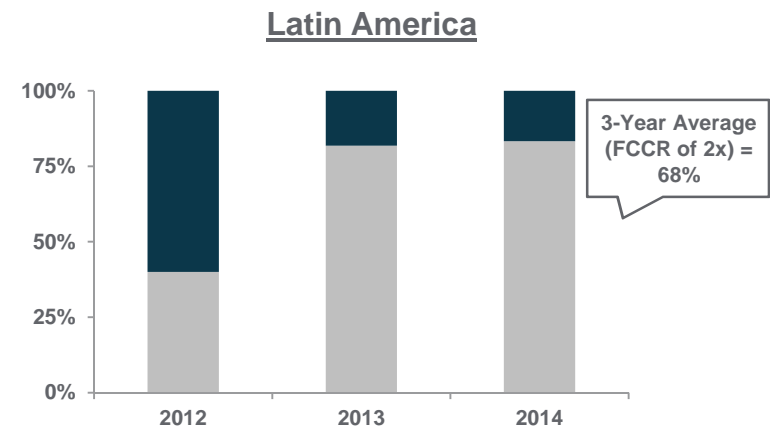
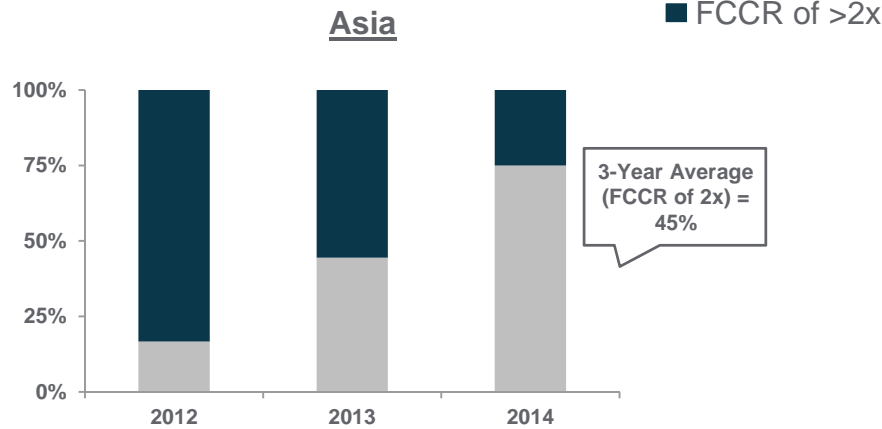
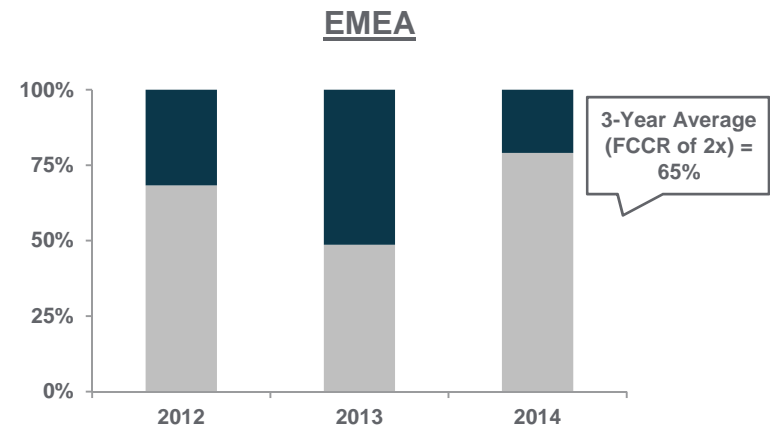
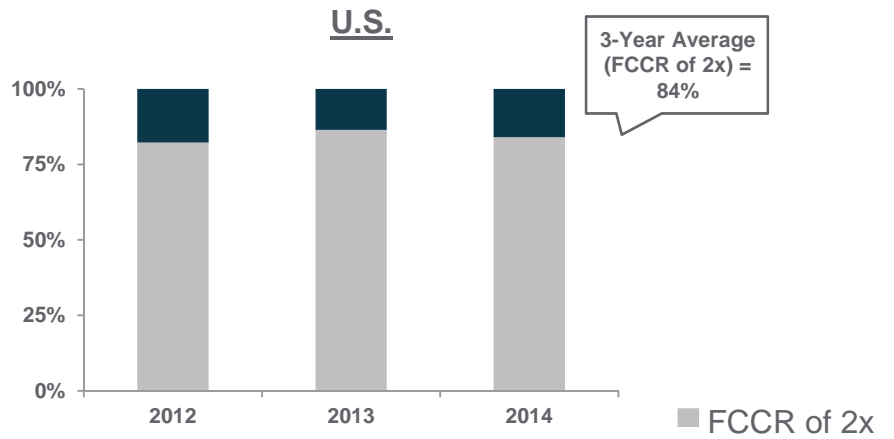
Global



■ FCCR of 2x ■ FCCR of >2x

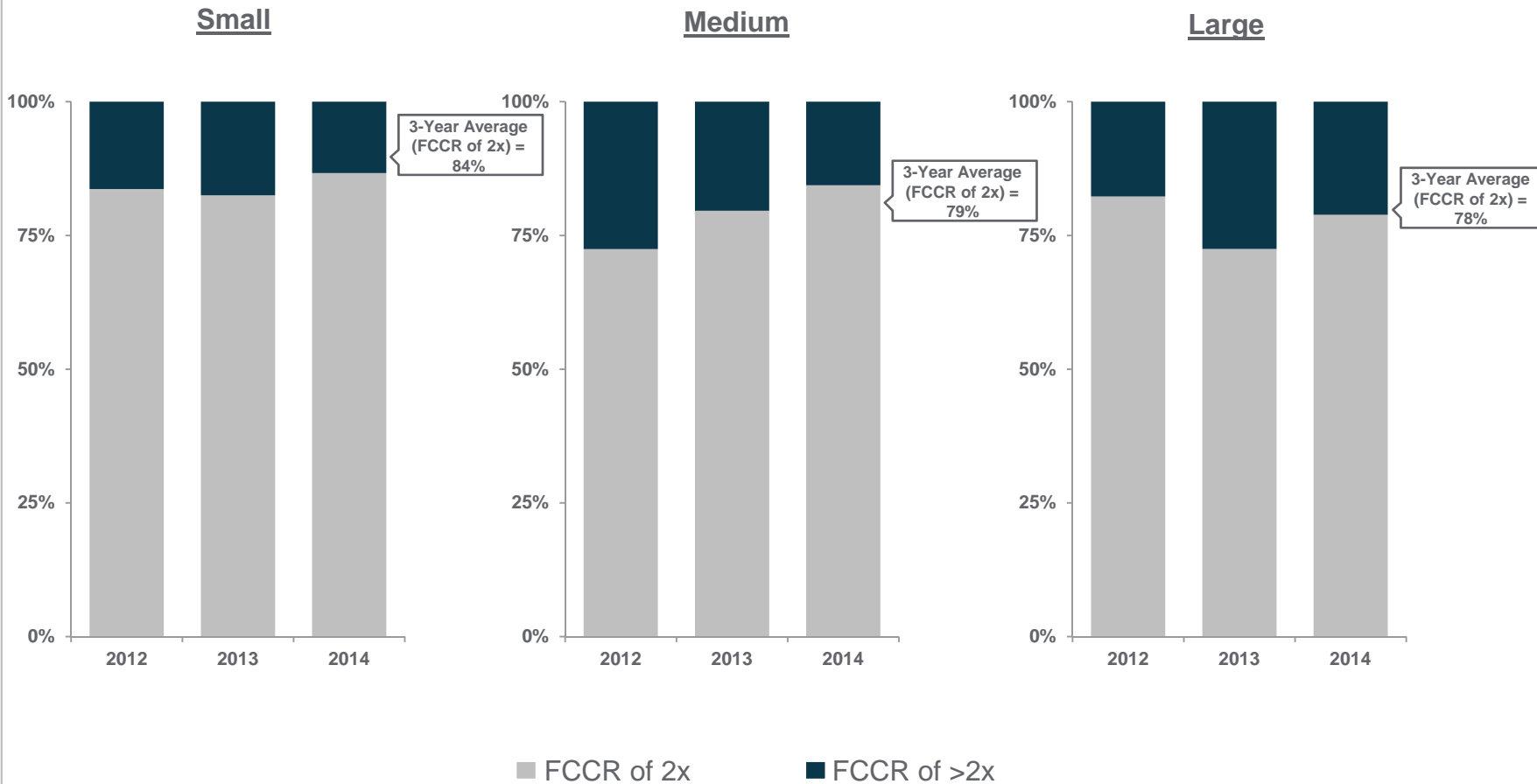


Ratio Debt Geographic Breakdown



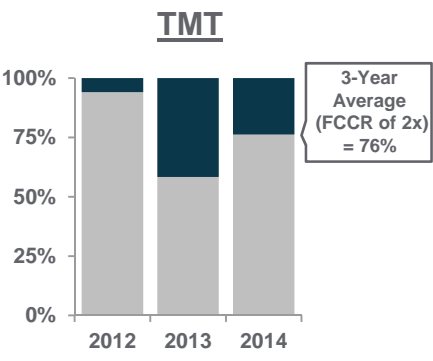
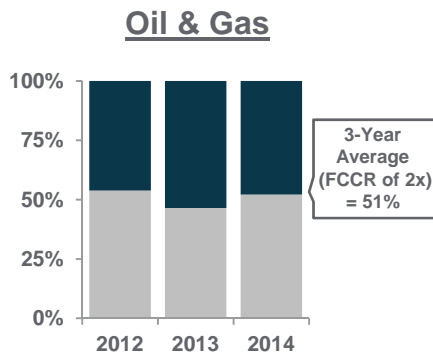
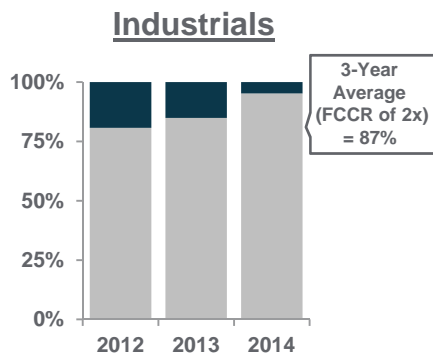
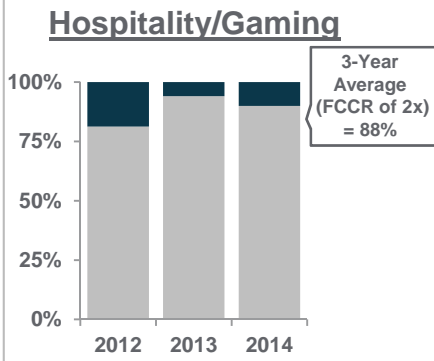
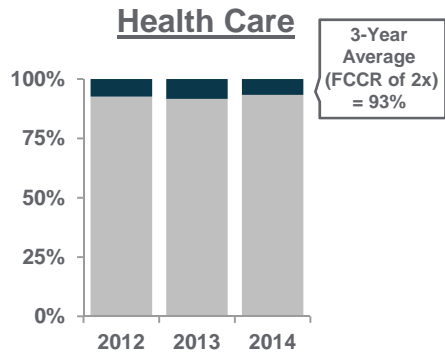
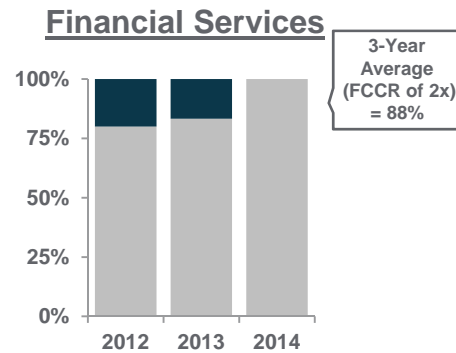
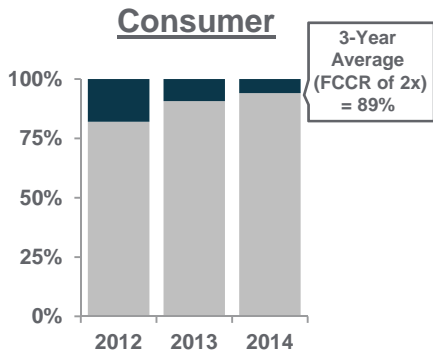


Ratio Debt Deal Size Breakdown





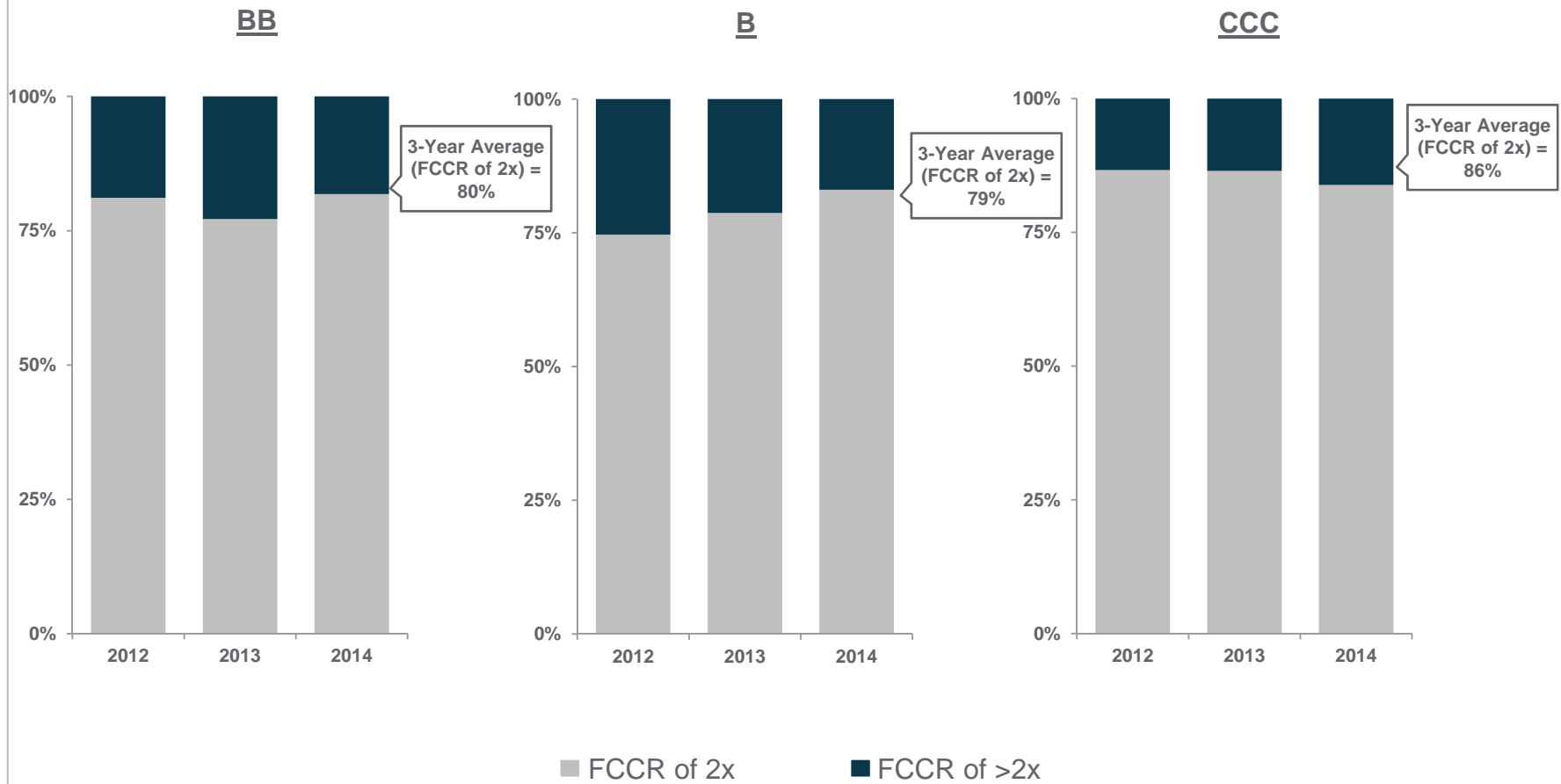
Ratio Debt Industry Breakdown



■ FCCR of 2x ■ FCCR of >2x



Ratio Debt Ratings Breakdown

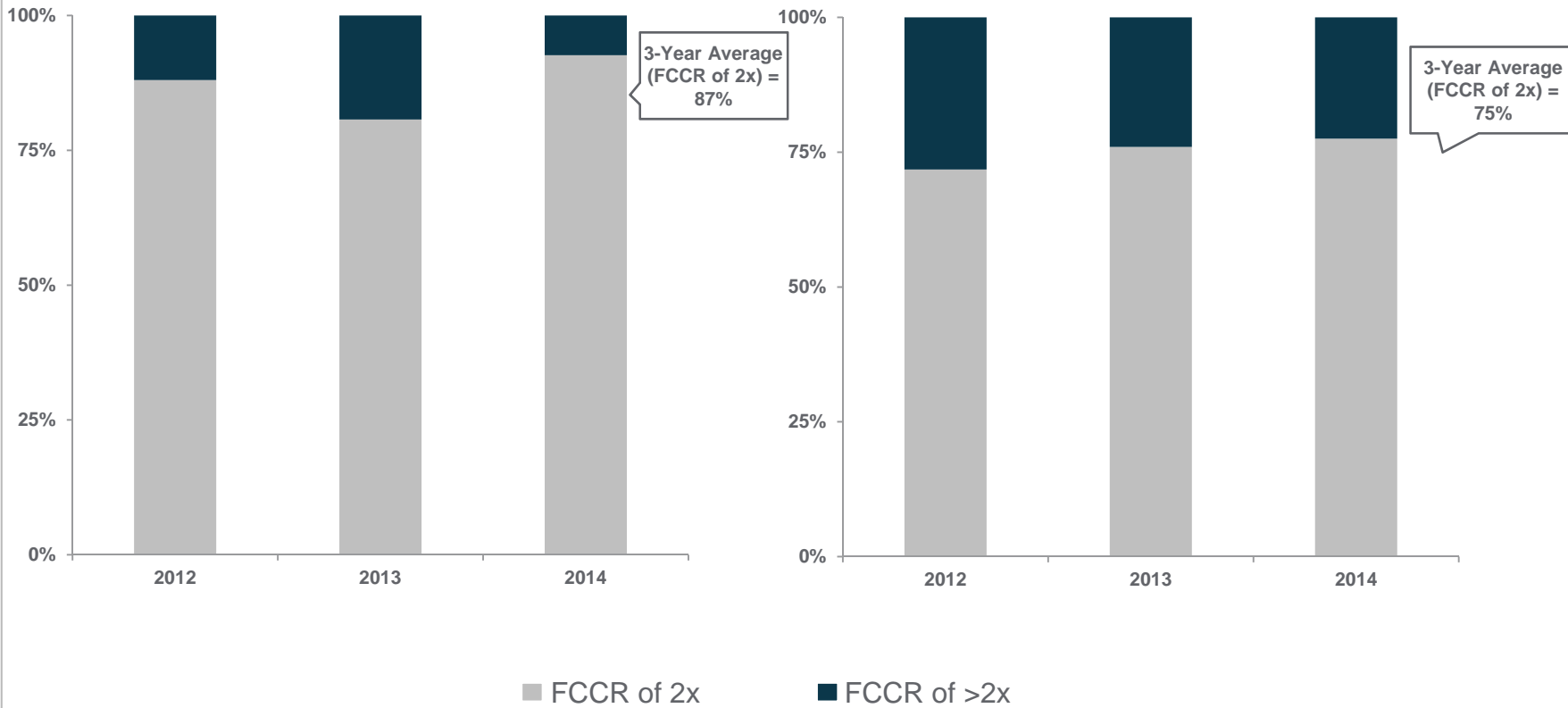




Ratio Debt Sponsor Breakdown

Sponsor

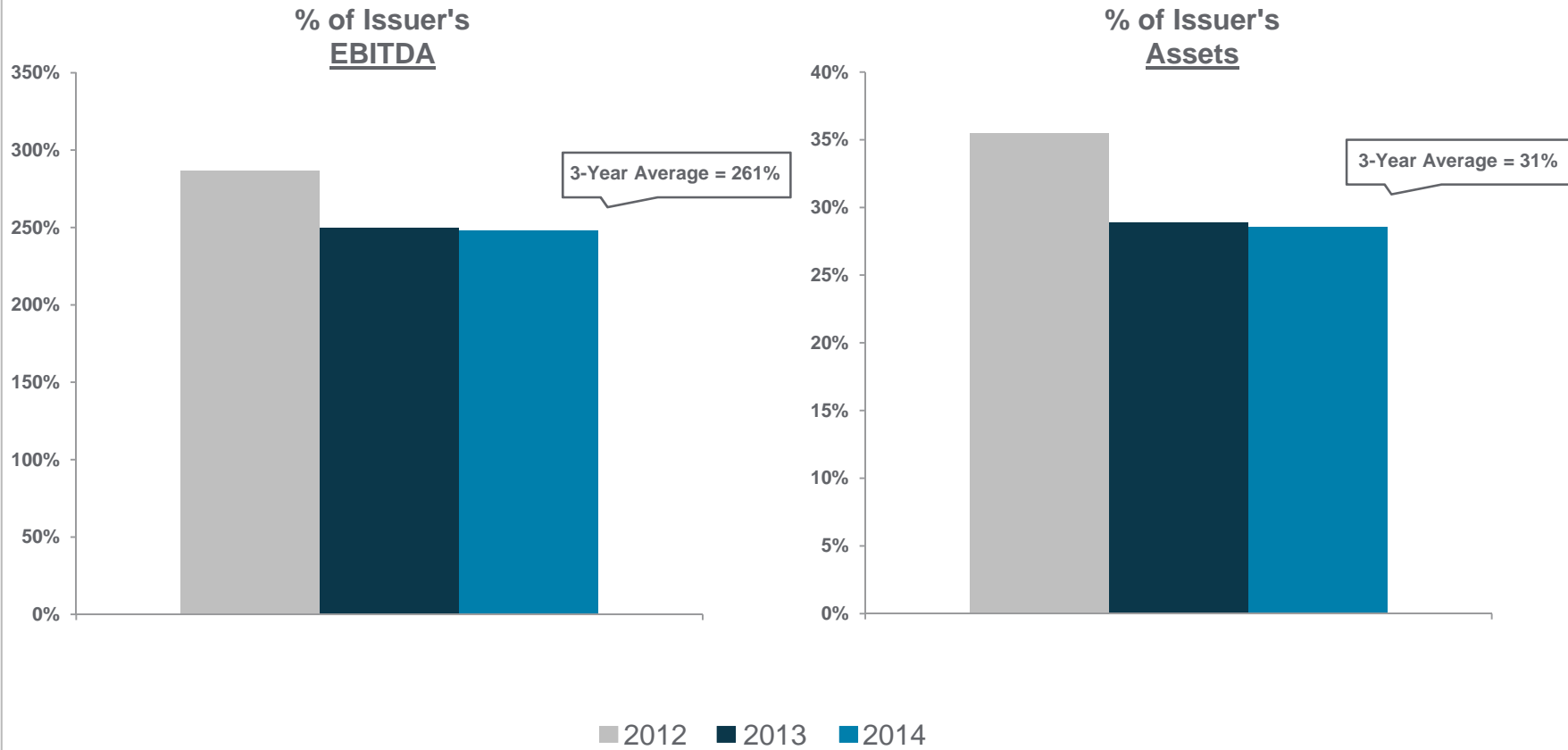
Non-Sponsor





Senior Credit Facilities Basket

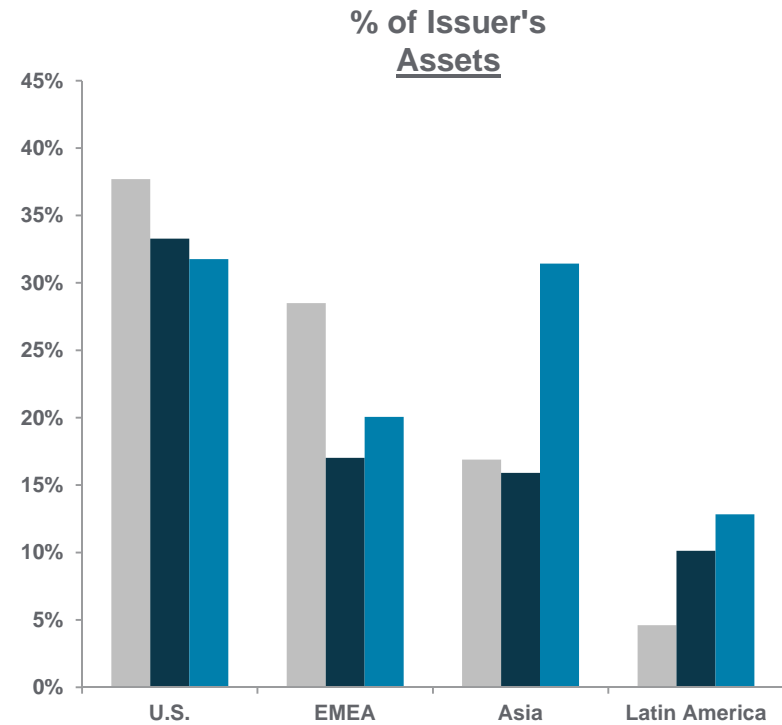
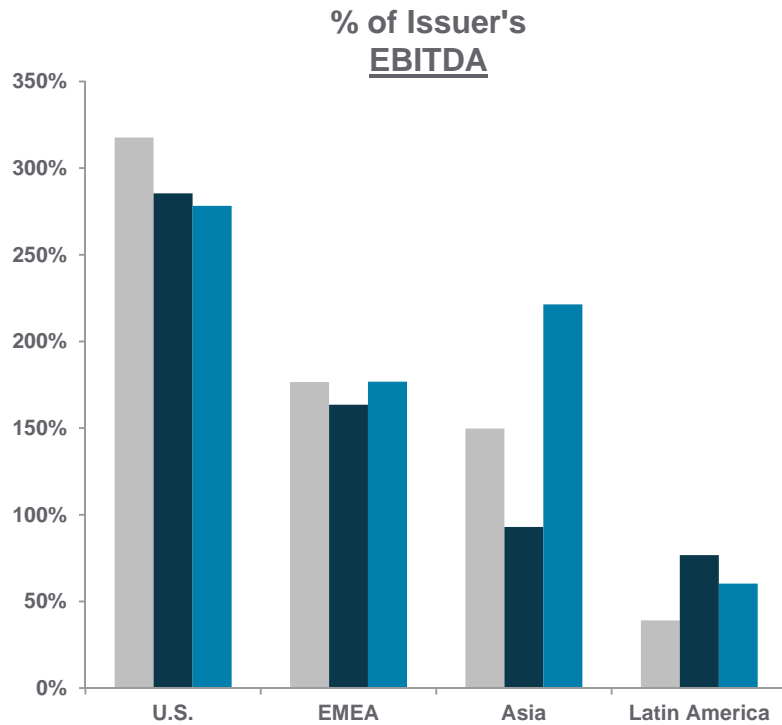
Global Analysis





Senior Credit Facilities Basket

Geographic Breakdown

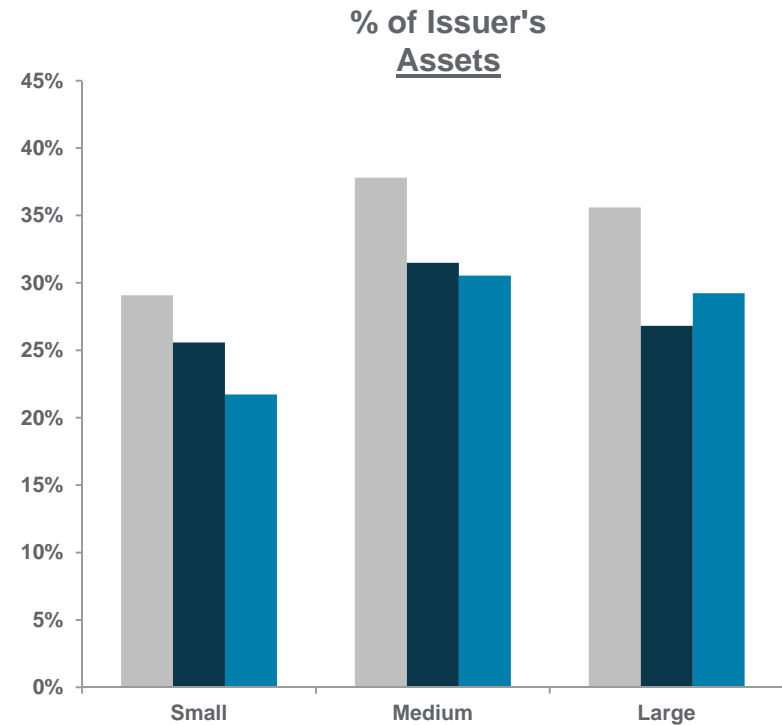
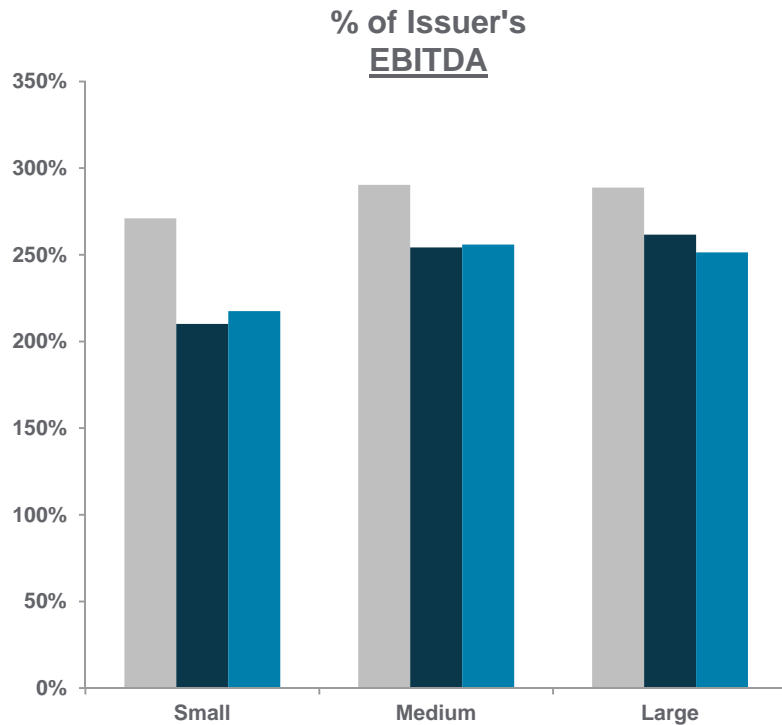


■ 2012 ■ 2013 ■ 2014



Senior Credit Facilities Basket

Deal Size Breakdown

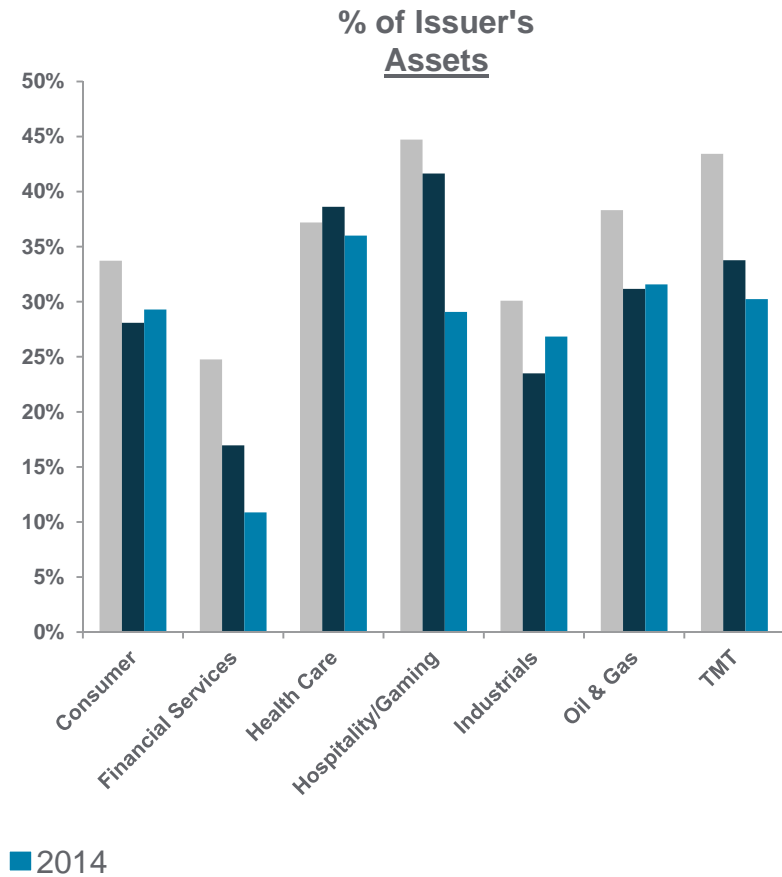
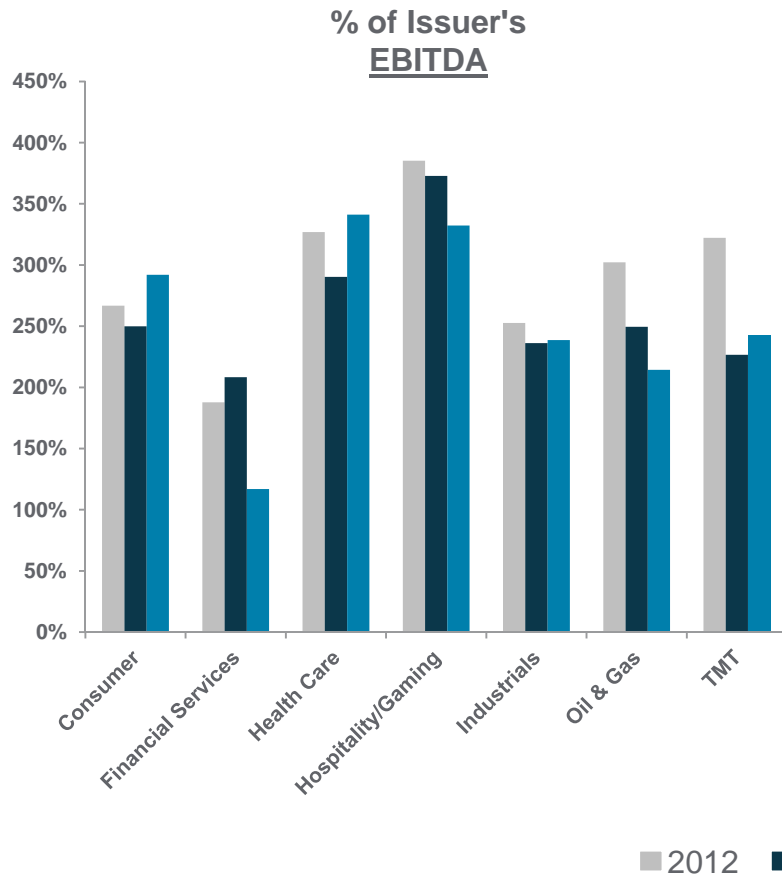


■ 2012 ■ 2013 ■ 2014



Senior Credit Facilities Basket

Industry Breakdown

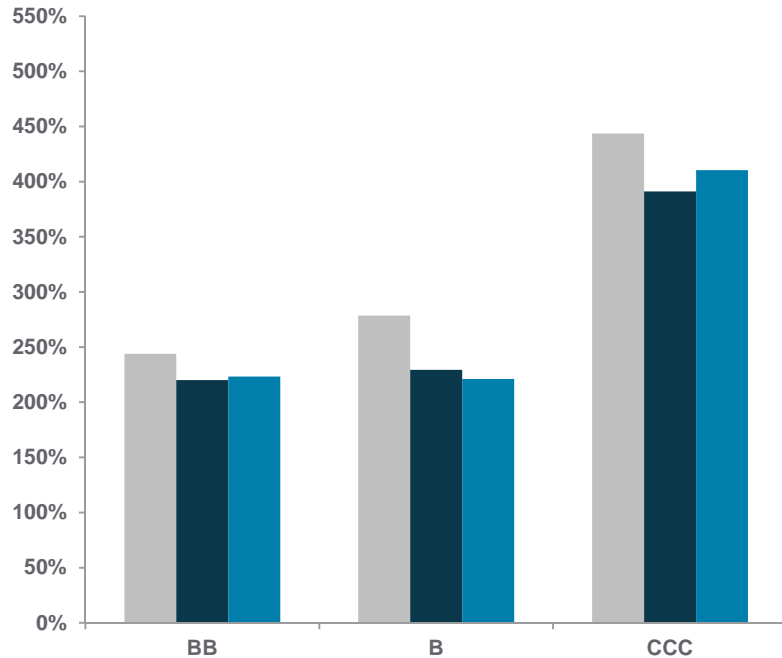




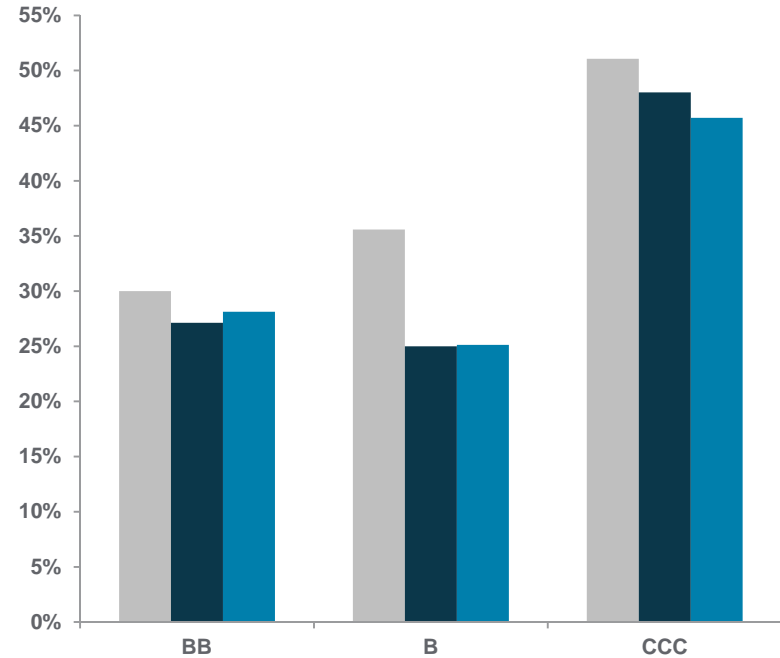
Senior Credit Facilities Basket

Ratings Breakdown

**% of Issuer's
EBITDA**



**% of Issuer's
Assets**

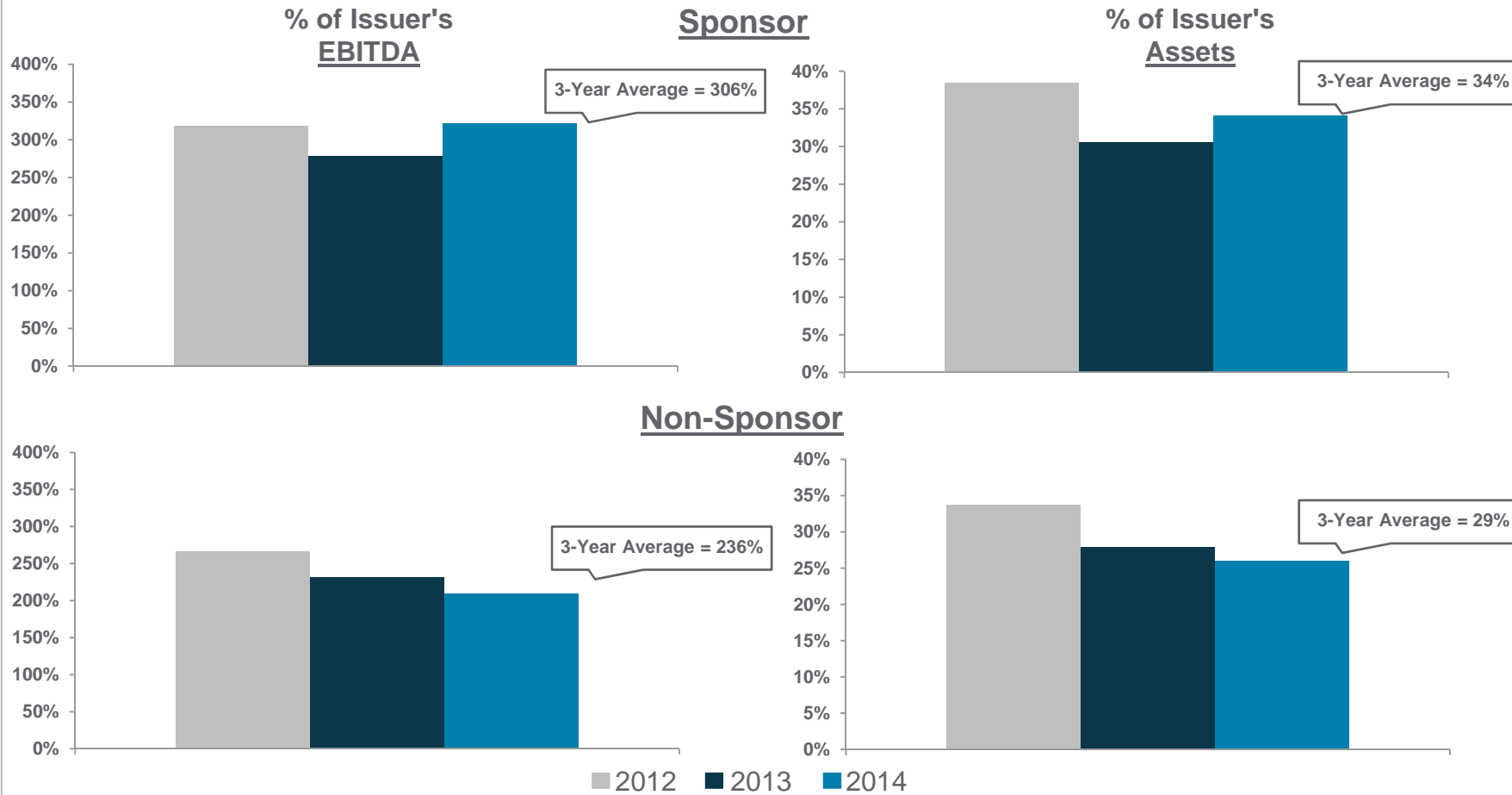


■ 2012 ■ 2013 ■ 2014



Senior Credit Facilities Basket

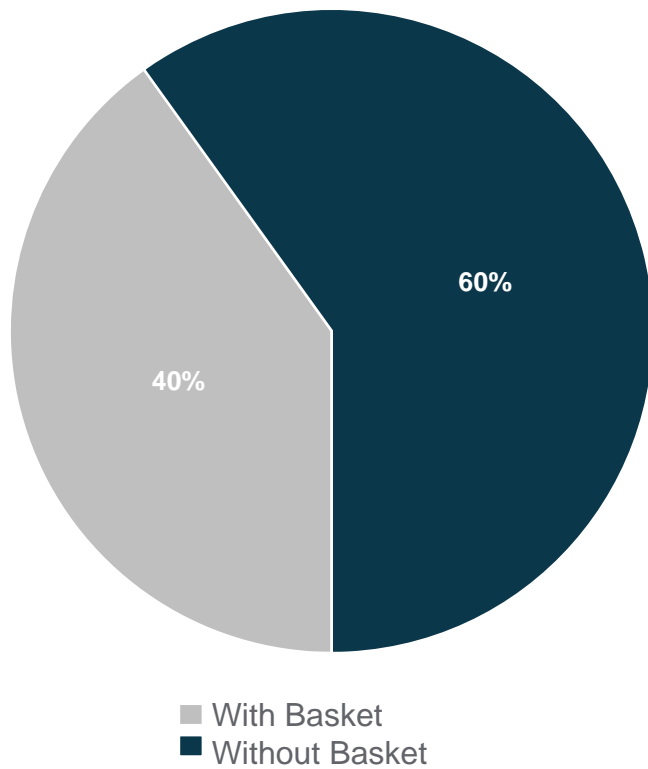
Sponsor Breakdown





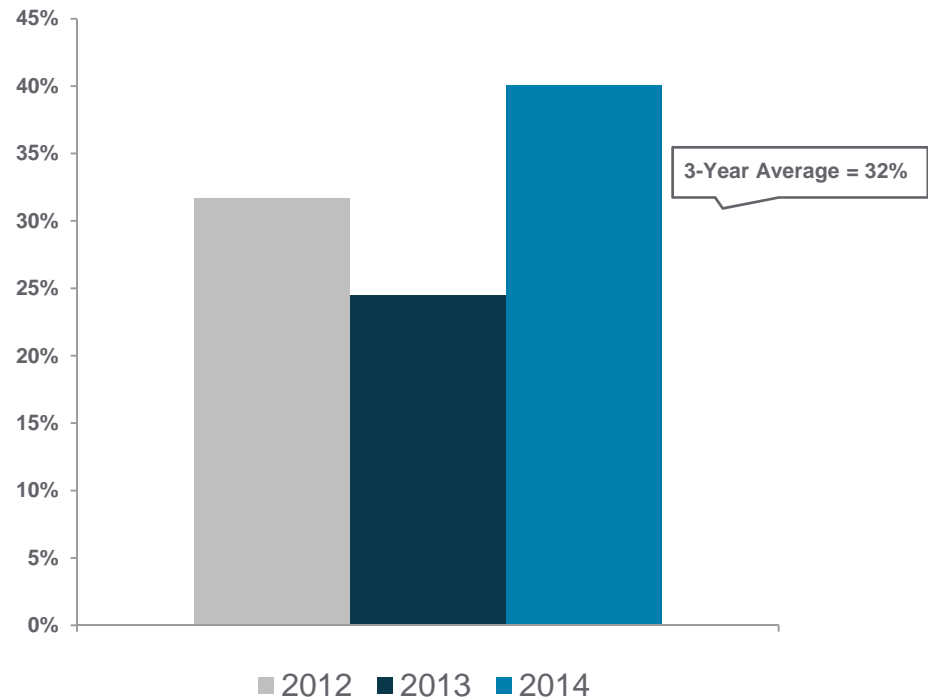
Contribution Indebtedness % of Deals

Global 2014



Global

% of Deals with Basket

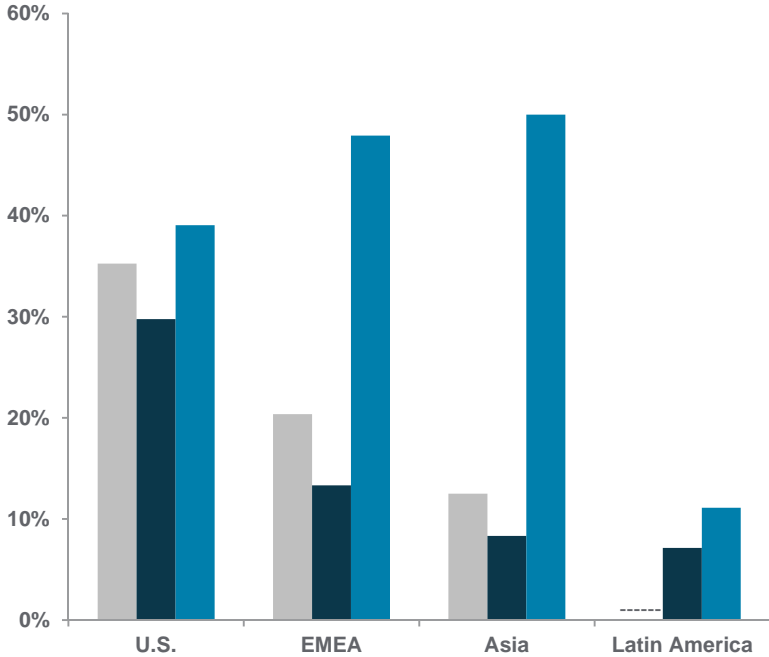




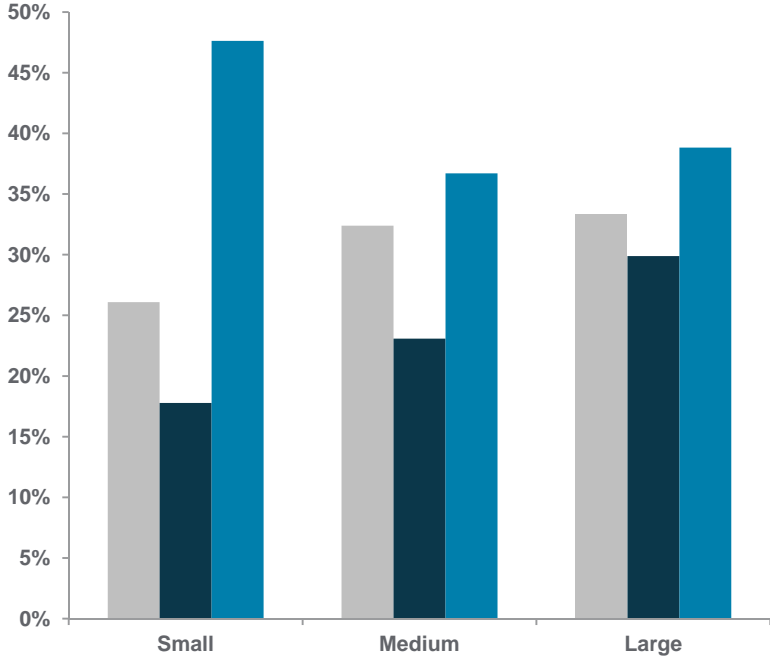
Contribution Indebtedness

% of Deals with Basket

Geography



Deal Size



■ 2012 ■ 2013 ■ 2014

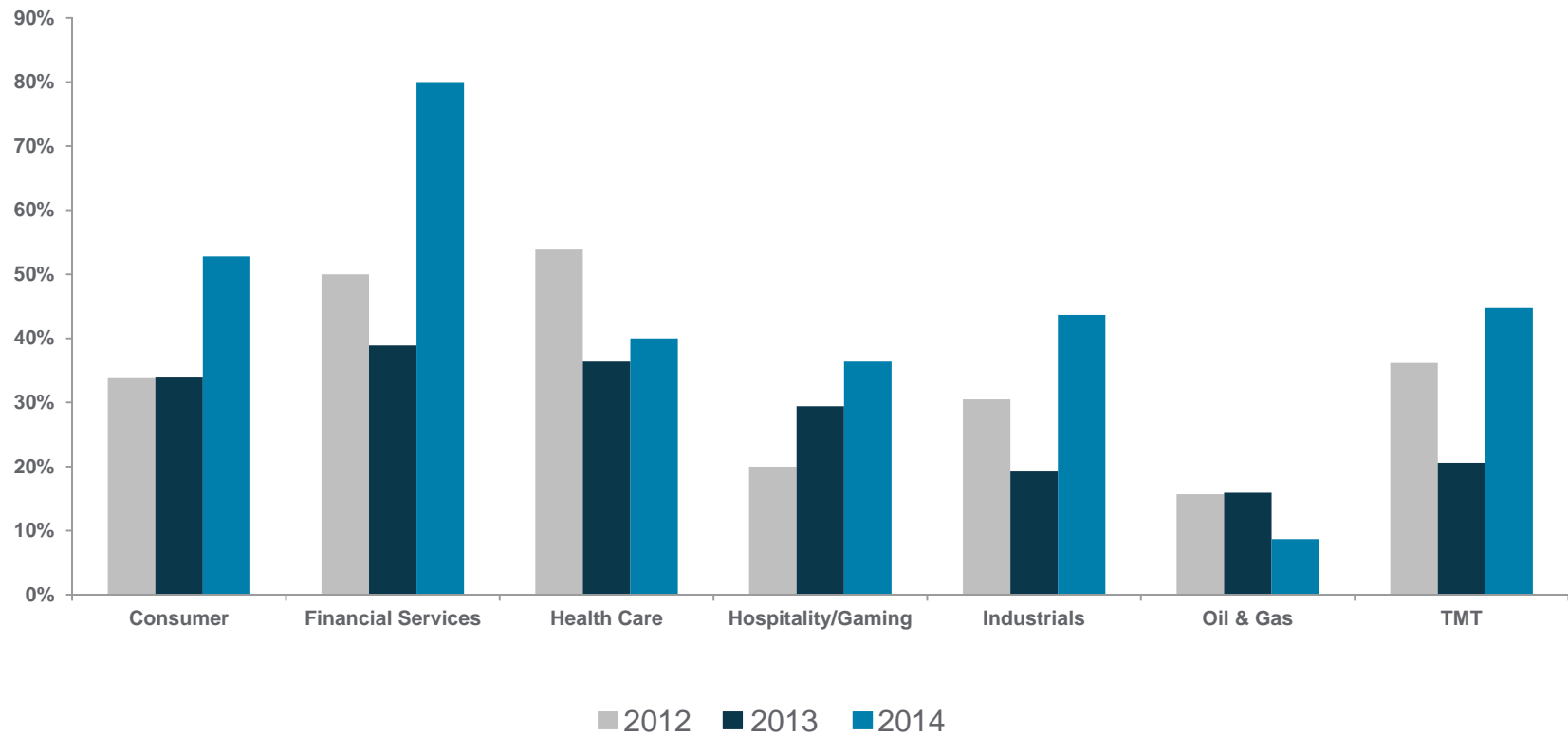
----- Indicates no reviewed deals contained term



Contribution Indebtedness

% of Deals with Basket

Industry

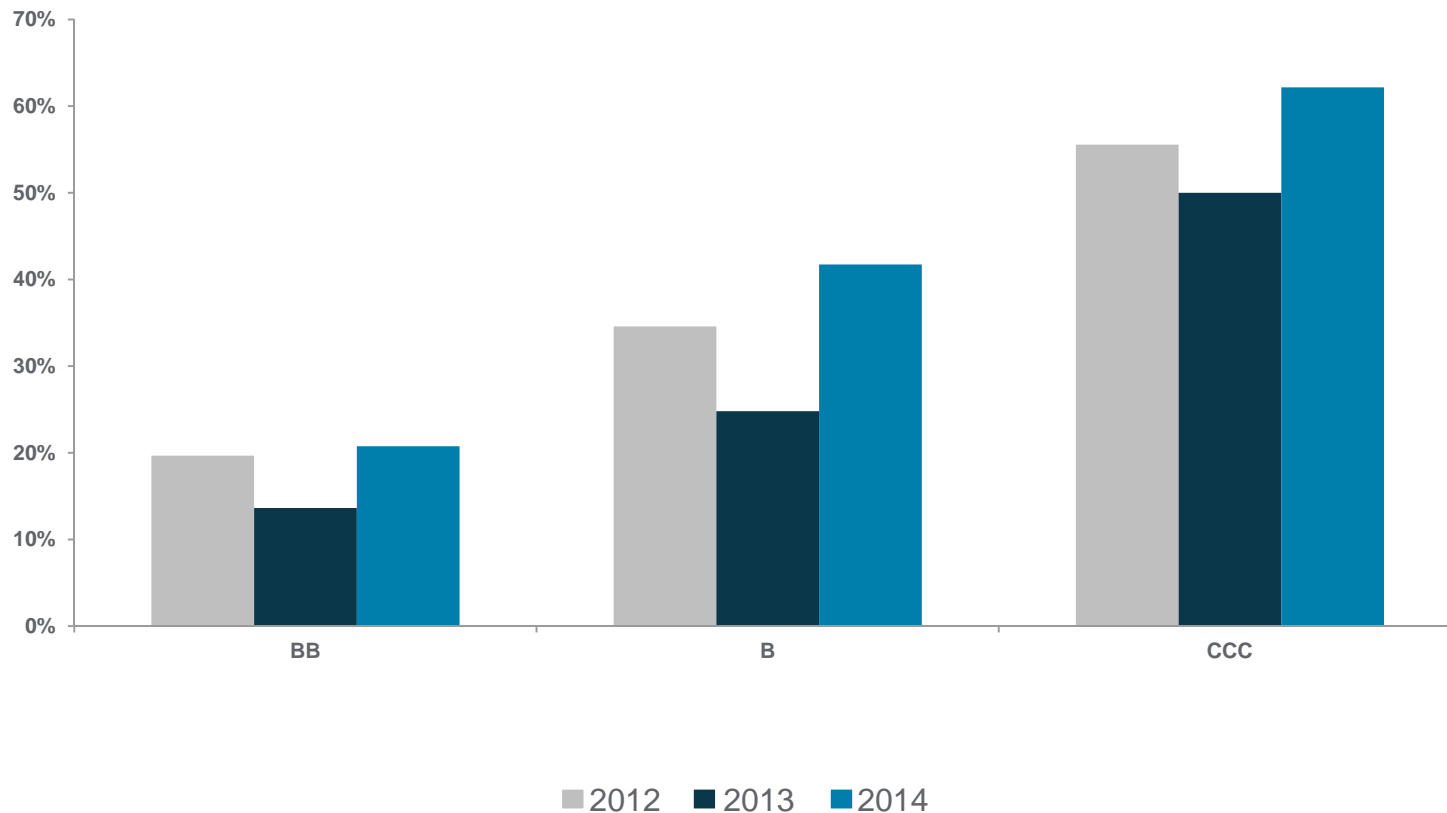




Contribution Indebtedness

% of Deals with Basket

Ratings

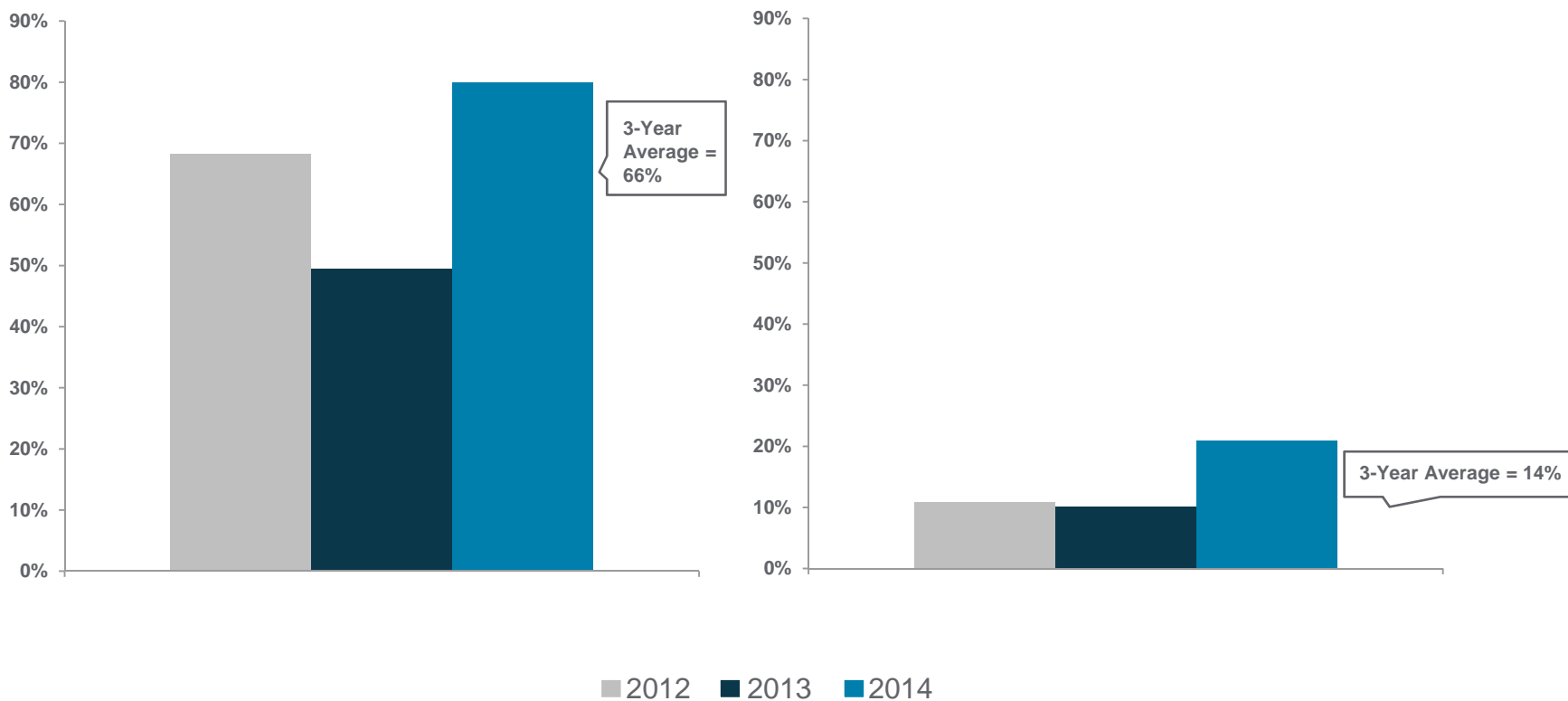


Contribution Indebtedness

% of Deals with Basket

Sponsor

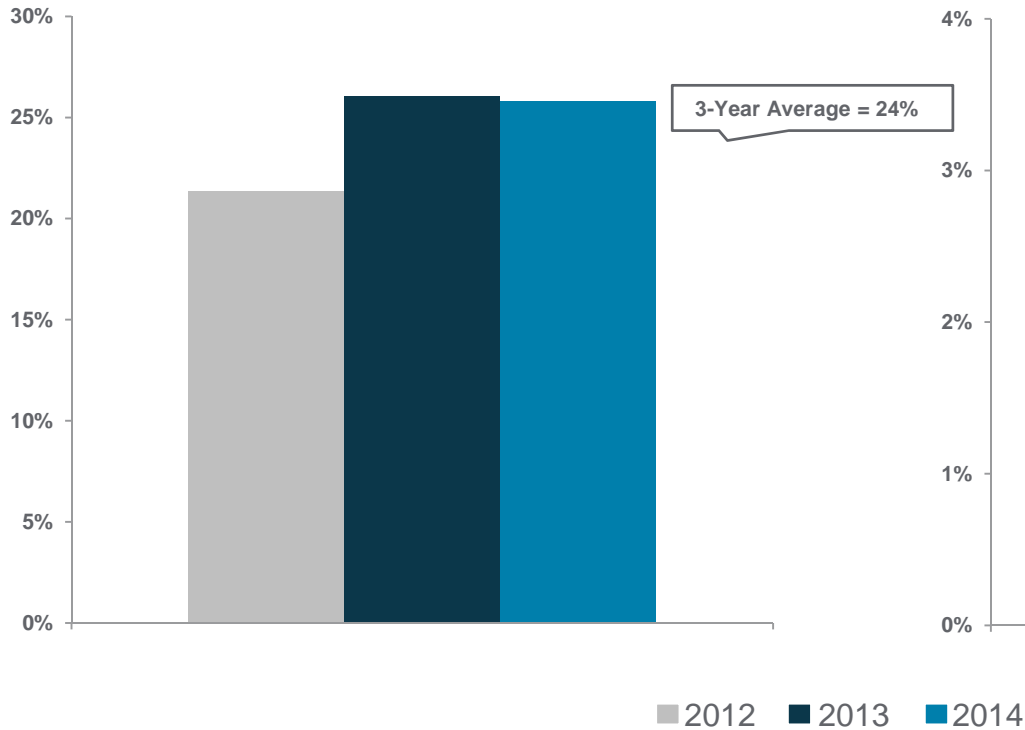
Non-Sponsor



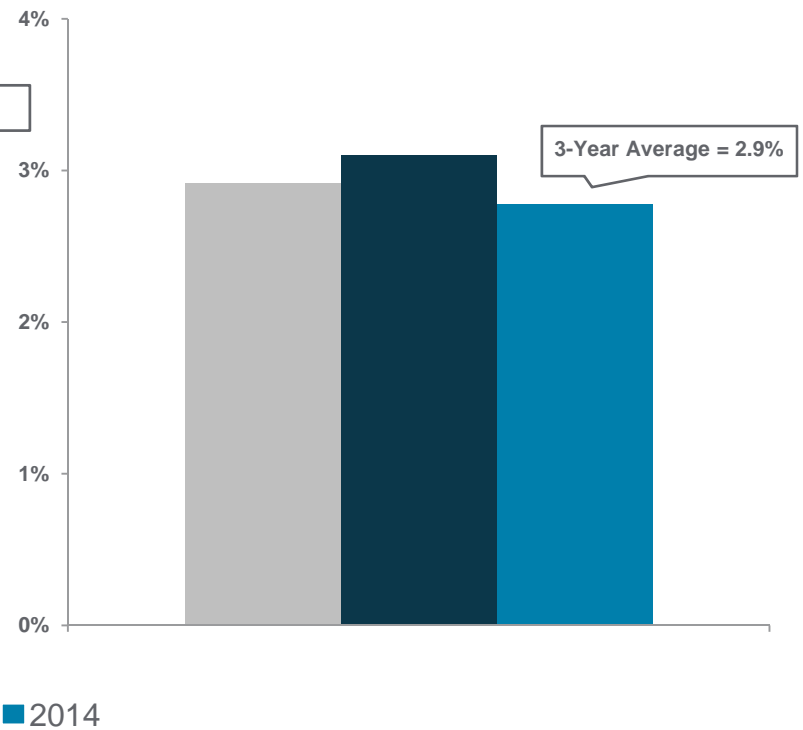


Purchase Money/Capital Lease Debt Basket Global Analysis

**% of Issuer's
EBITDA**

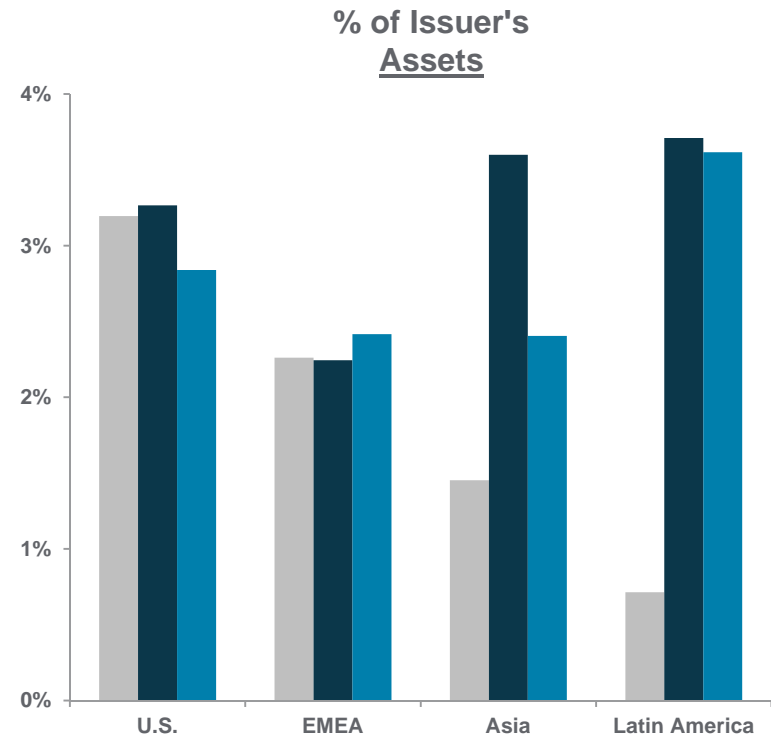
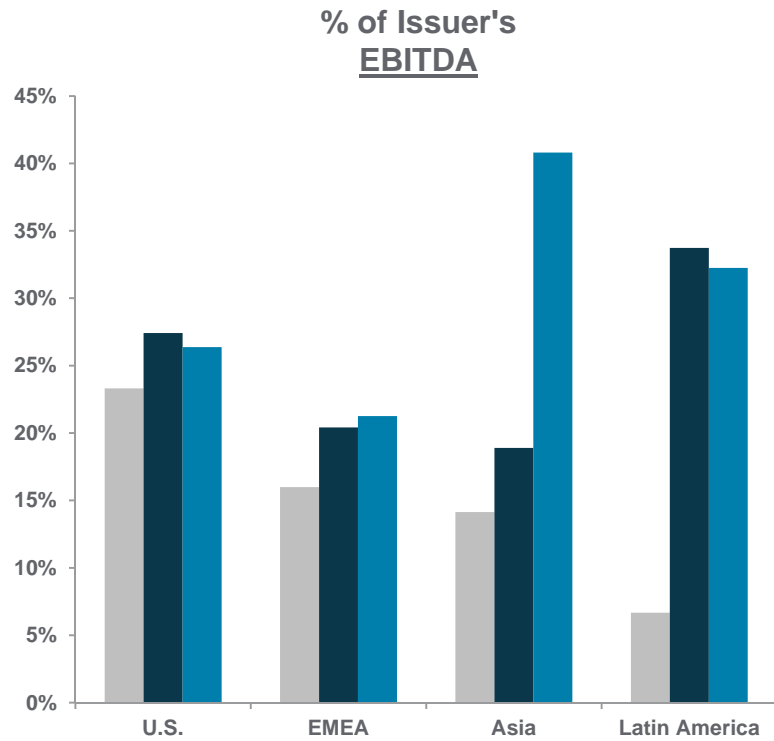


**% of Issuer's
Assets**





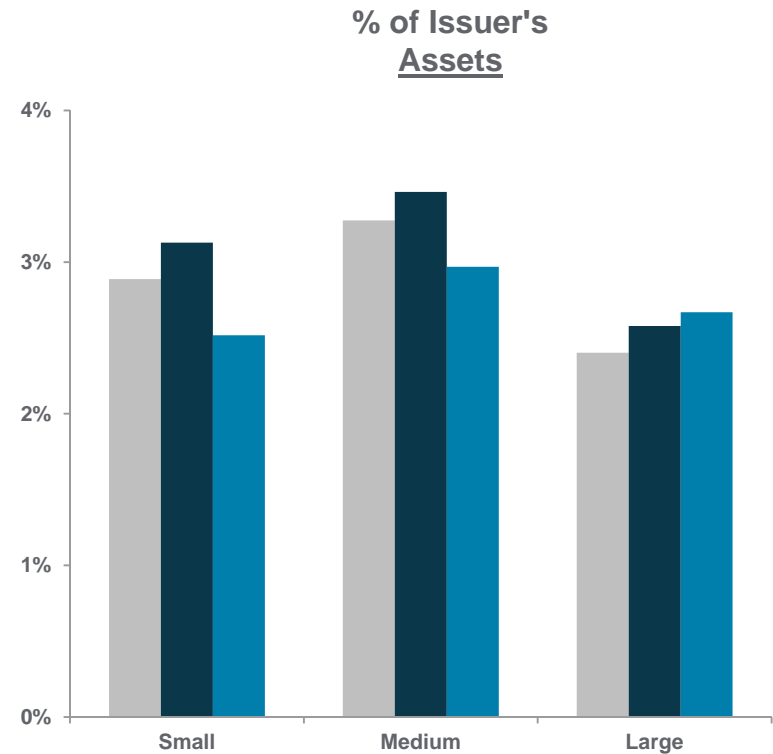
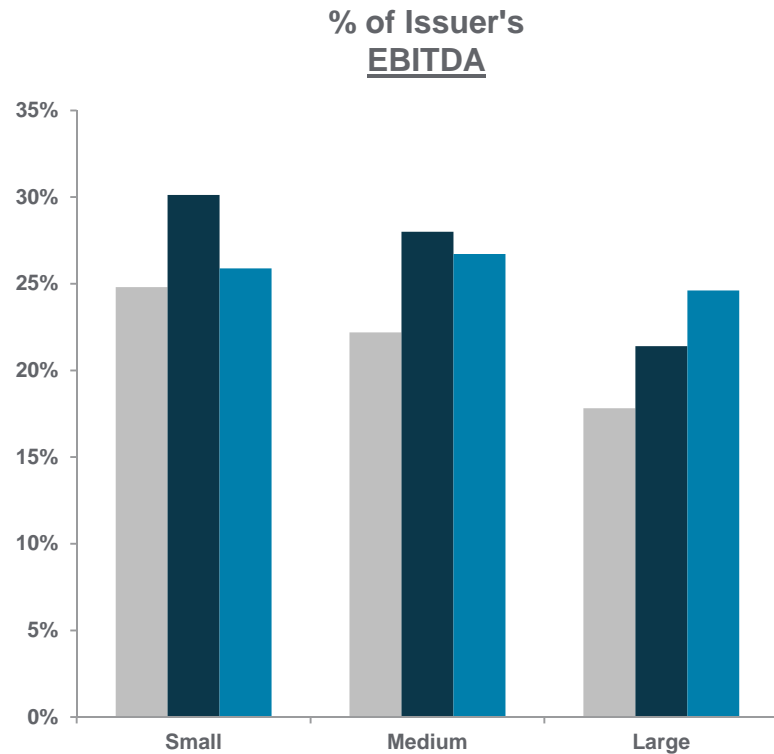
Purchase Money/Capital Lease Debt Basket Geographic Breakdown



■ 2012 ■ 2013 ■ 2014



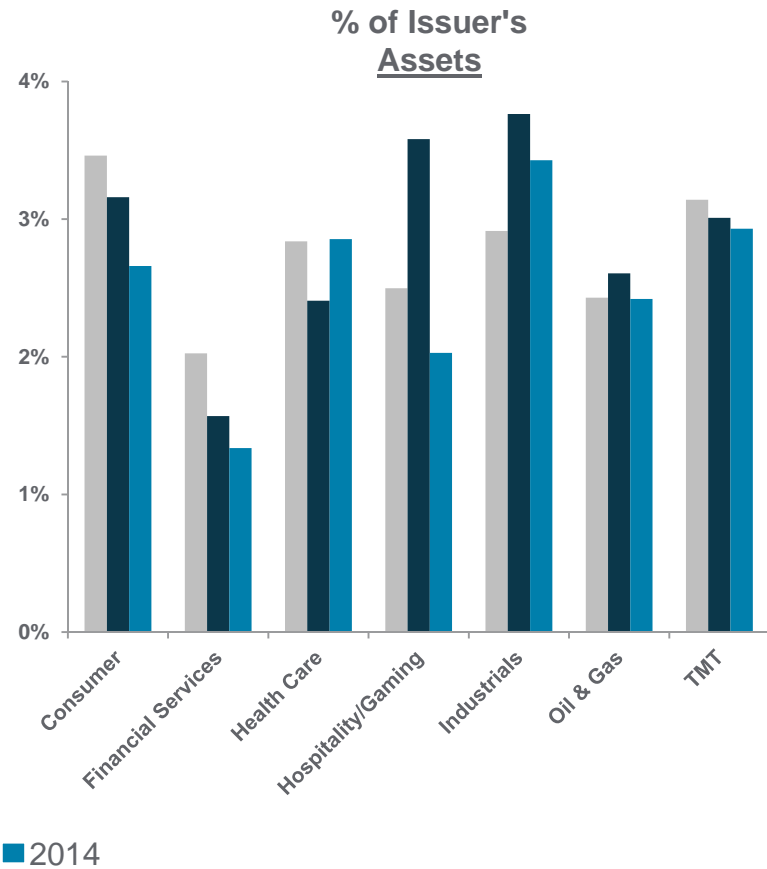
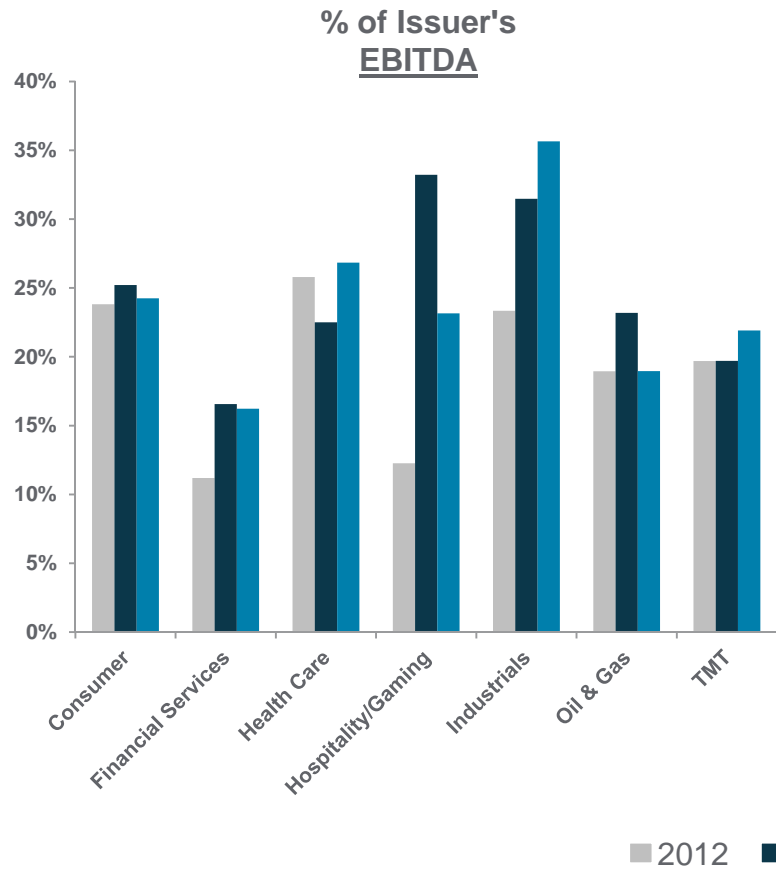
Purchase Money/Capital Lease Debt Basket Deal Size Breakdown



■ 2012 ■ 2013 ■ 2014



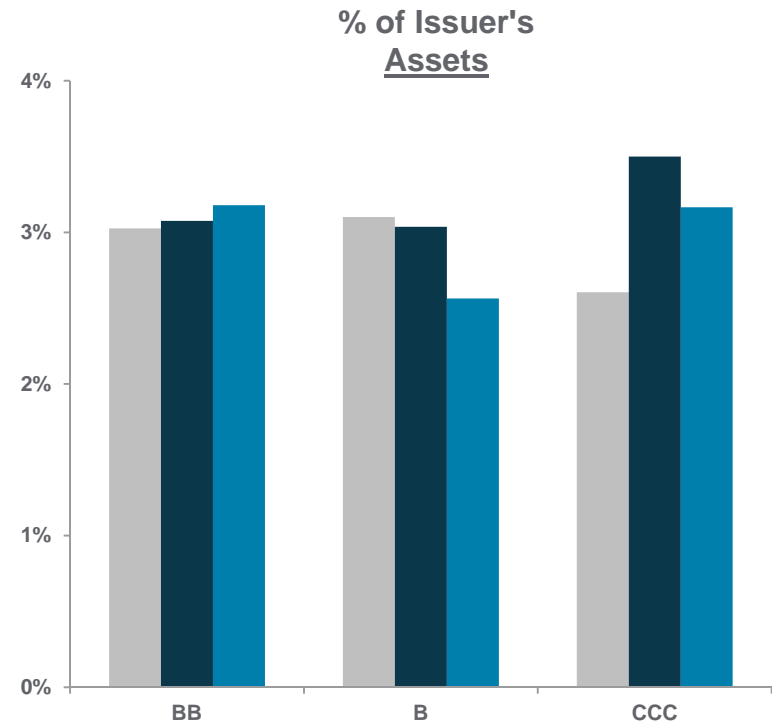
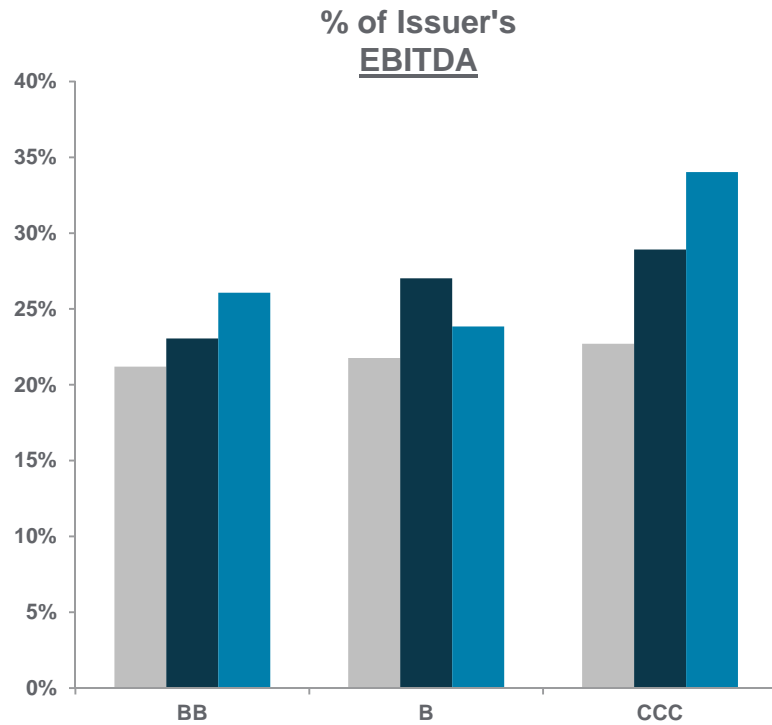
Purchase Money/Capital Lease Debt Basket Industry Breakdown



■ 2012 ■ 2013 ■ 2014



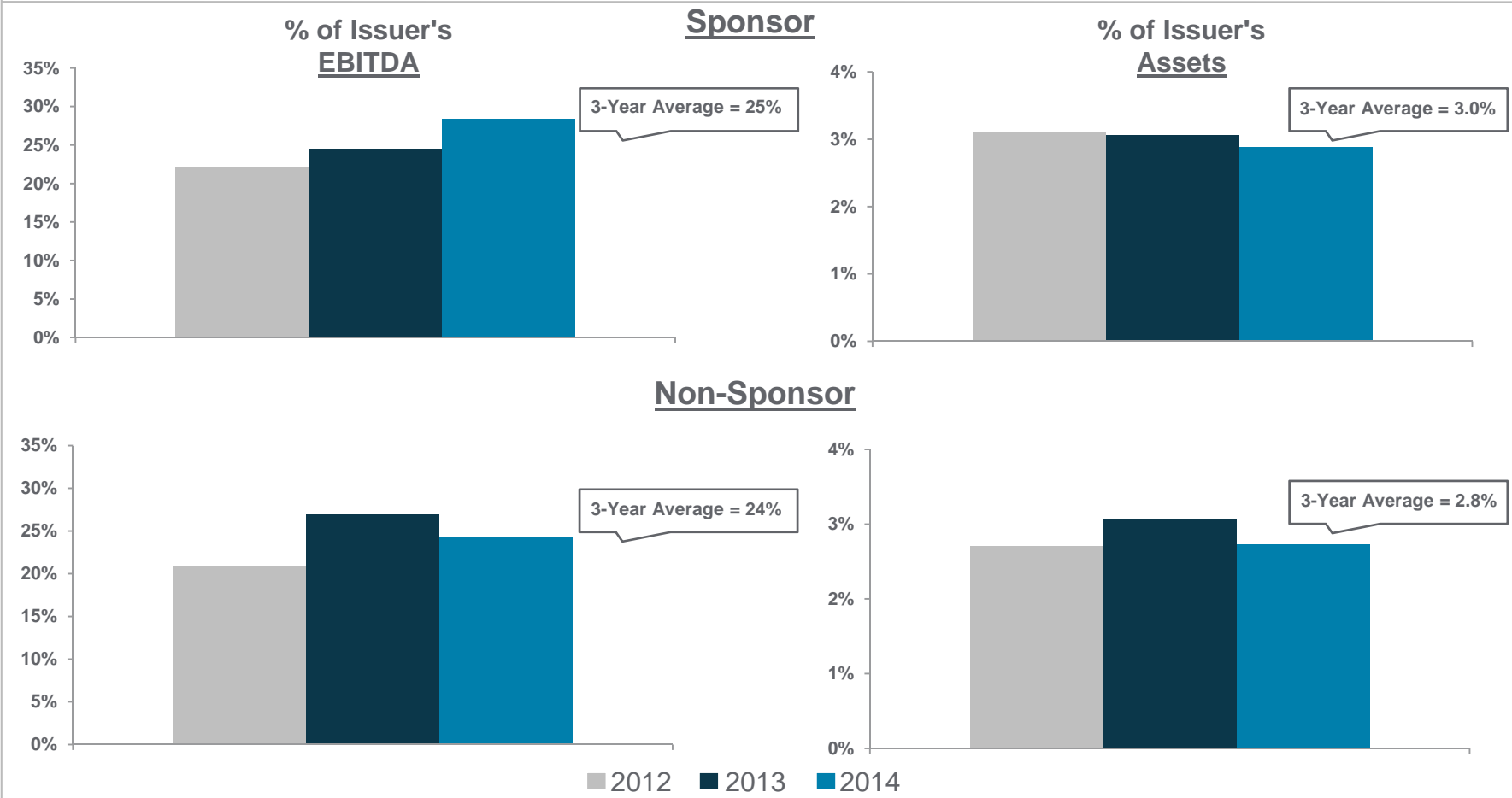
Purchase Money/Capital Lease Debt Basket Ratings Breakdown



2012 2013 2014

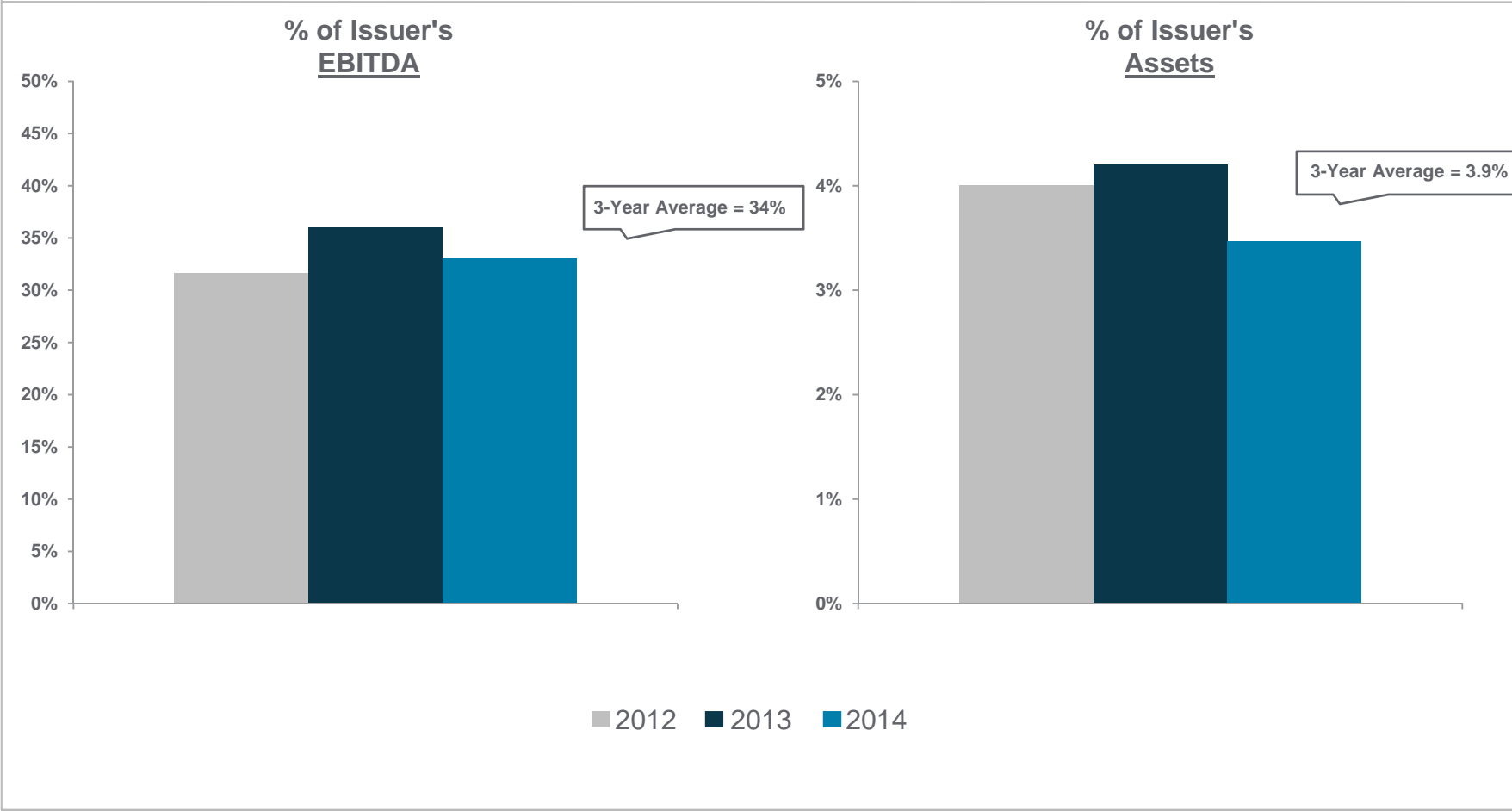


Purchase Money/Capital Lease Debt Basket Sponsor Breakdown



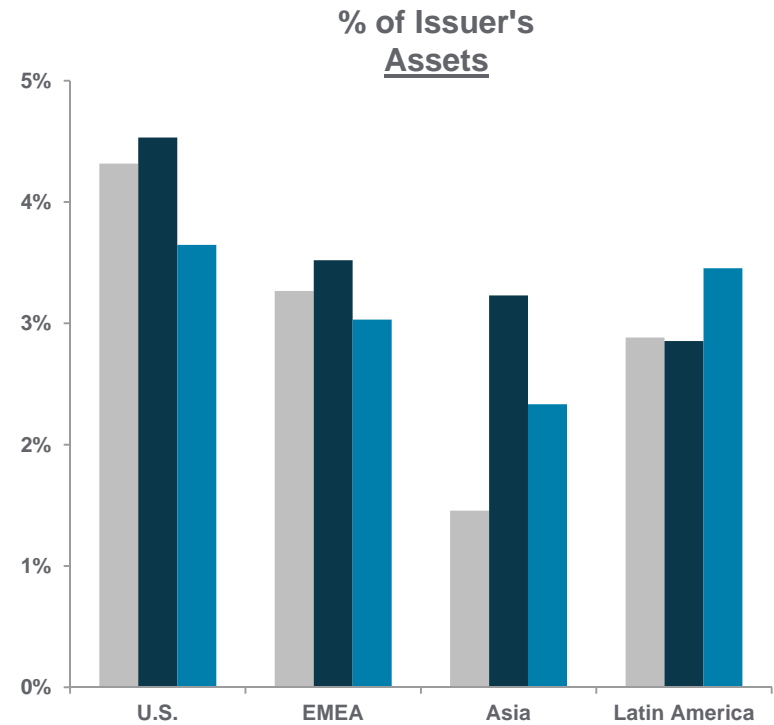
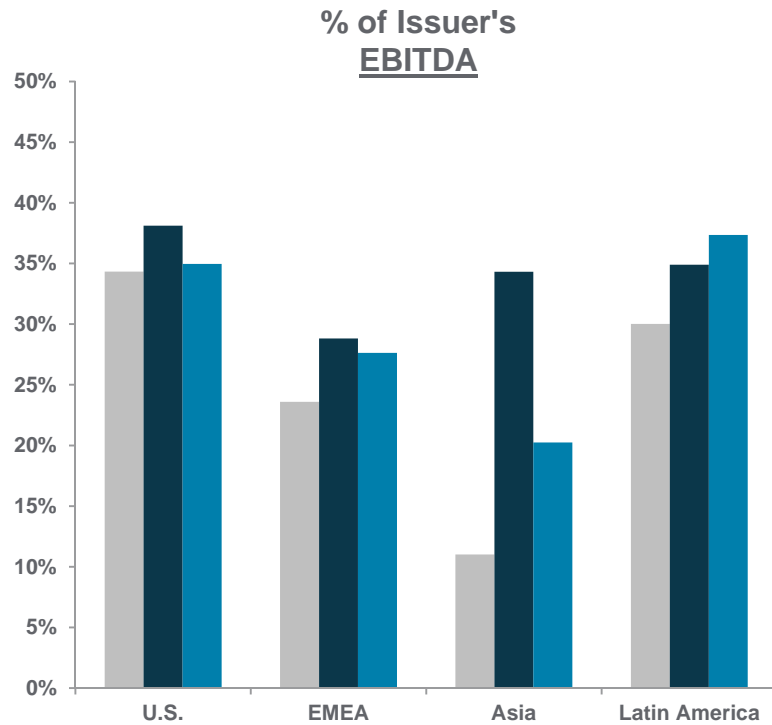


General Debt Basket Global Analysis





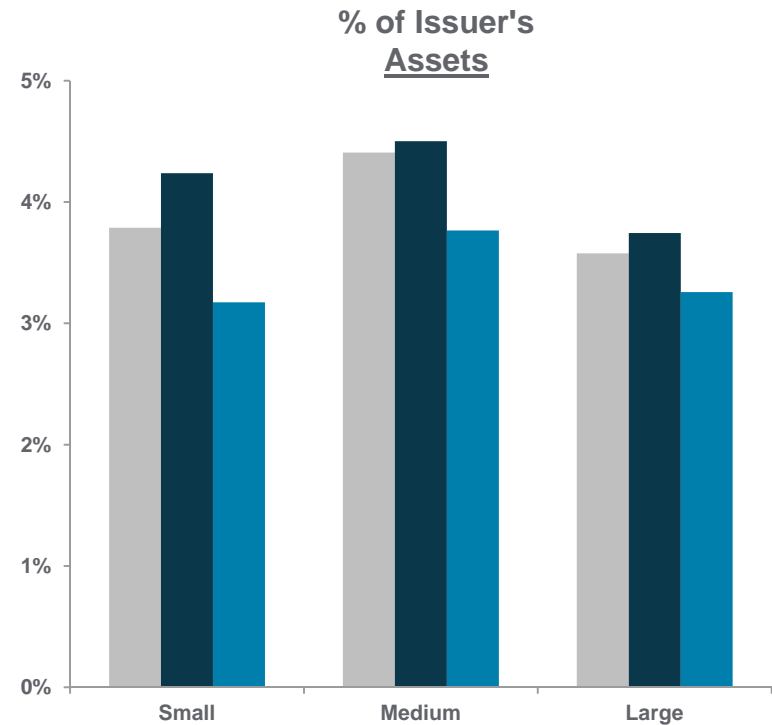
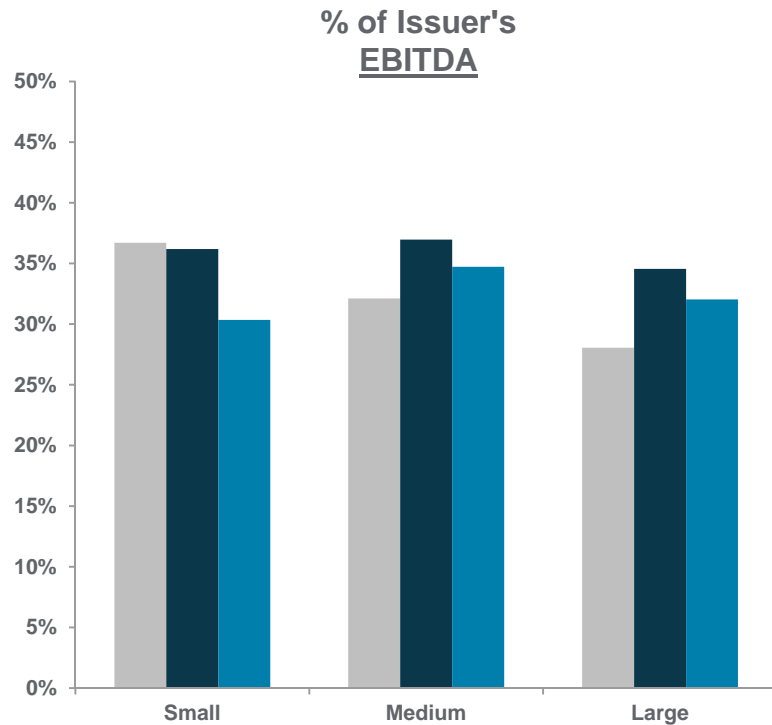
General Debt Basket Geographic Breakdown



■ 2012 ■ 2013 ■ 2014



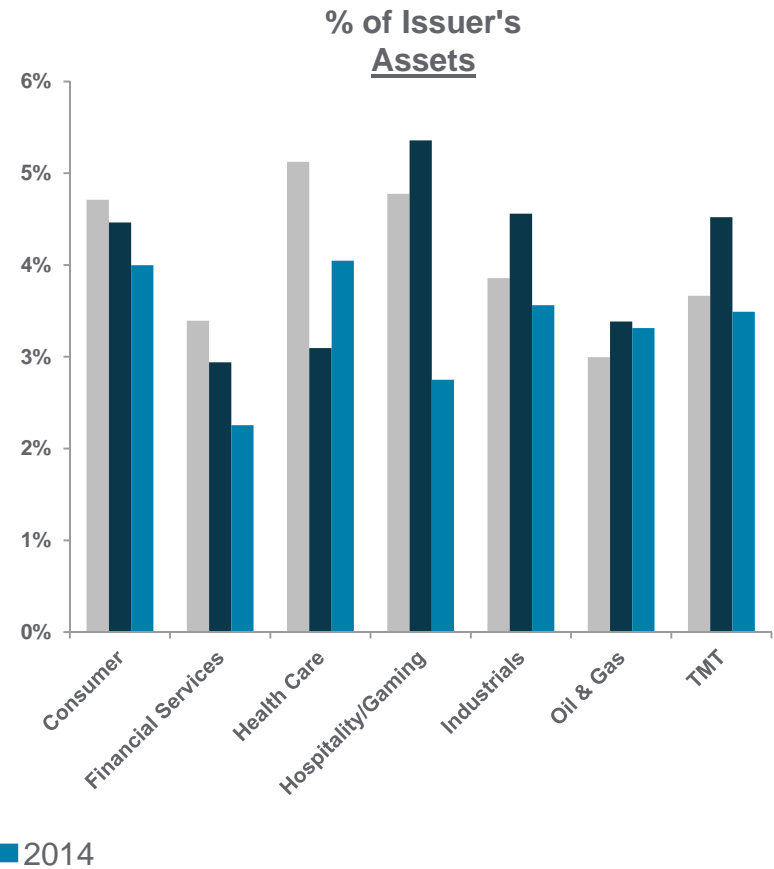
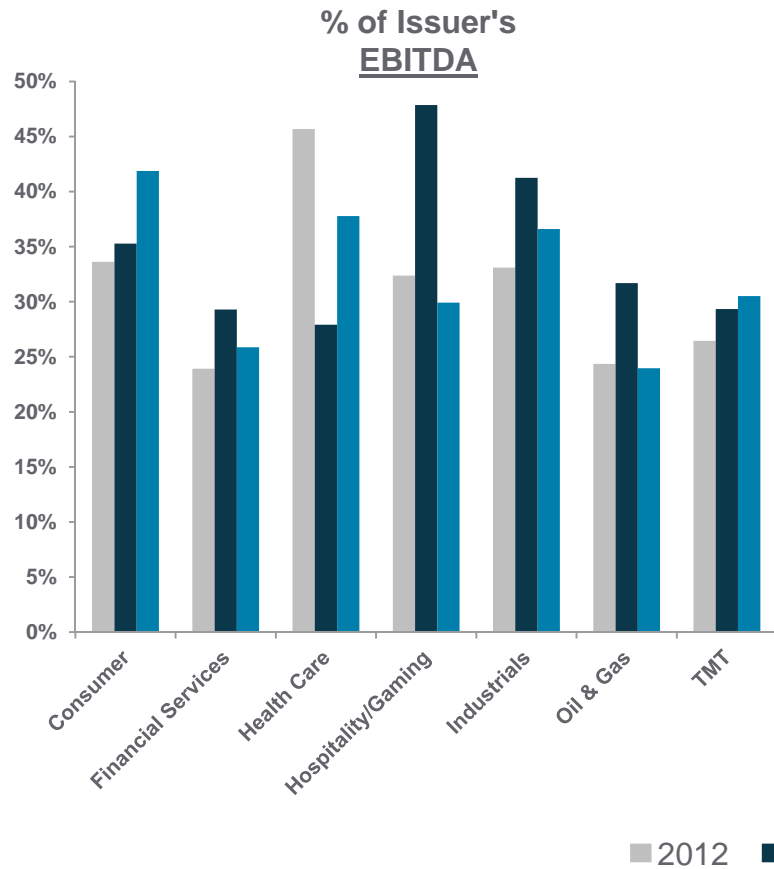
General Debt Basket Deal Size Breakdown



■ 2012 ■ 2013 ■ 2014



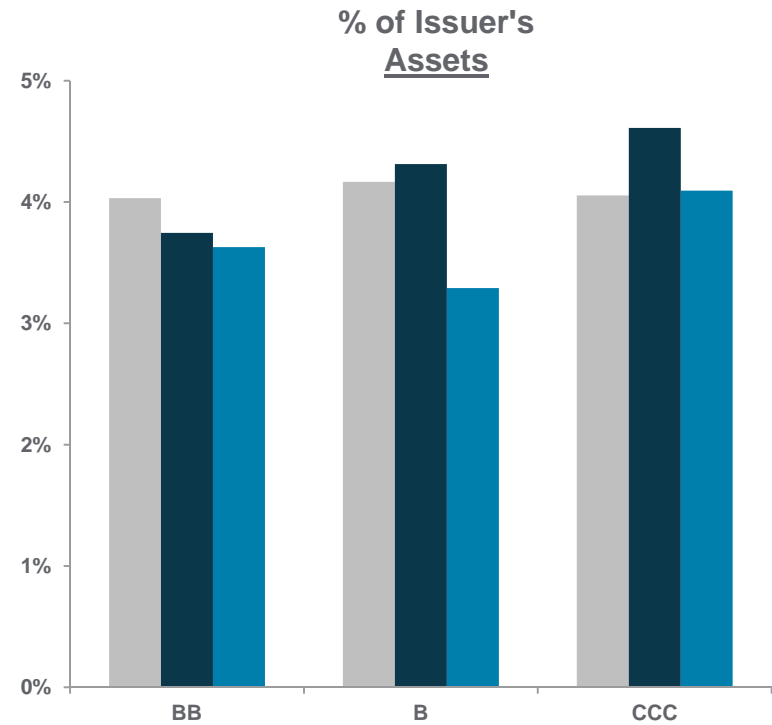
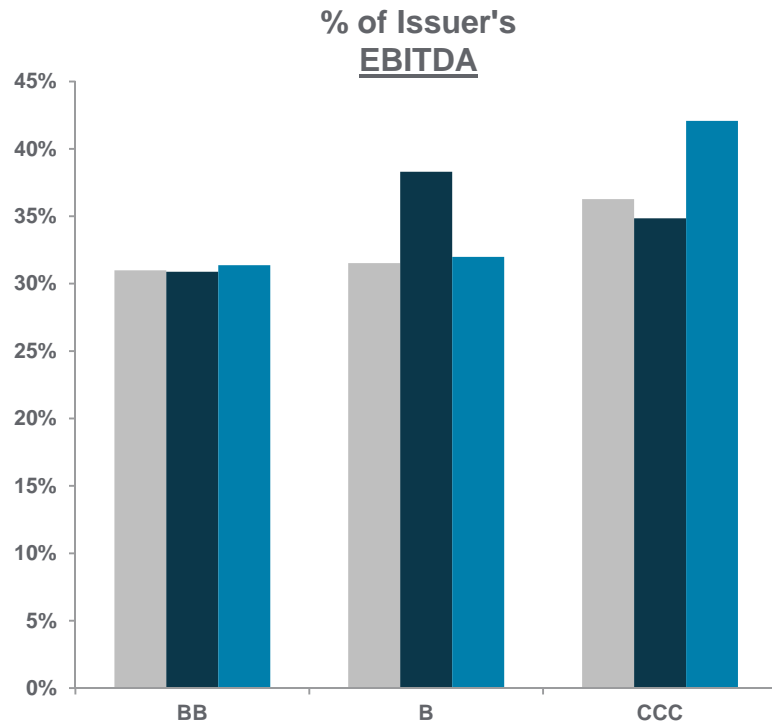
General Debt Basket Industry Breakdown



■ 2012 ■ 2013 ■ 2014



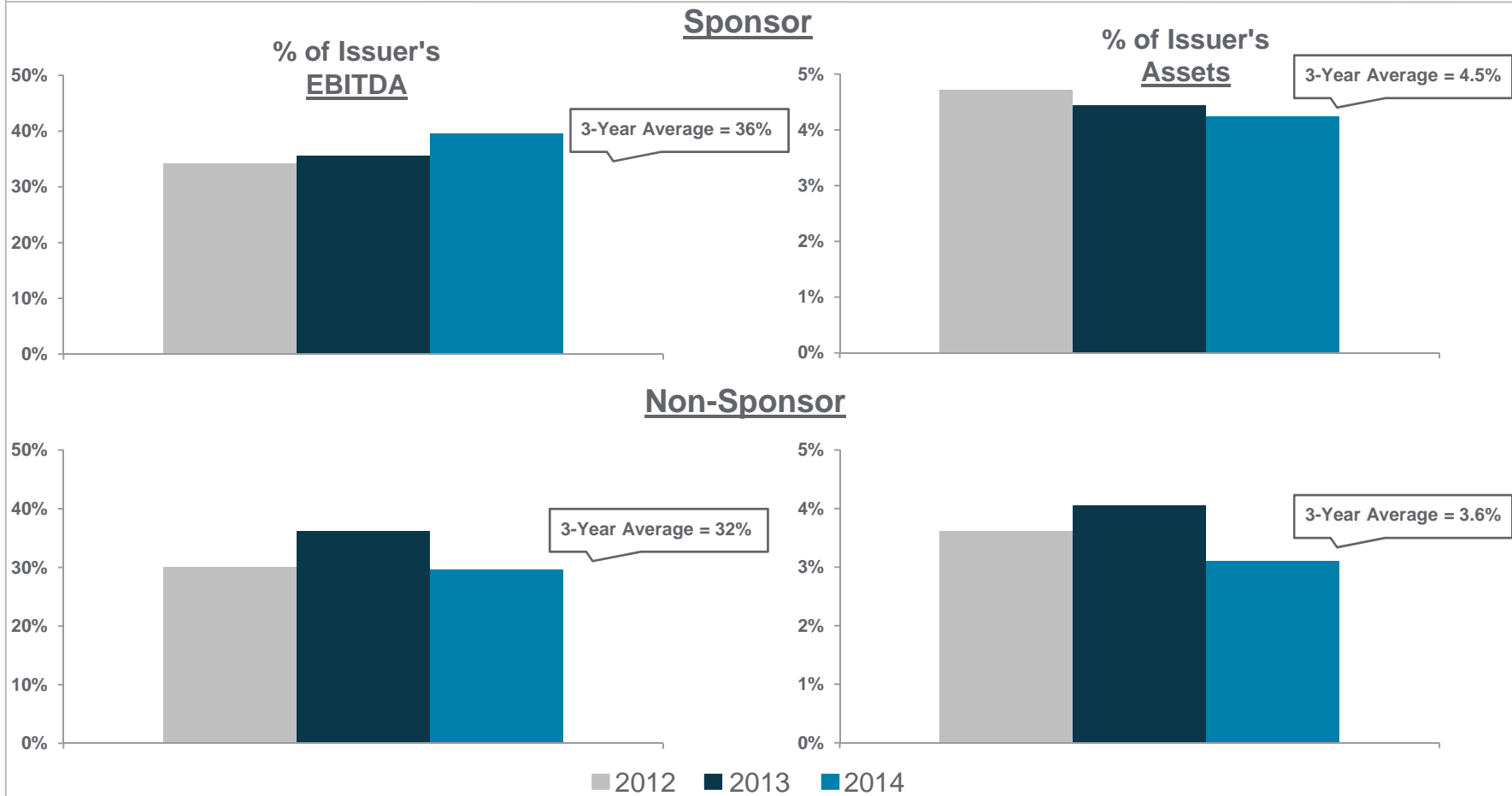
General Debt Basket Ratings Breakdown



■ 2012 ■ 2013 ■ 2014



General Debt Basket Sponsor Breakdown



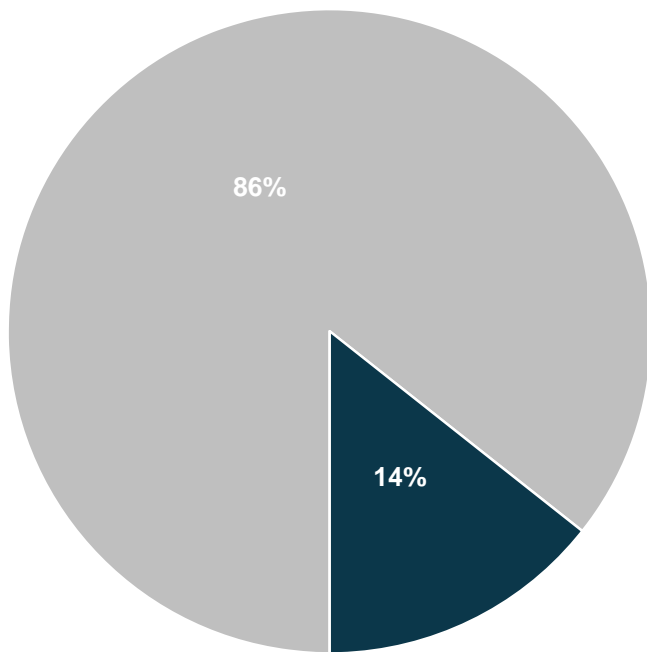


Restricted Payments / Investments

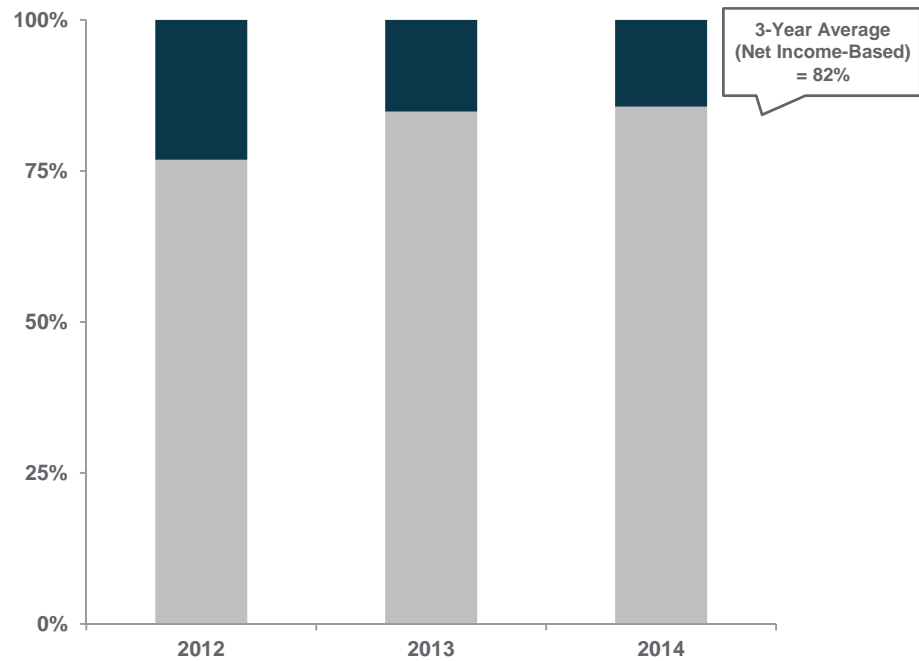
Restricted Payments Builder Basket

% of Deals

Global 2014



Global

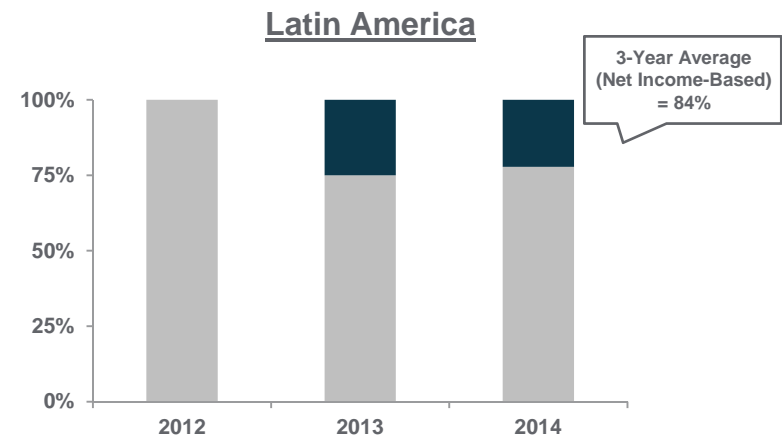
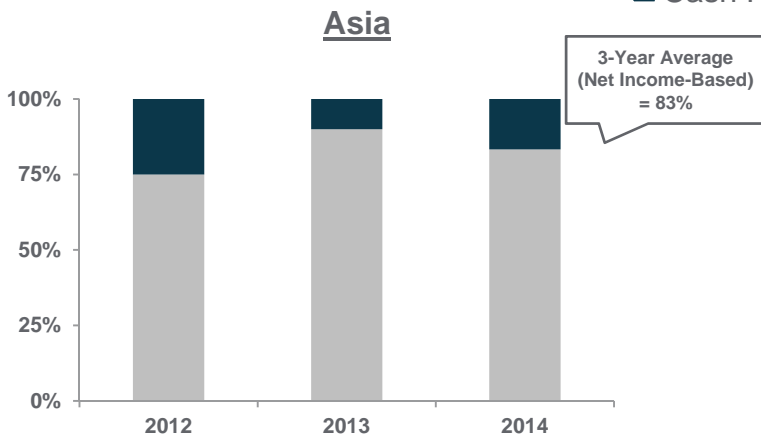
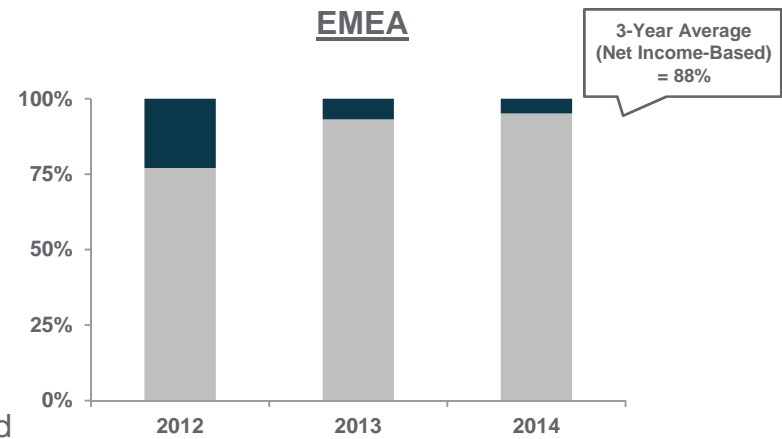
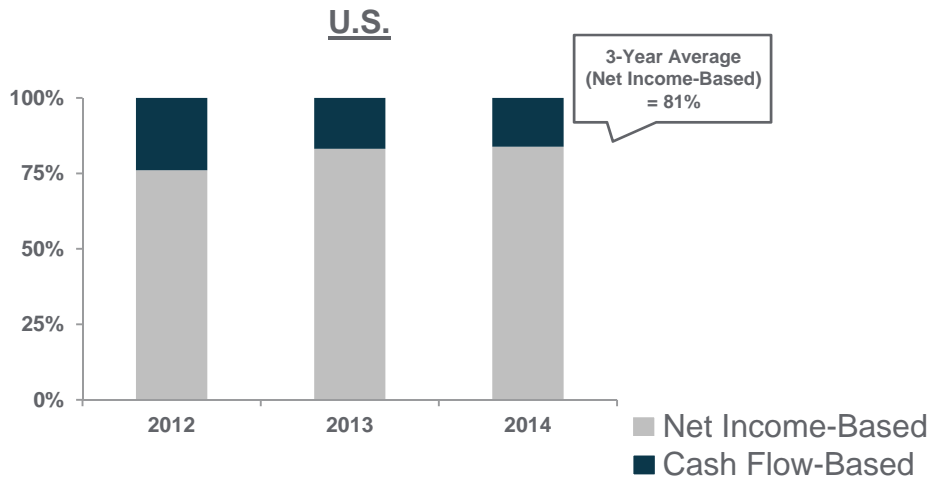


■ Net Income-Based ■ Cash Flow-Based



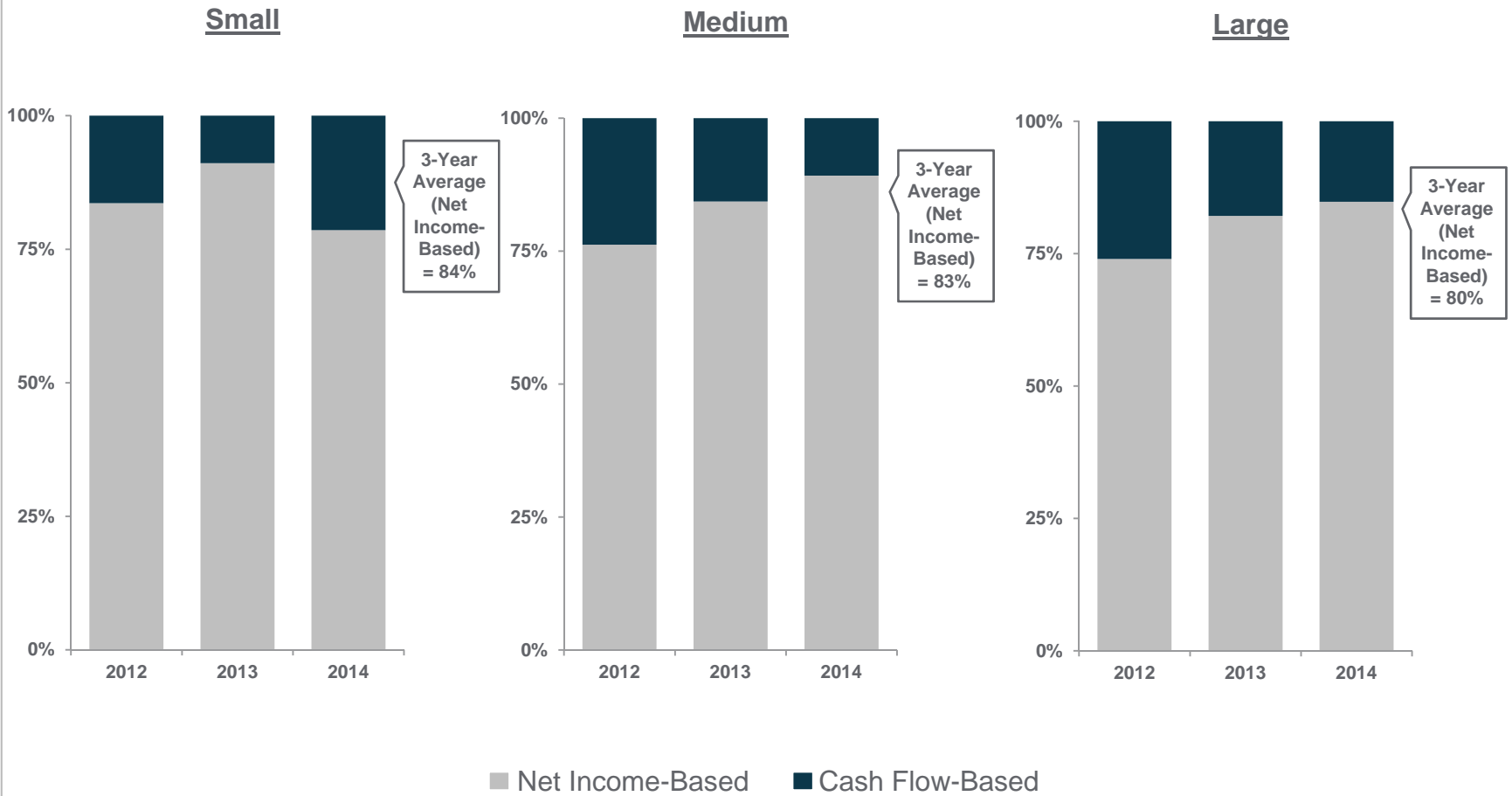
Restricted Payments Builder Basket

Geographic Breakdown



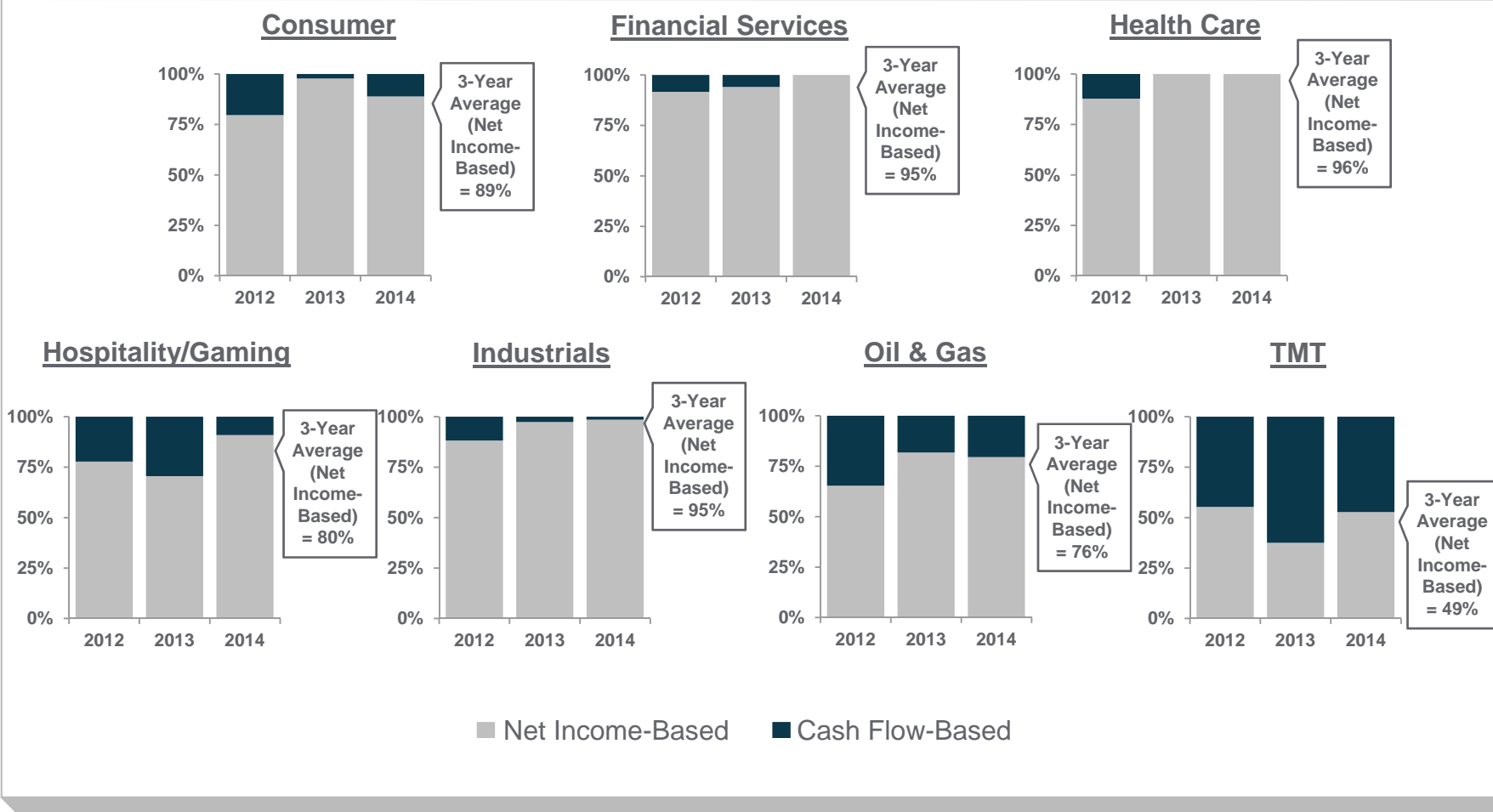


Restricted Payments Builder Basket Deal Size Breakdown



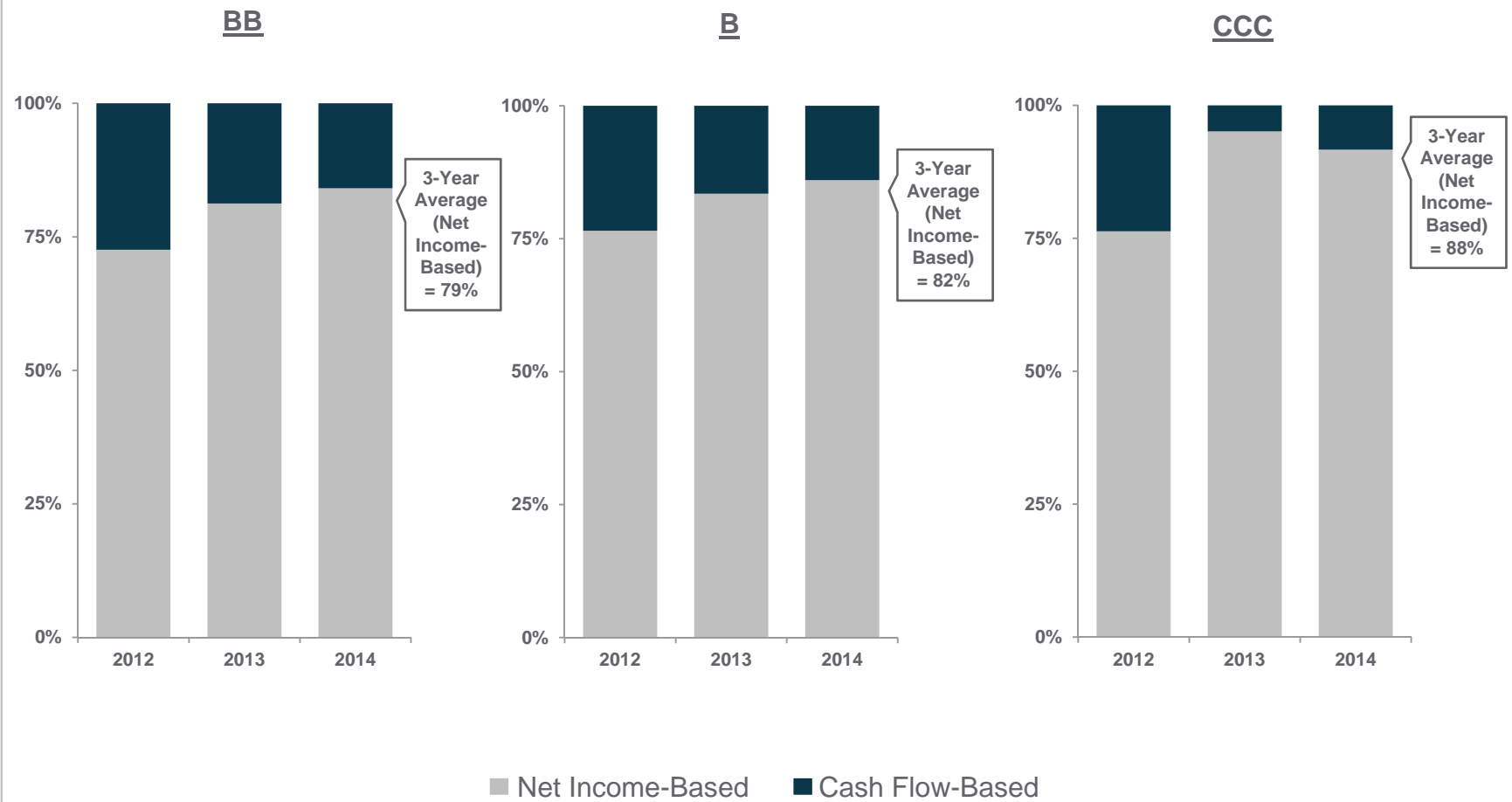


Restricted Payments Builder Basket Industry Breakdown





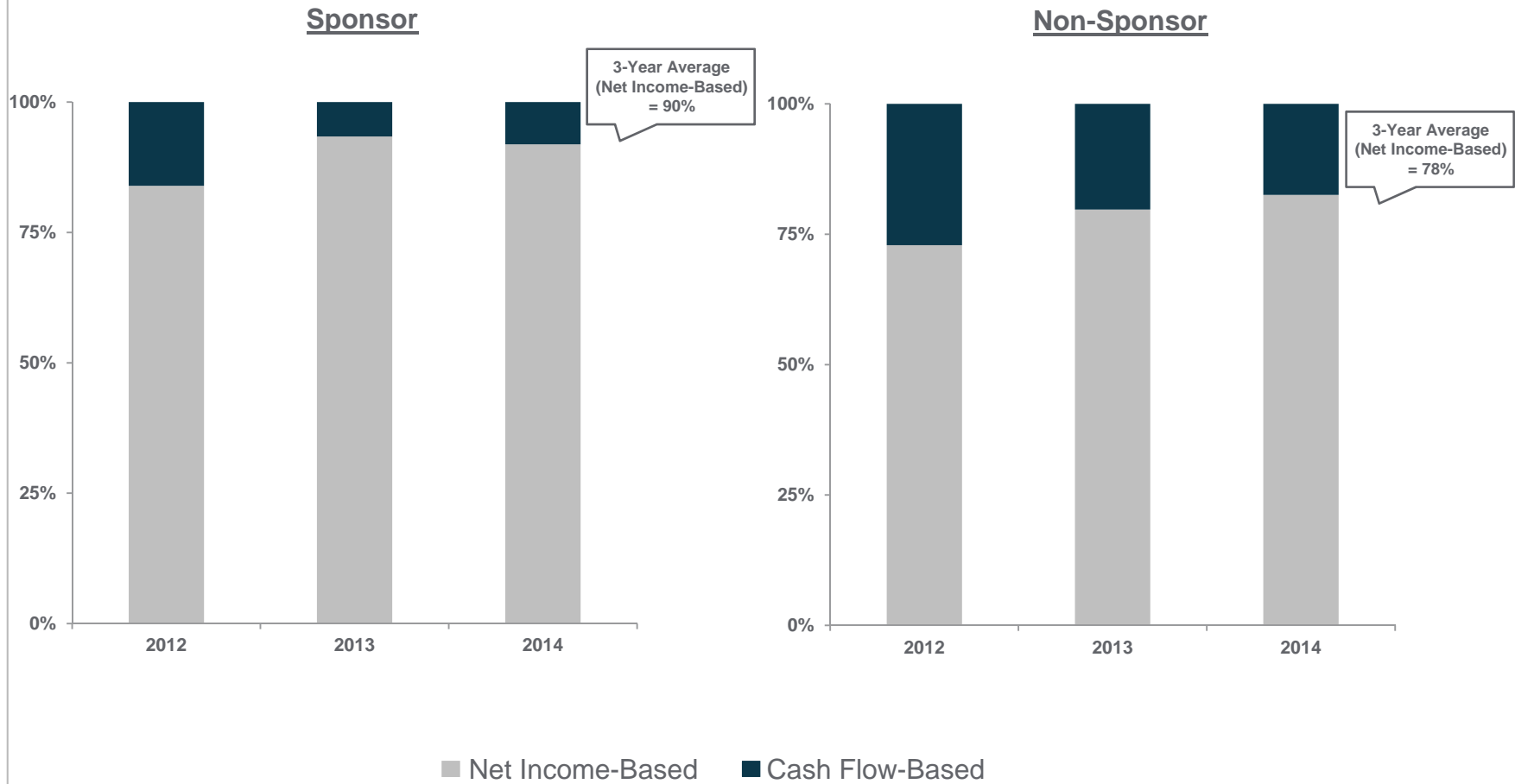
Restricted Payments Builder Basket Rating Breakdown





Restricted Payments Builder Basket

Sponsor Breakdown

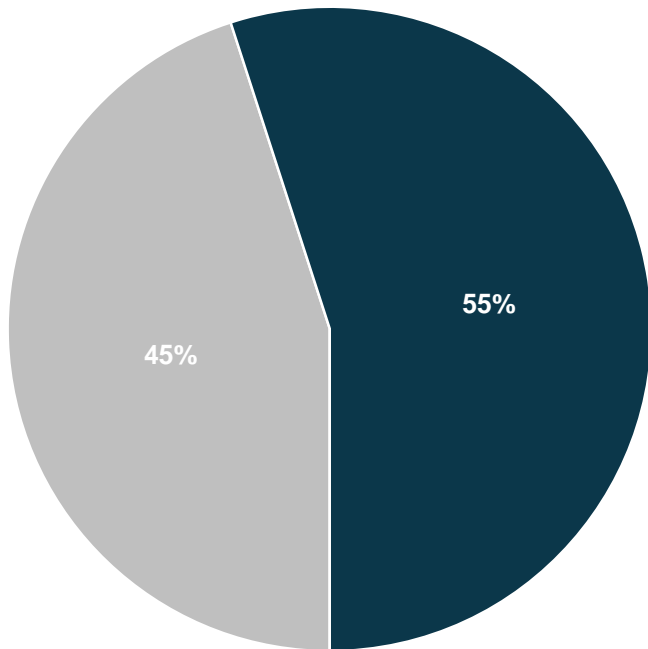




Excluded Contributions

% of Deals

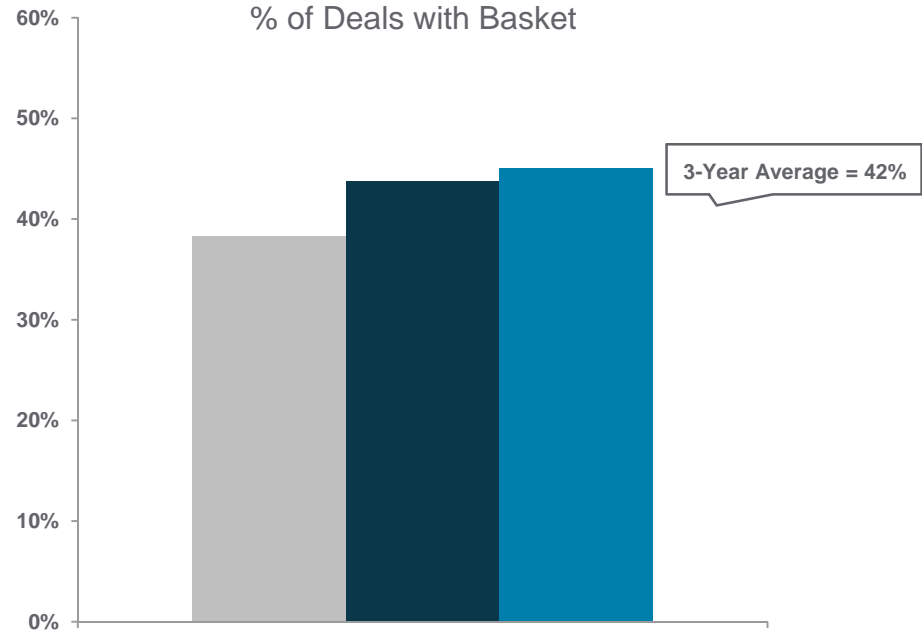
Global 2014



■ With Basket ■ Without Basket

Global

% of Deals with Basket



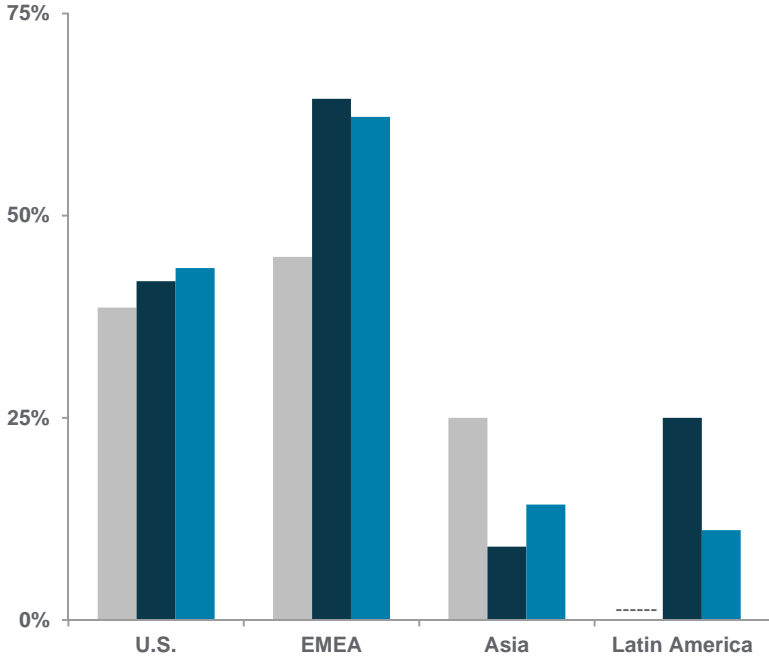
■ 2012 ■ 2013 ■ 2014



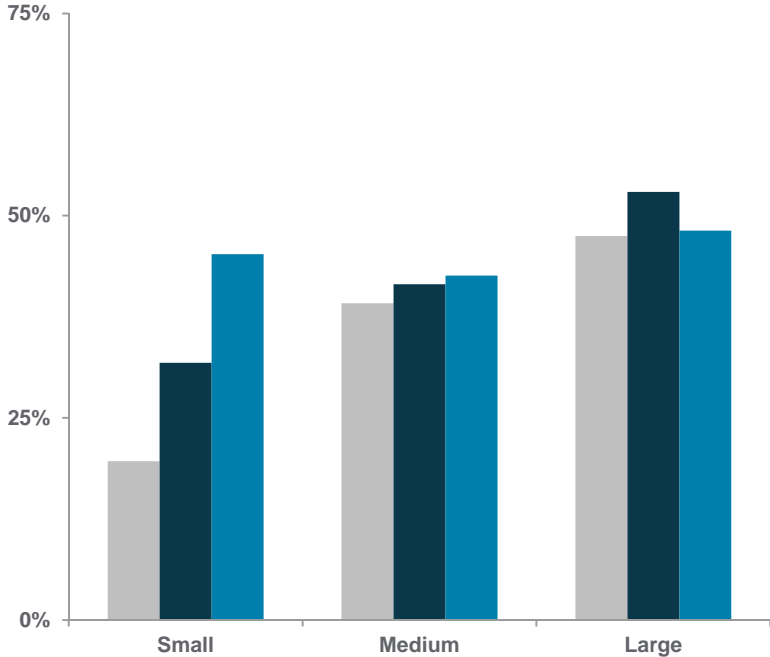
Excluded Contributions

% of Deals with Basket

Geography



Deal Size



■ 2012 ■ 2013 ■ 2014

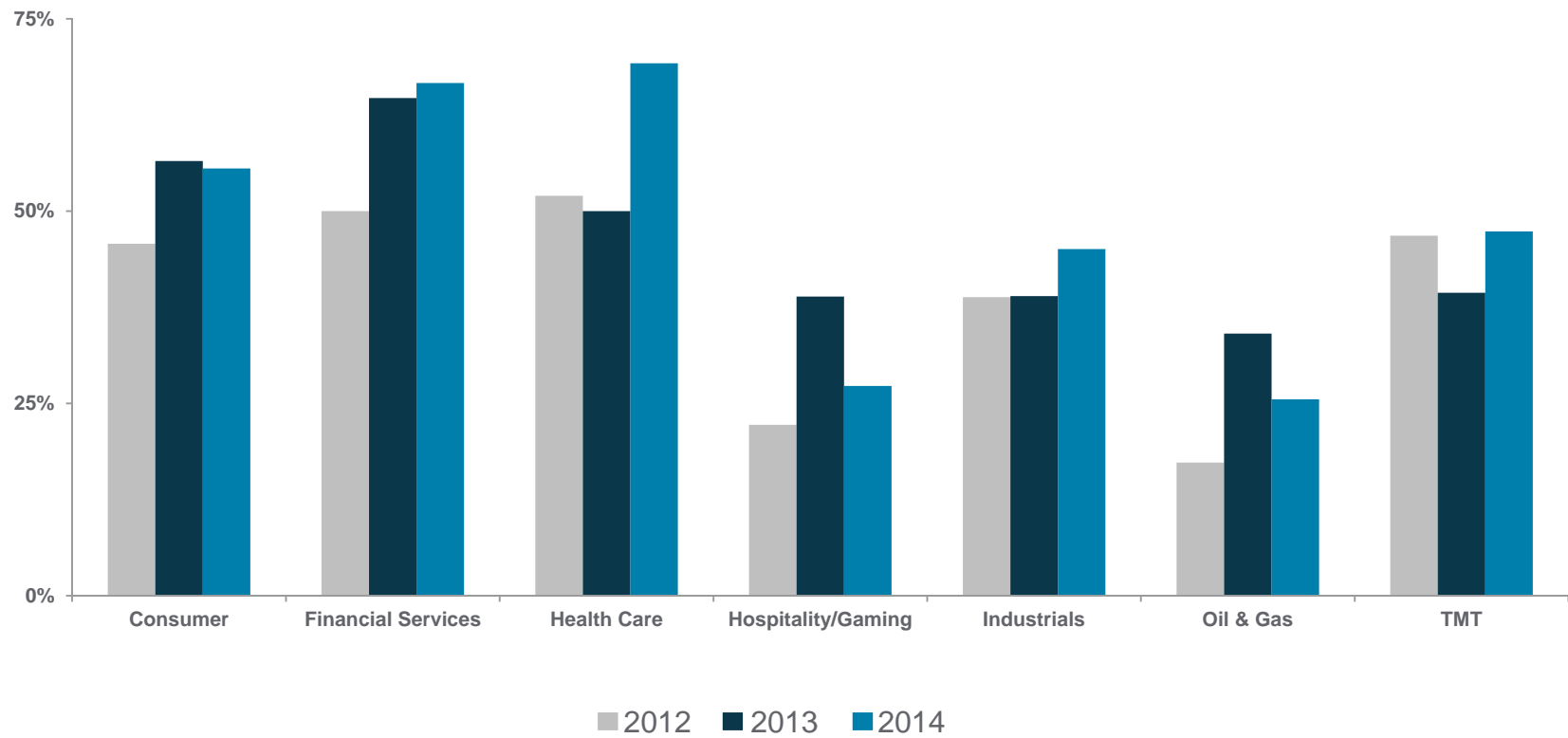
----- Indicates no reviewed deals contained term



Excluded Contributions

% of Deals with Basket

Industry

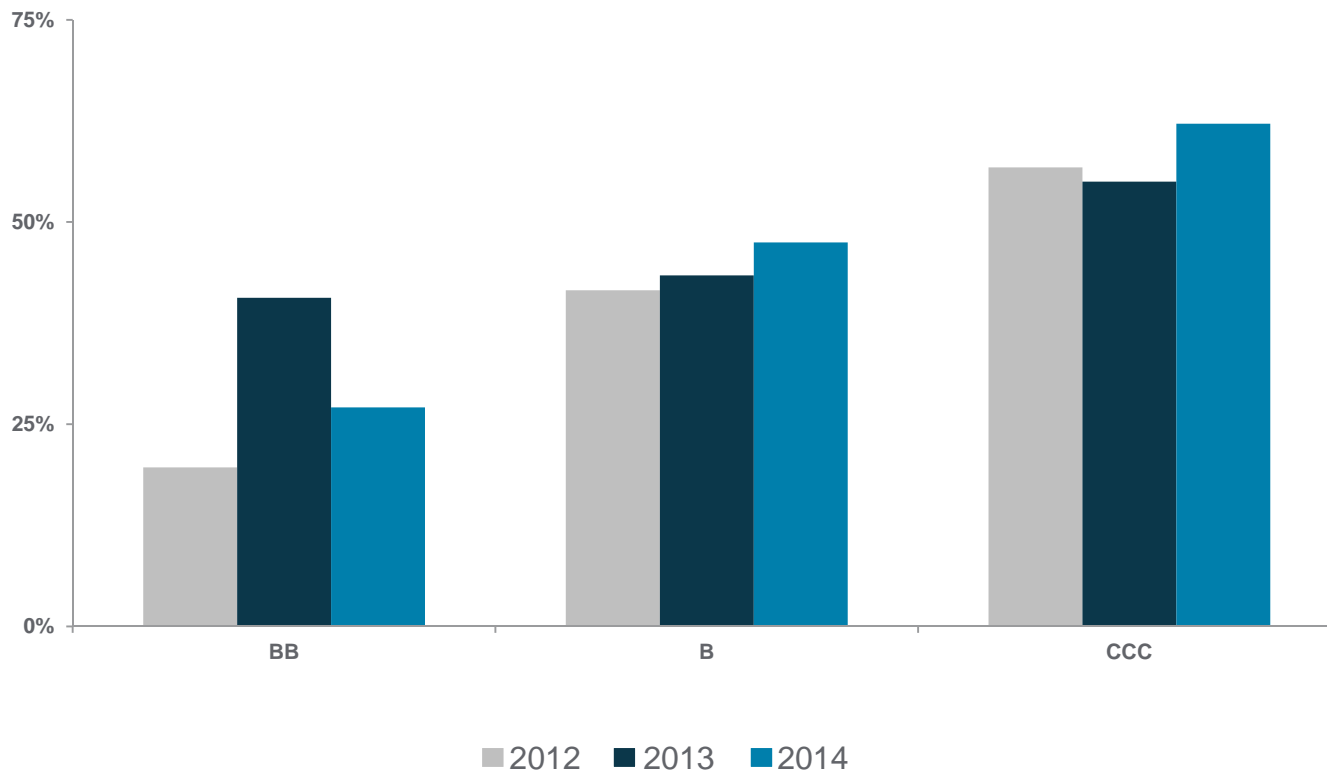




Excluded Contributions

% of Deals with Basket

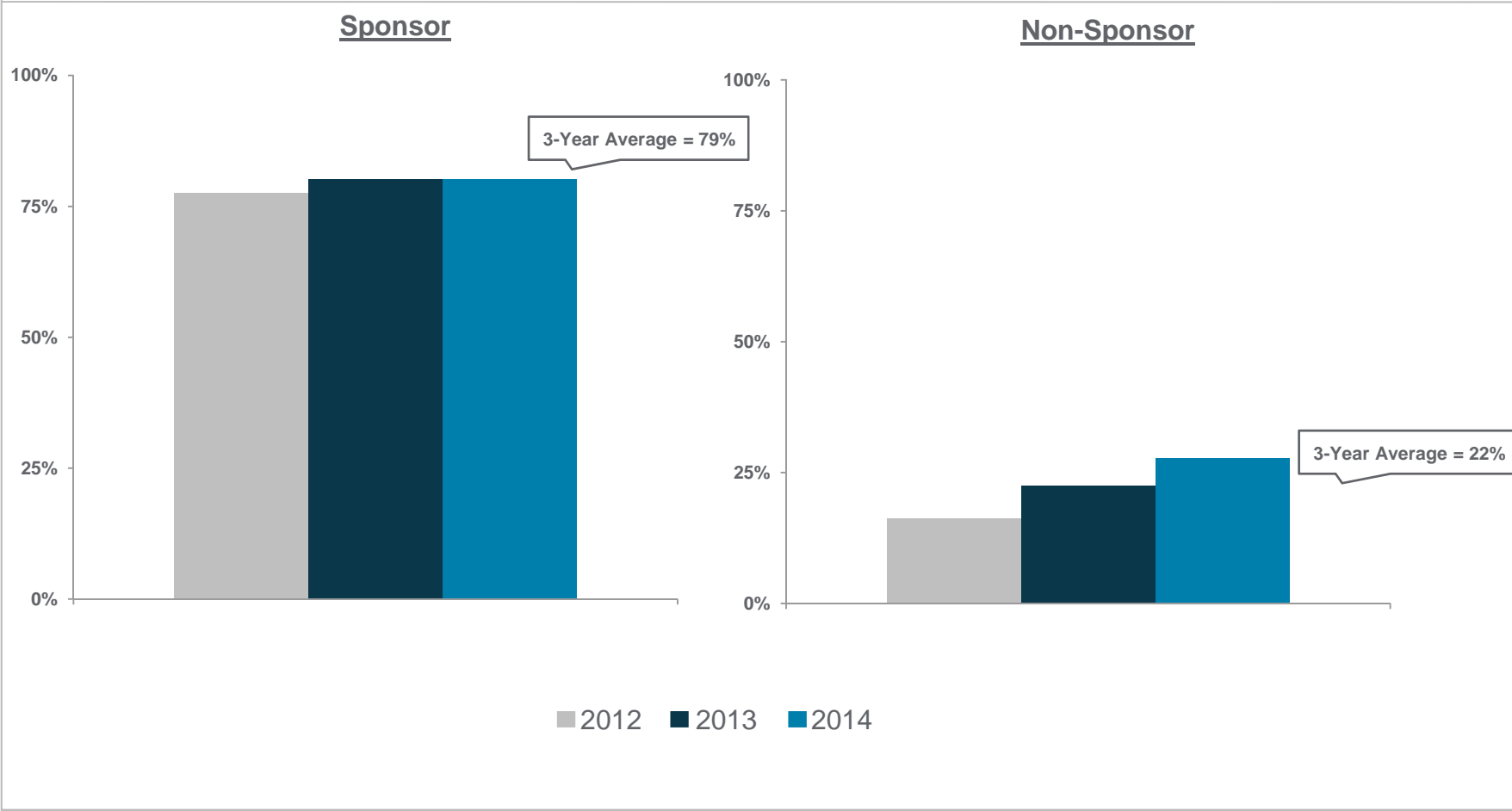
Ratings





Excluded Contributions

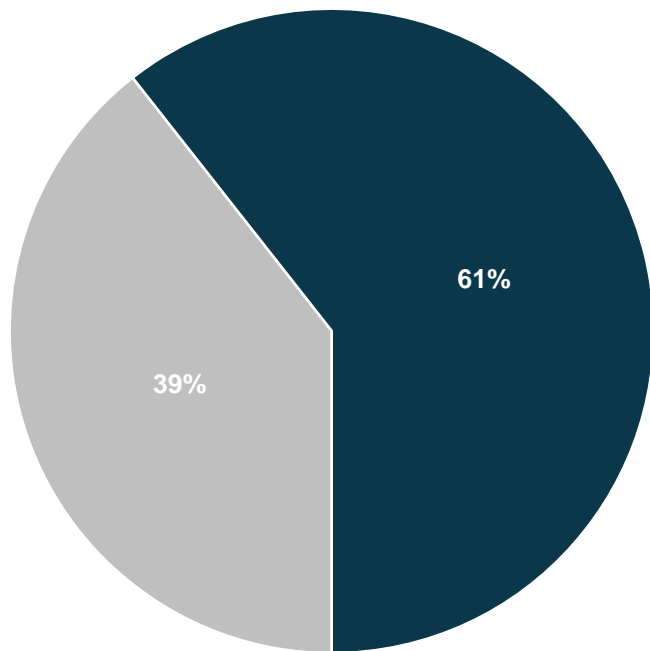
% of Deals with Basket





6% IPO Proceeds % of Deals

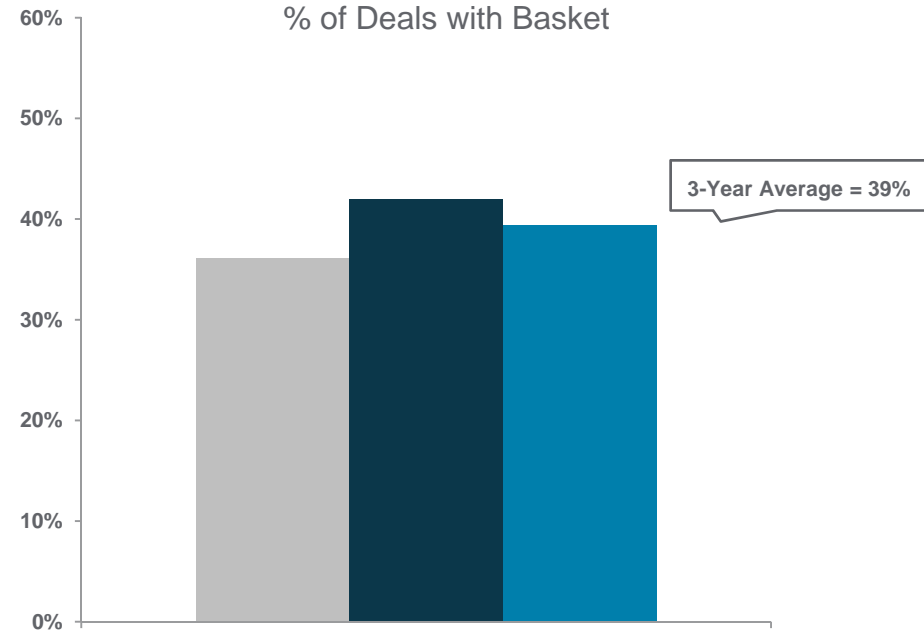
Global 2014



■ With Basket ■ Without Basket

Global

% of Deals with Basket

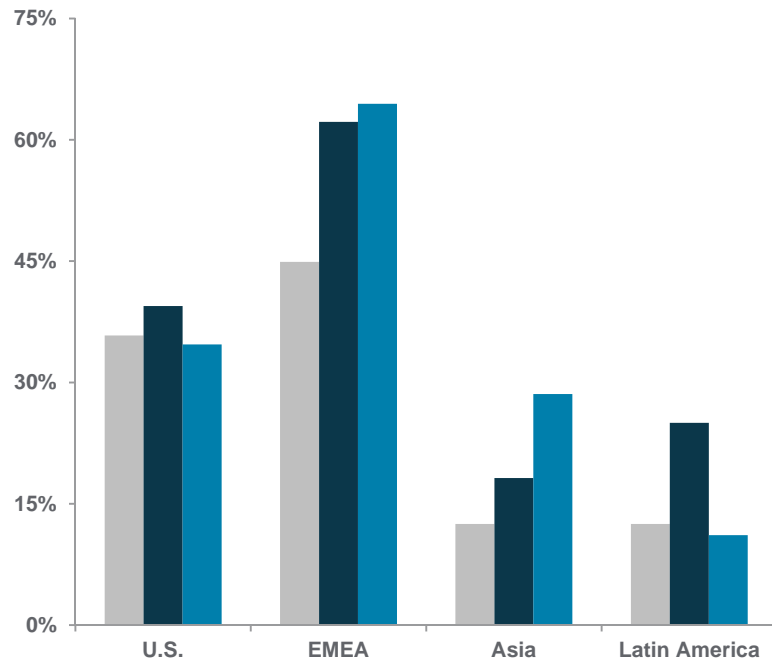


■ 2012 ■ 2013 ■ 2014

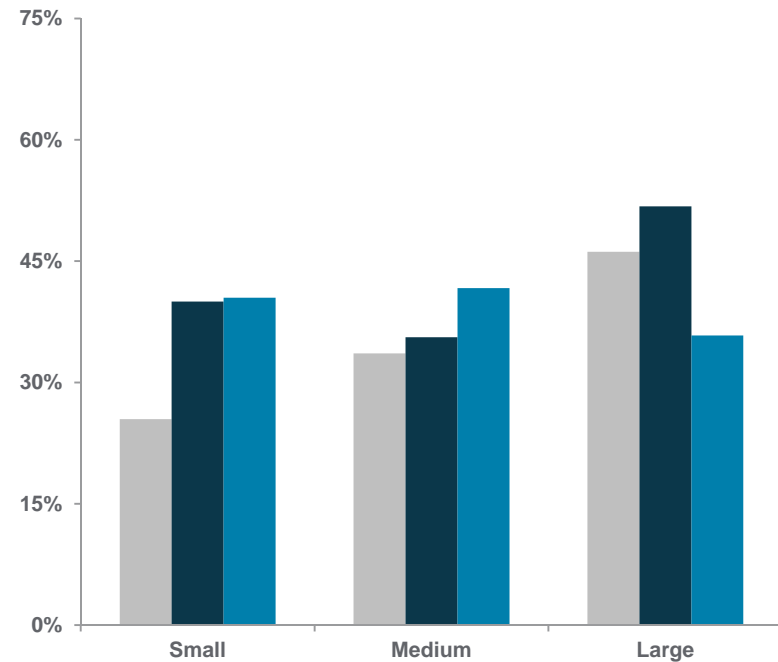


6% IPO Proceeds % of Deals with Basket

Geography



Deal Size

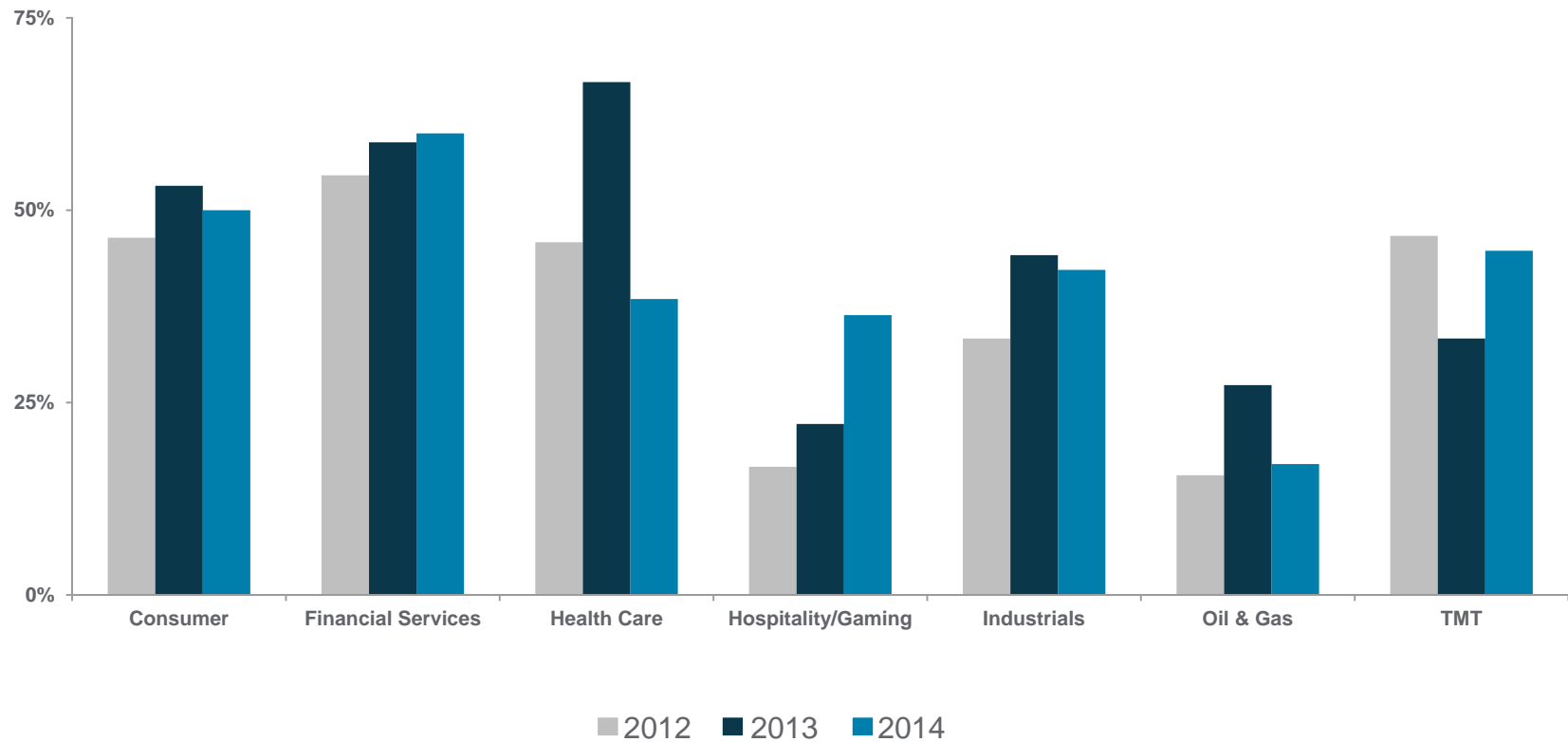


■ 2012 ■ 2013 ■ 2014



6% IPO Proceeds % of Deals with Basket

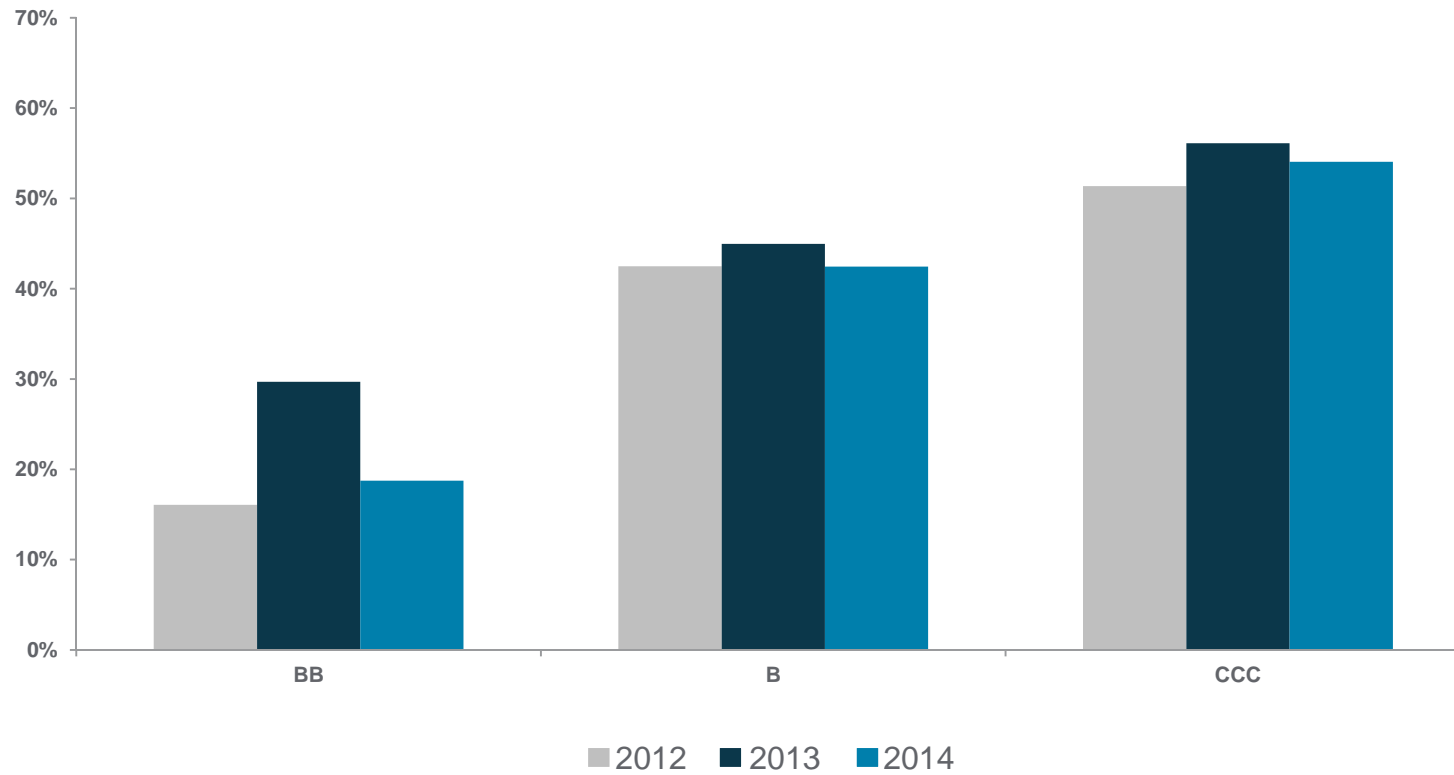
Industry





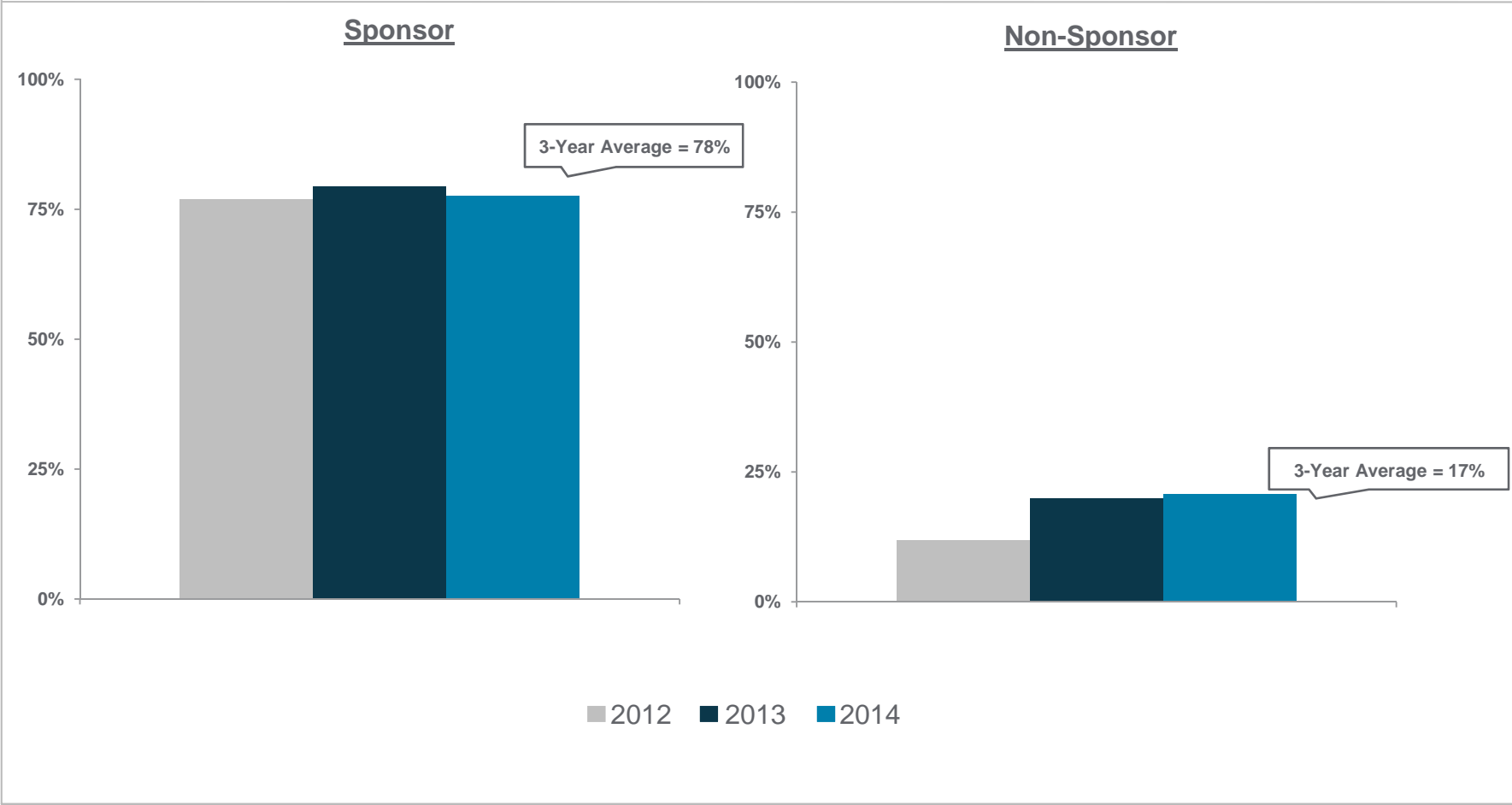
6% IPO Proceeds % of Deals with Basket

Ratings





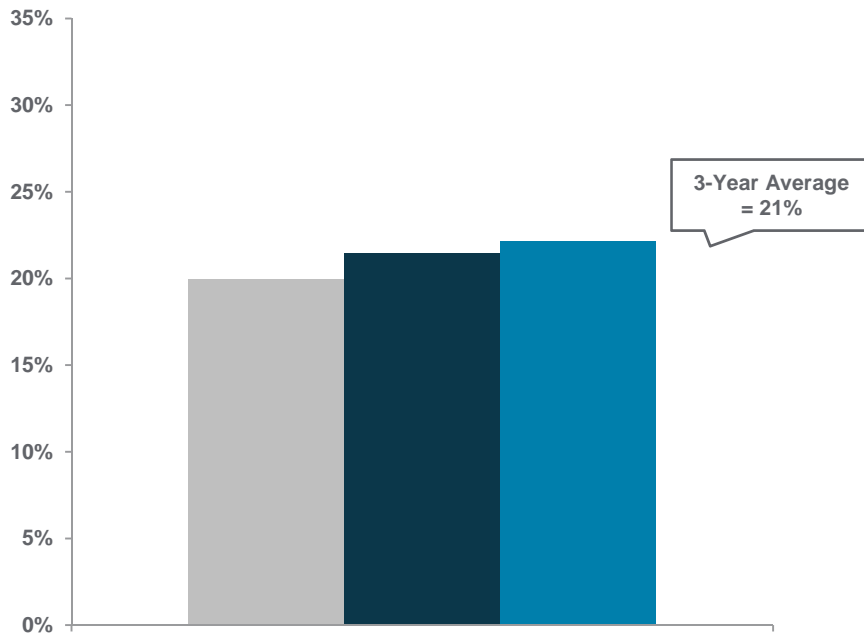
6% IPO Proceeds % of Deals with Basket



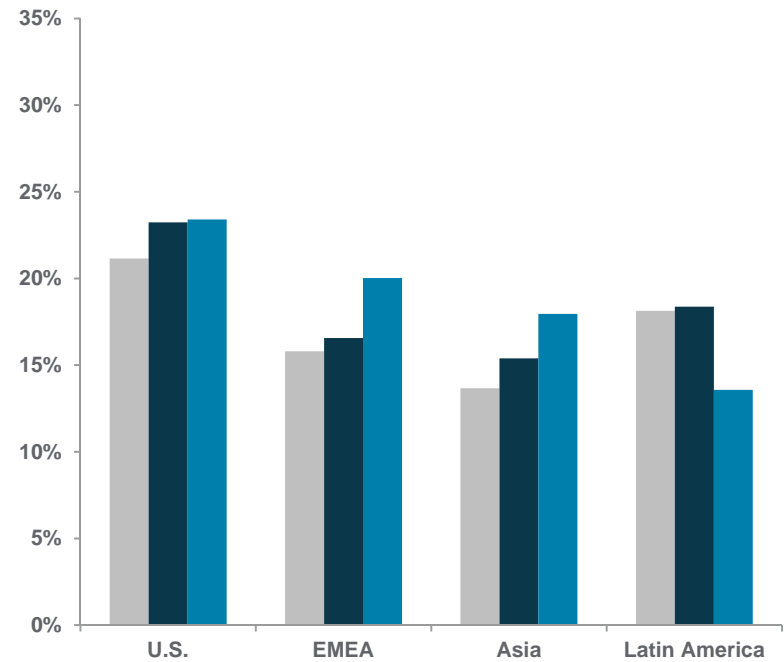


Restricted Payments General Basket % of Issuer's EBITDA

Global



Geography

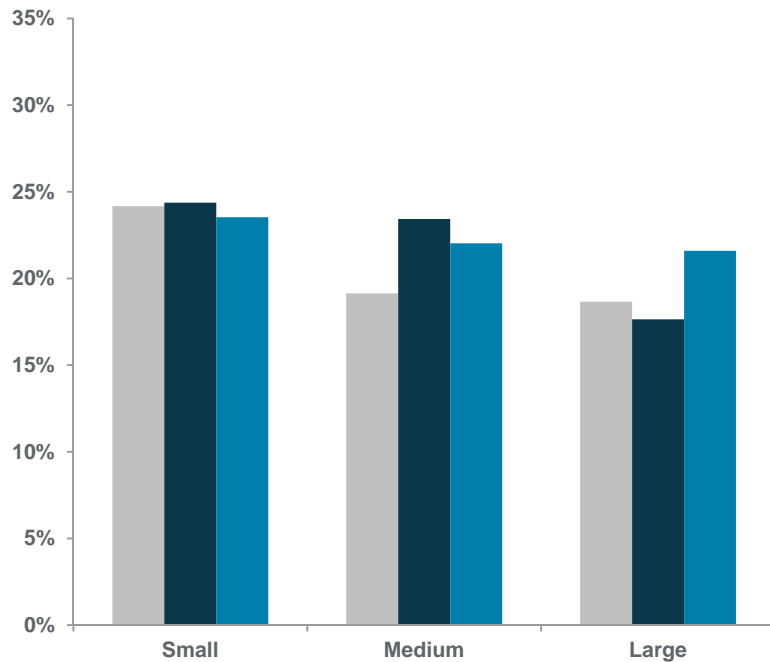


■ 2012 ■ 2013 ■ 2014

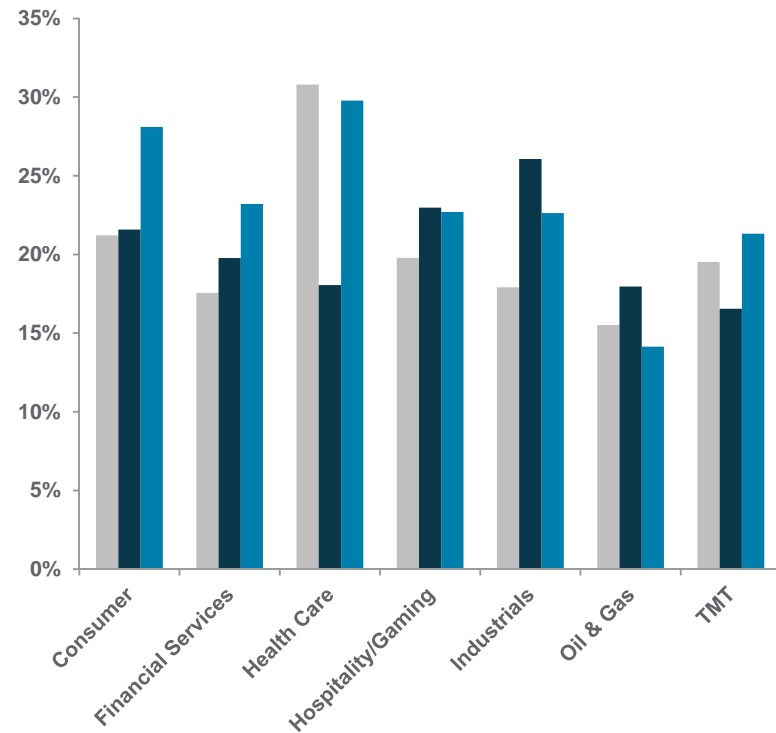


Restricted Payments General Basket % of Issuer's EBITDA

Deal Size



Industry

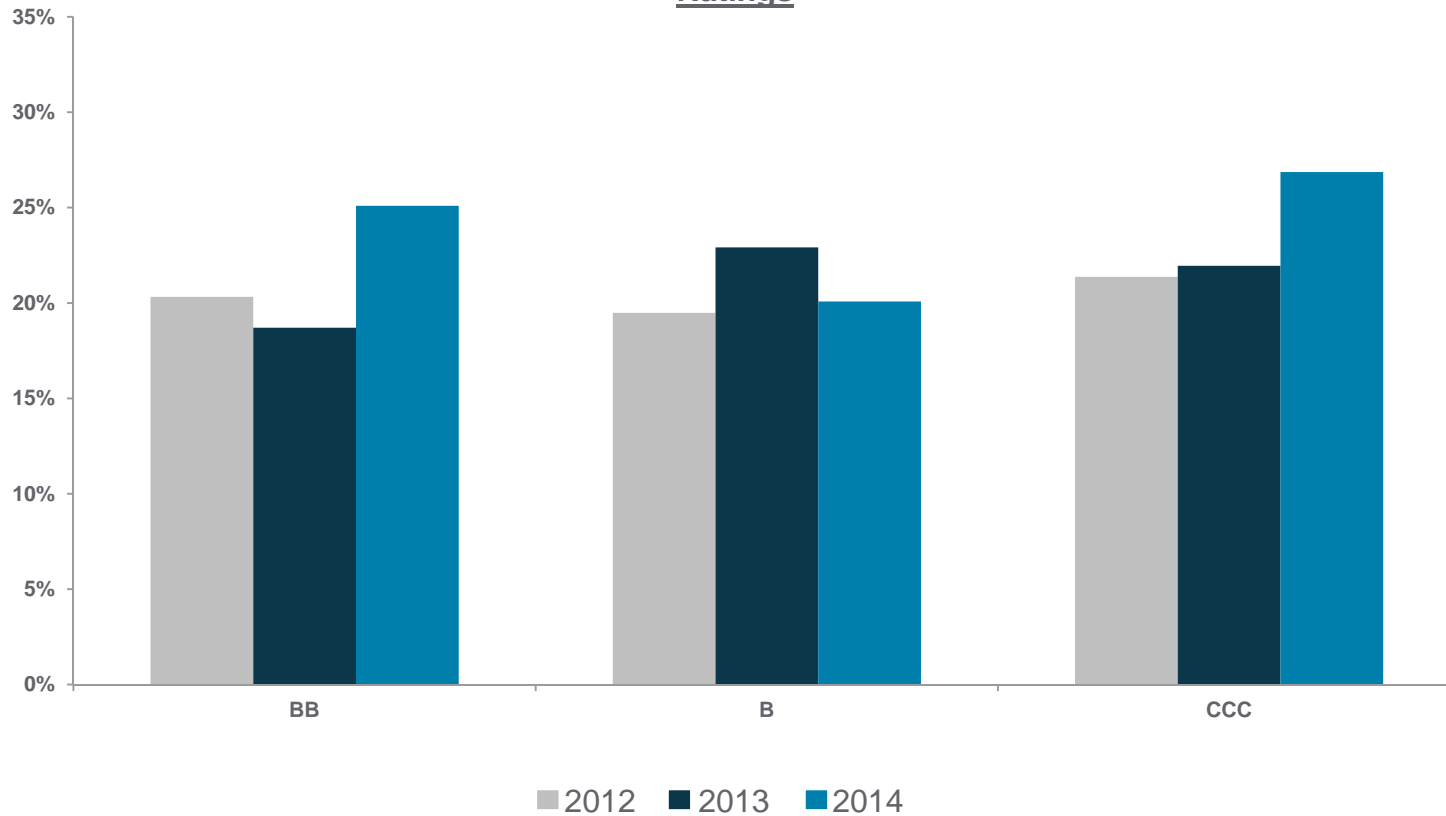


2012 2013 2014

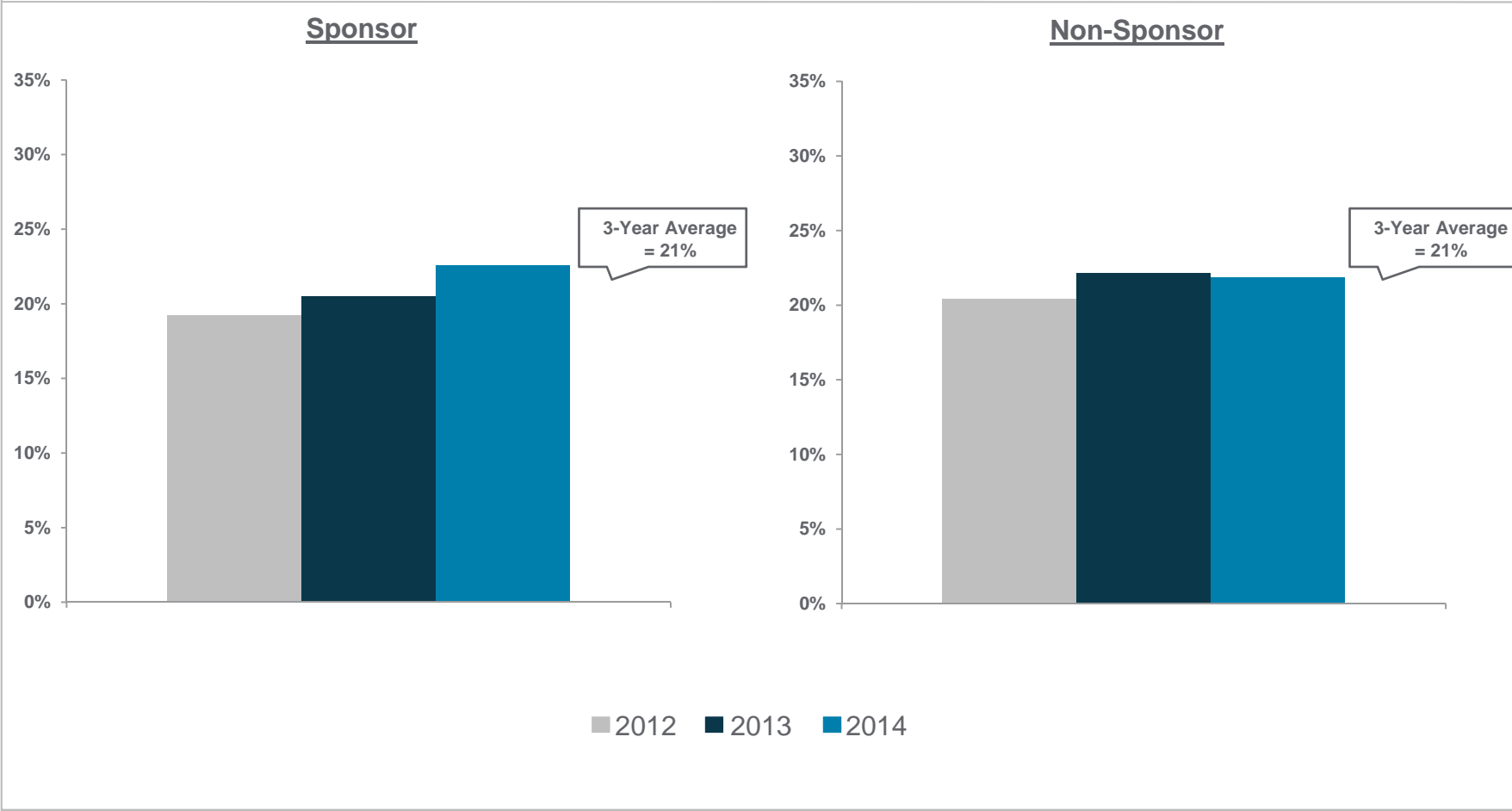


Restricted Payments General Basket % of Issuer's EBITDA

Ratings

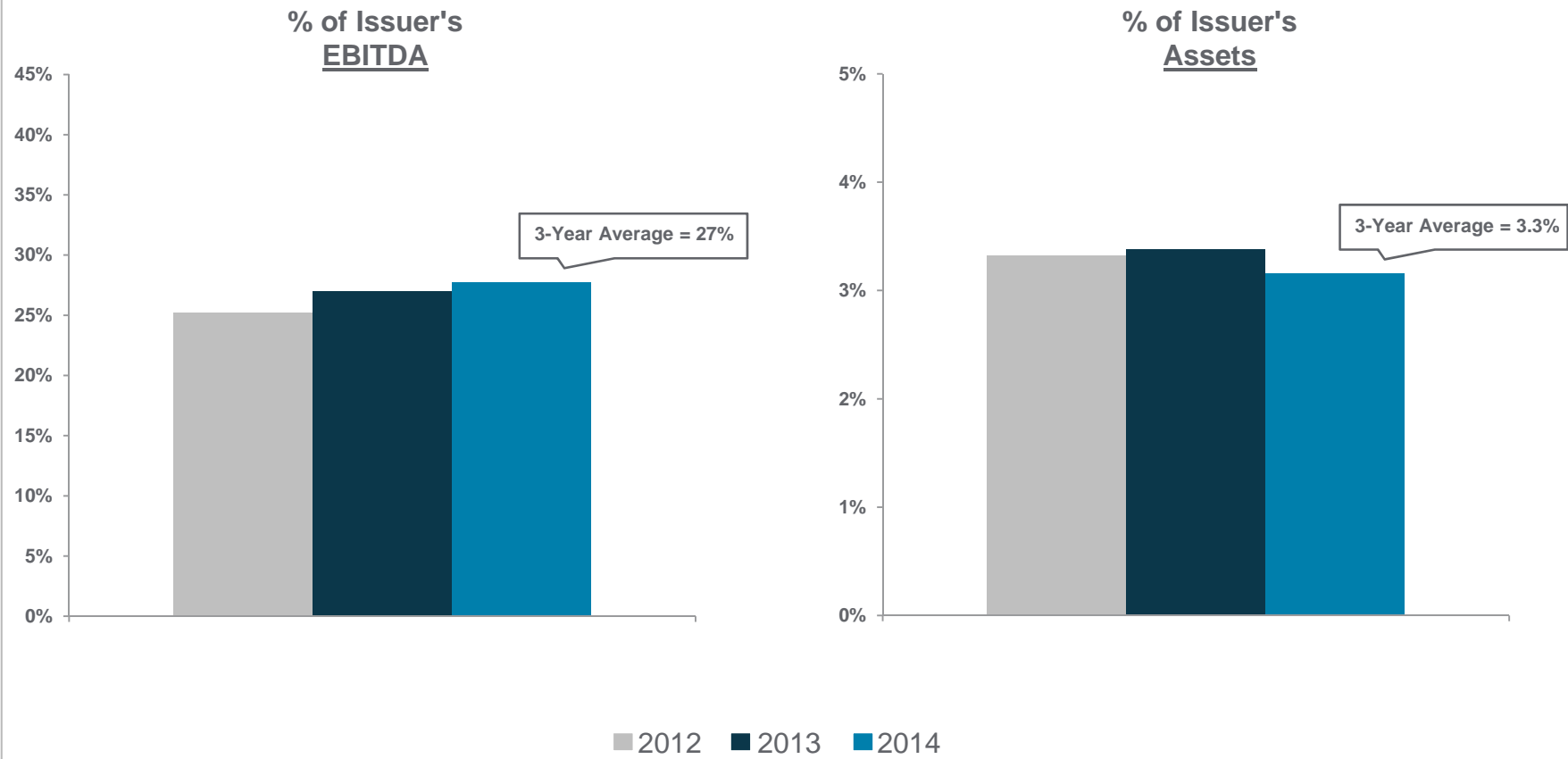


Restricted Payments General Basket % of Issuer's EBITDA



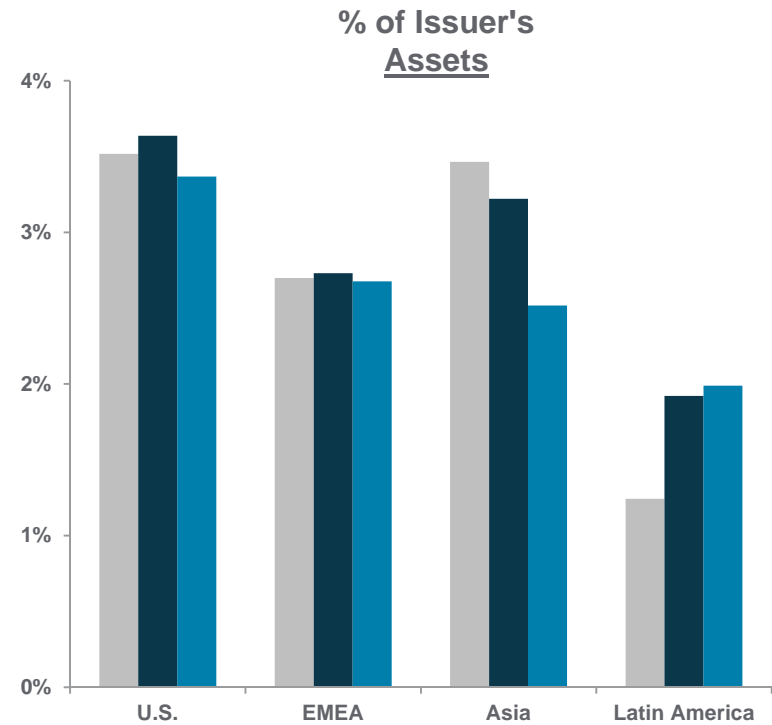
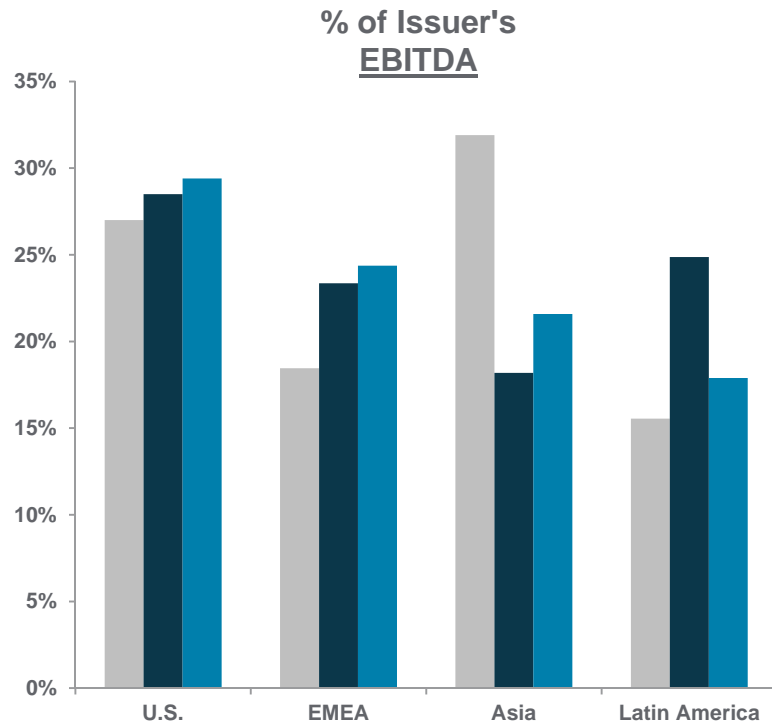


Permitted Investments General Basket Global Analysis





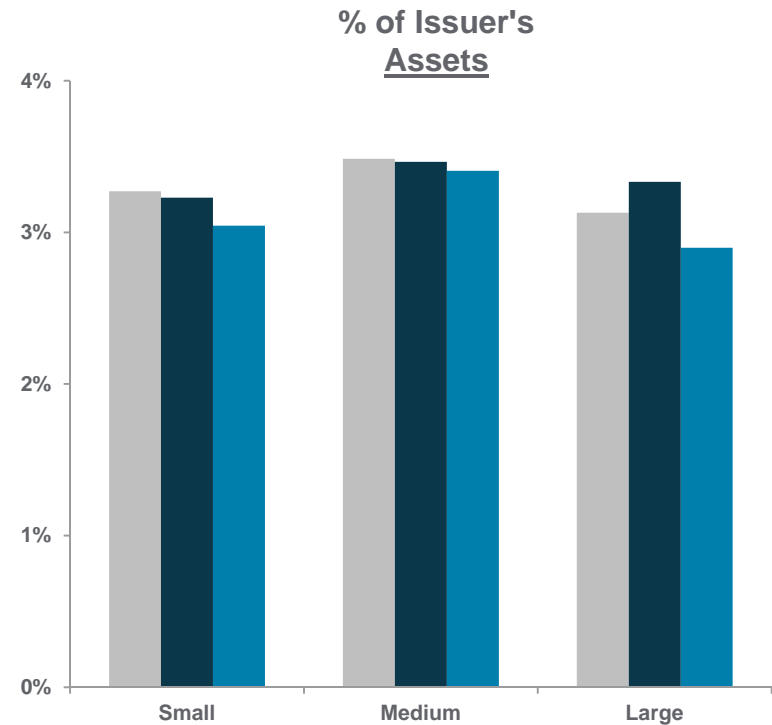
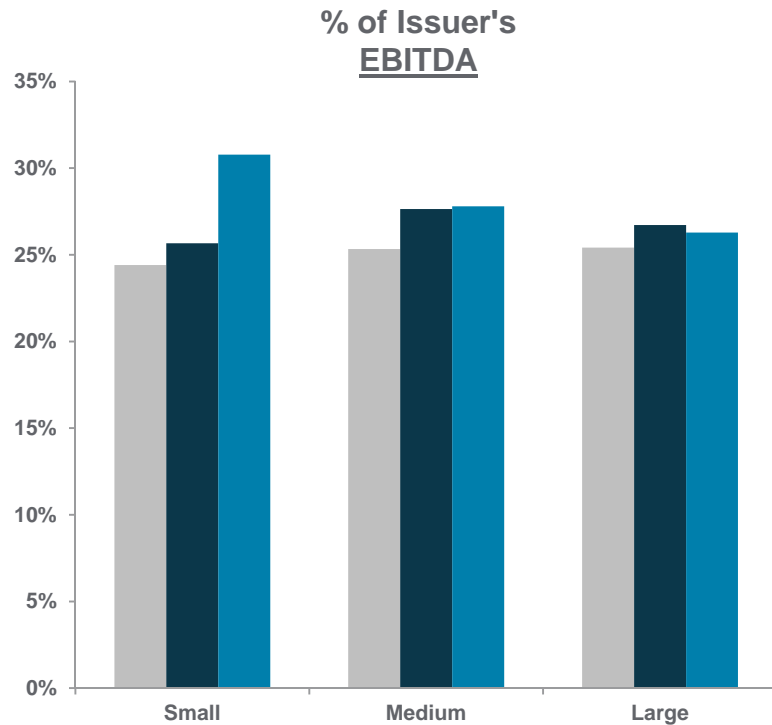
Permitted Investments General Basket Geographic Breakdown



■ 2012 ■ 2013 ■ 2014



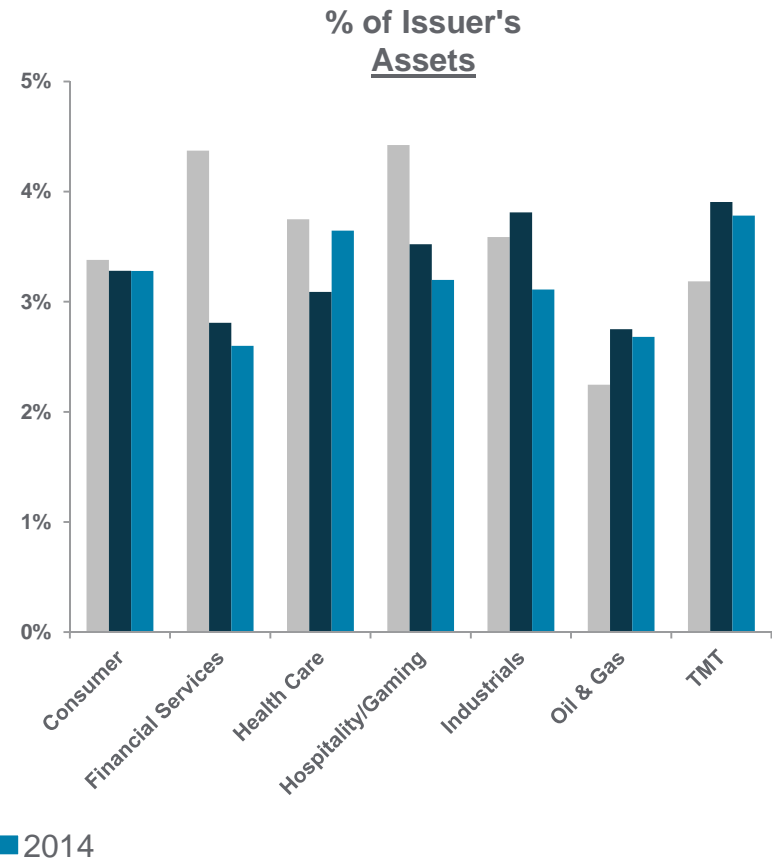
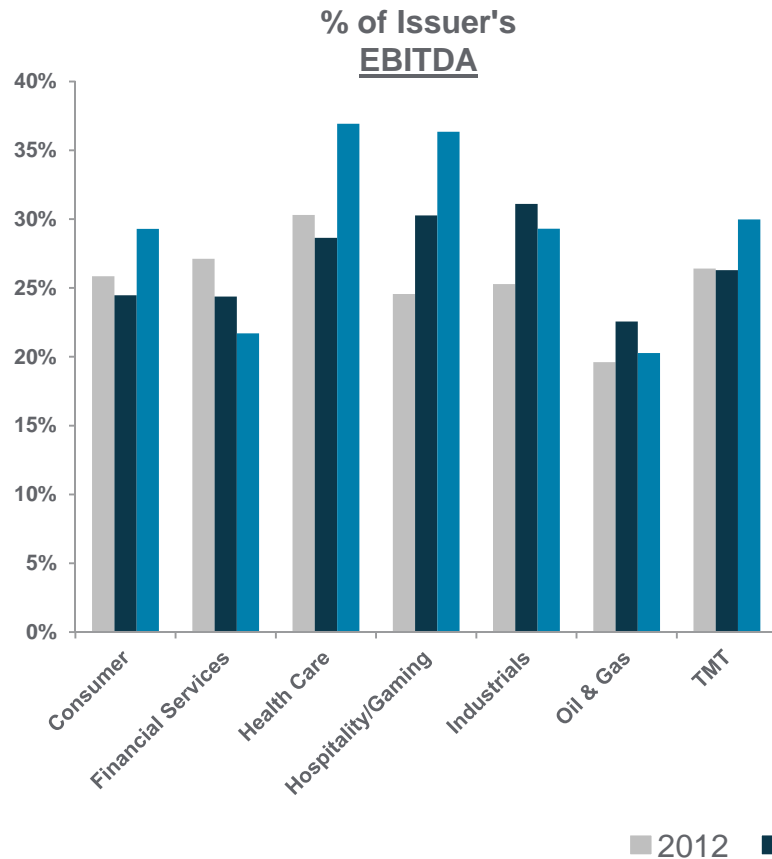
Permitted Investments General Basket Deal Size Breakdown



■ 2012 ■ 2013 ■ 2014

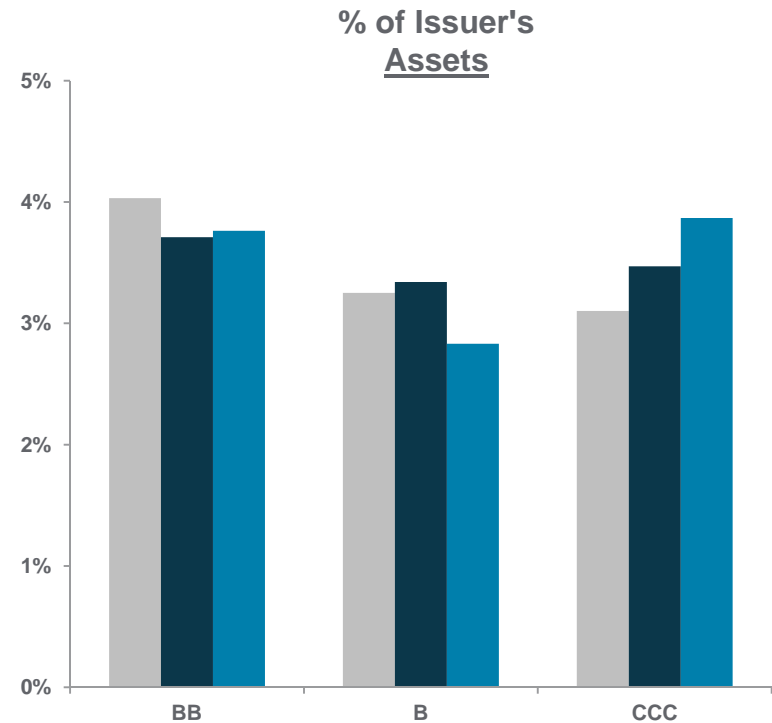
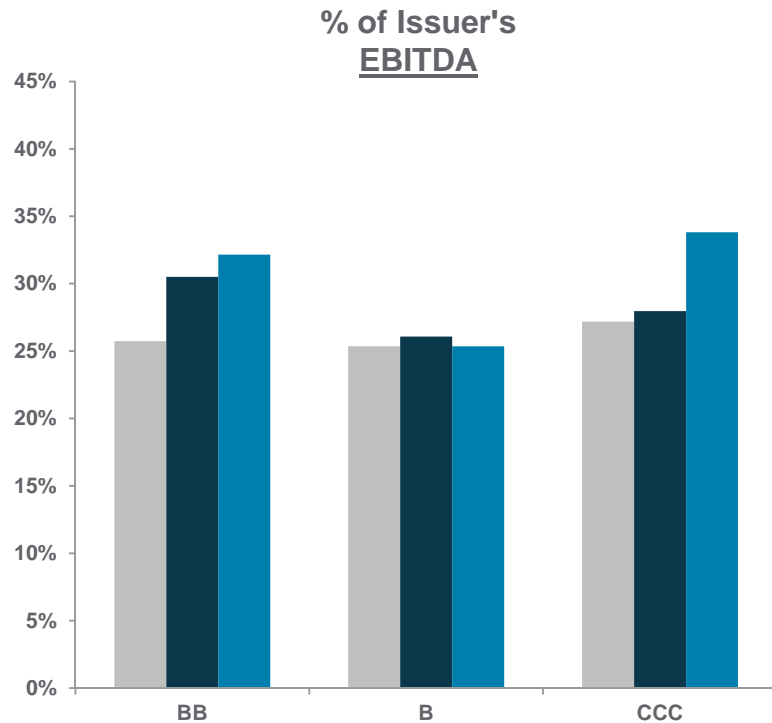


Permitted Investments General Basket Industry Breakdown





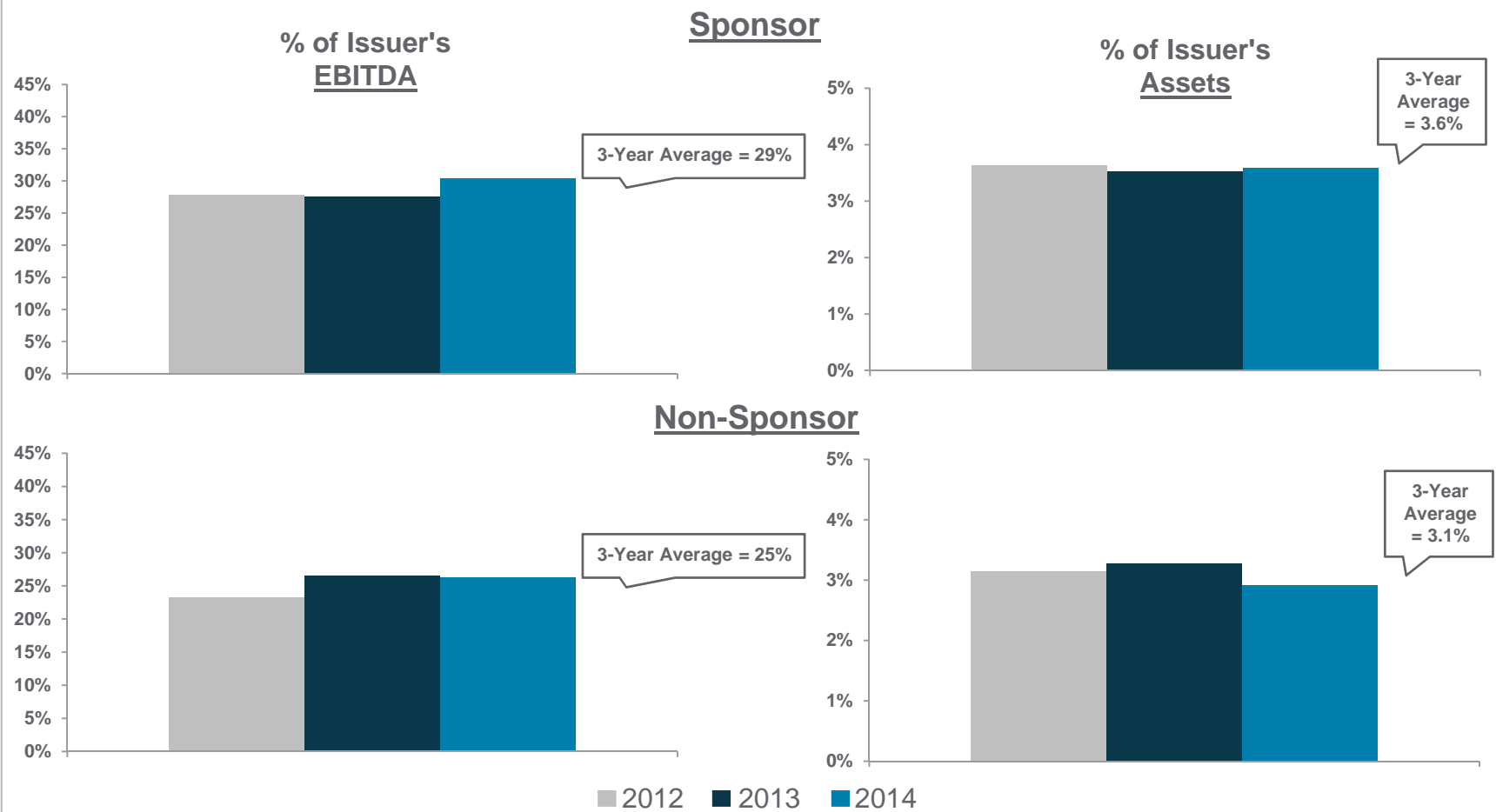
Permitted Investments General Basket Ratings Breakdown



■ 2012 ■ 2013 ■ 2014



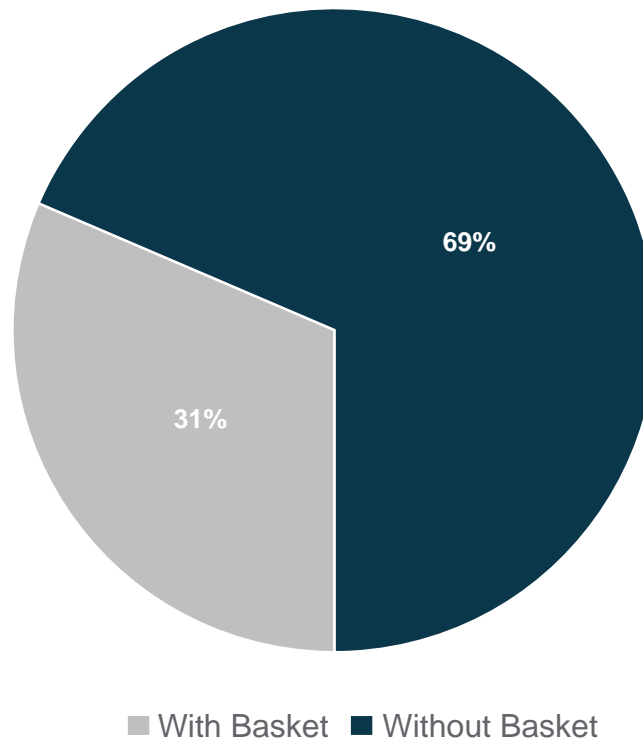
Permitted Investments General Basket Sponsor Breakdown





Unlimited Leverage-Based Restricted Payments % of Deals

Global 2014

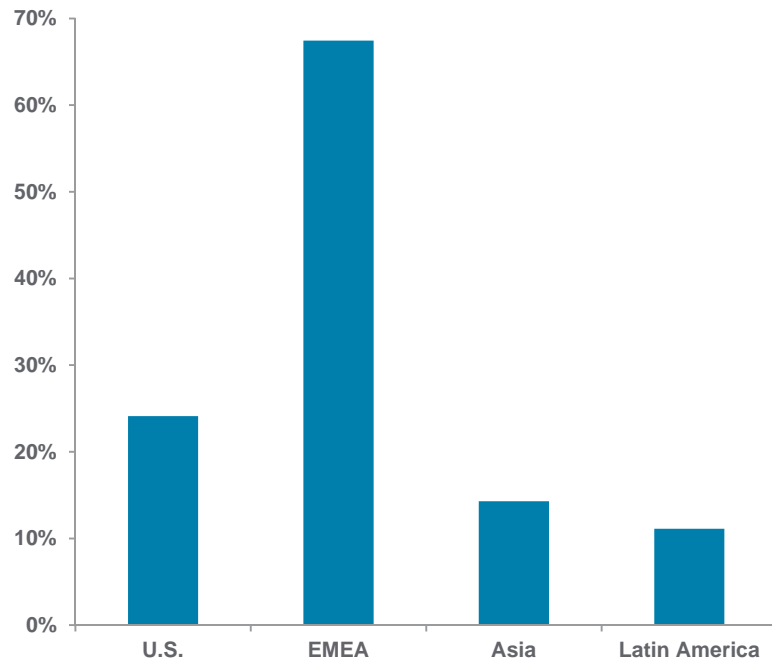




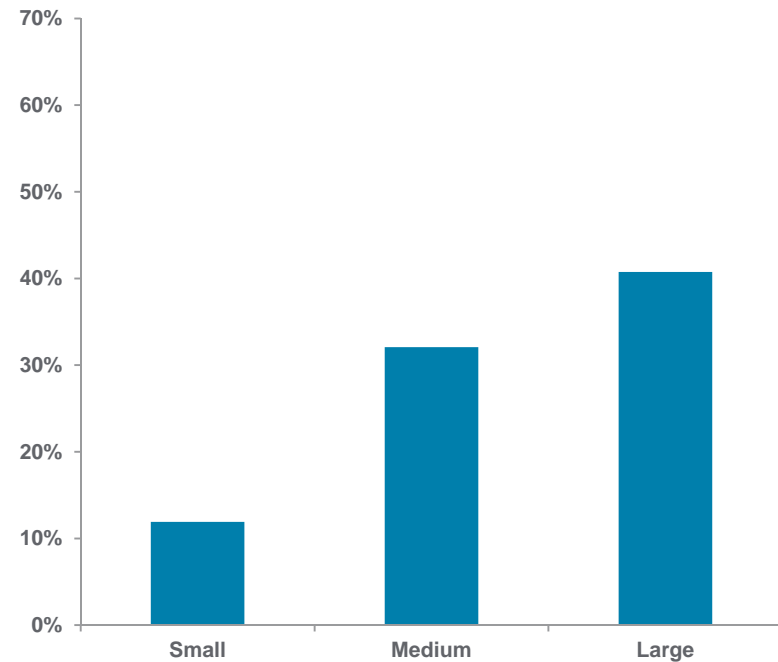
Unlimited Leverage-Based Restricted Payments

% of Deals with Basket

Geography 2014



Deal Size 2014

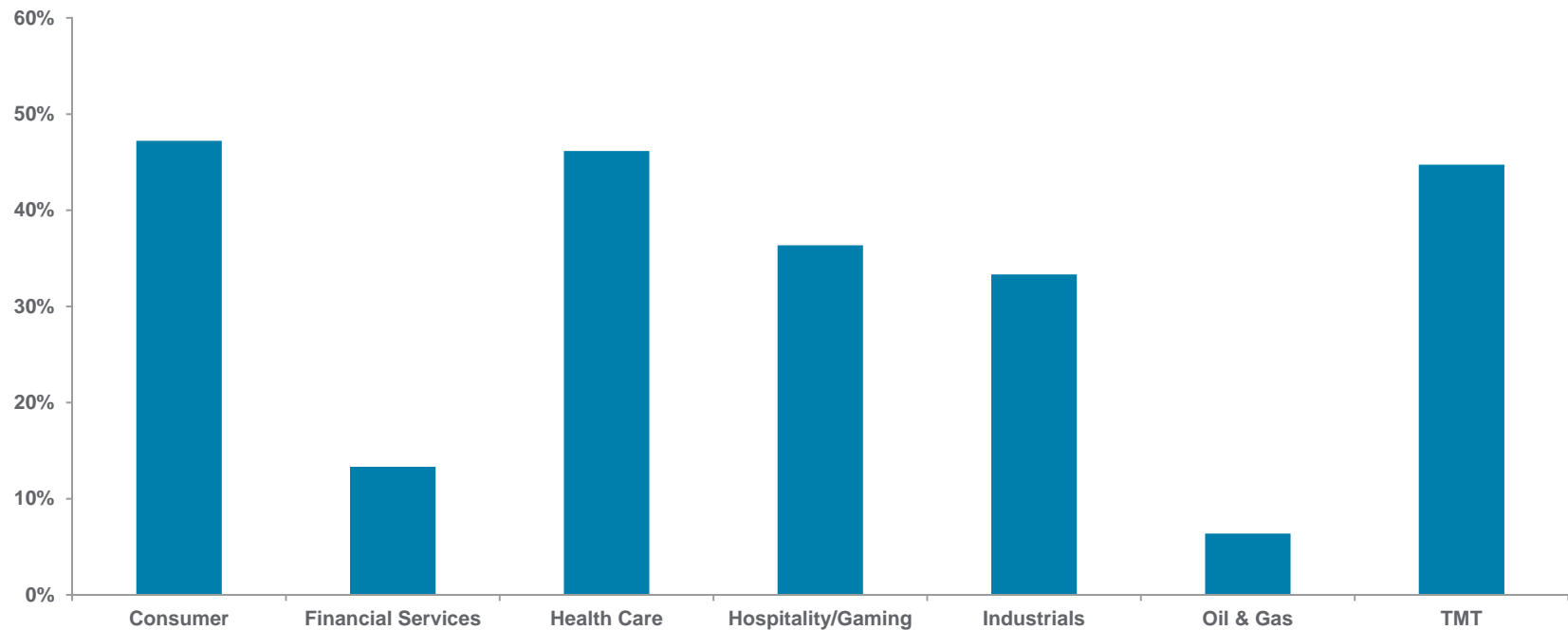




Unlimited Leverage-Based Restricted Payments

% of Deals with Basket

Industry 2014

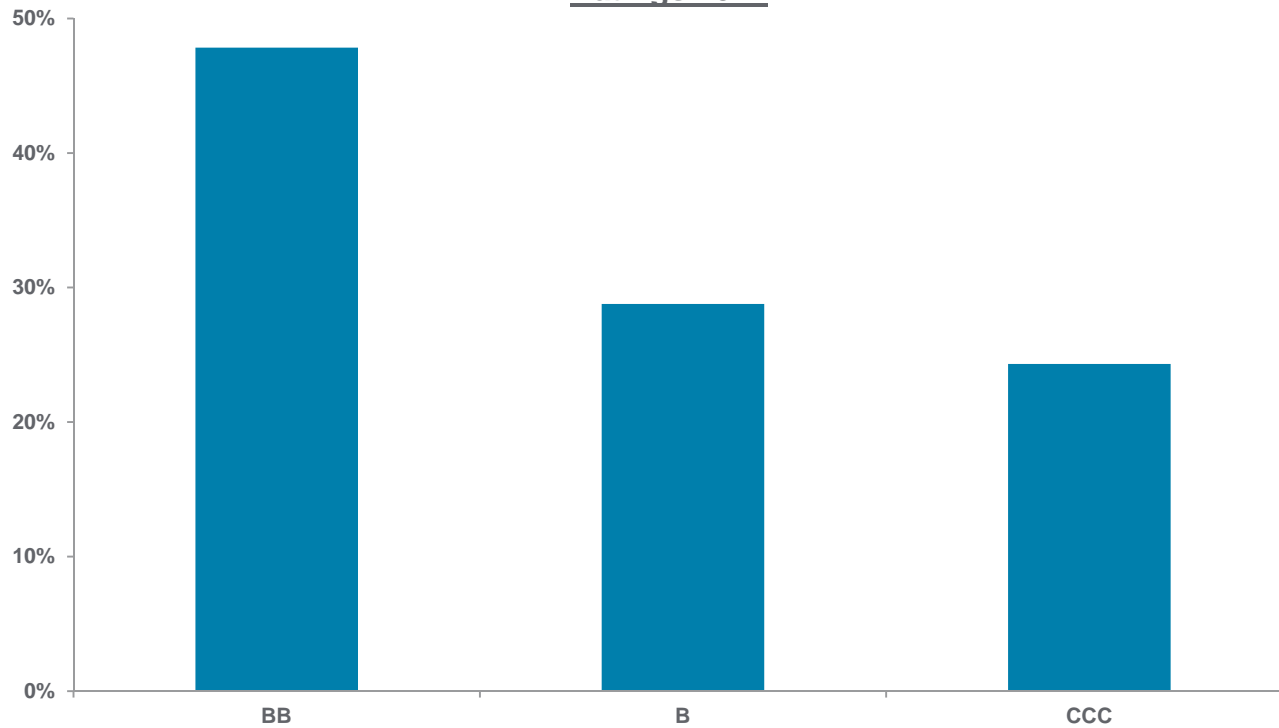




Unlimited Leverage-Based Restricted Payments

% of Deals with Basket

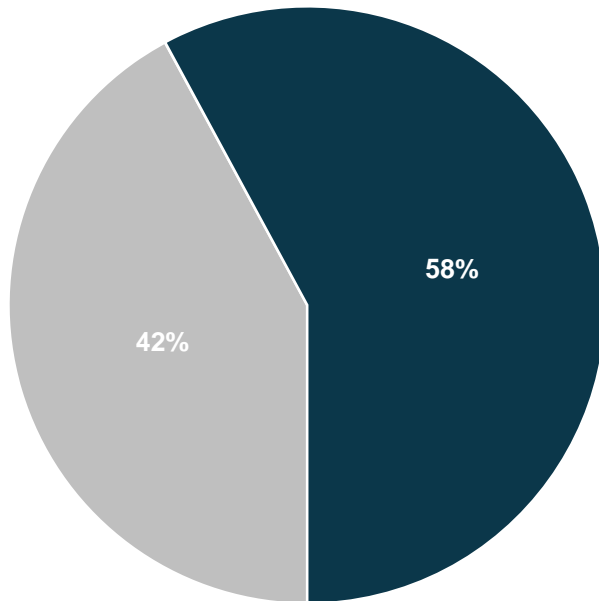
Ratings 2014



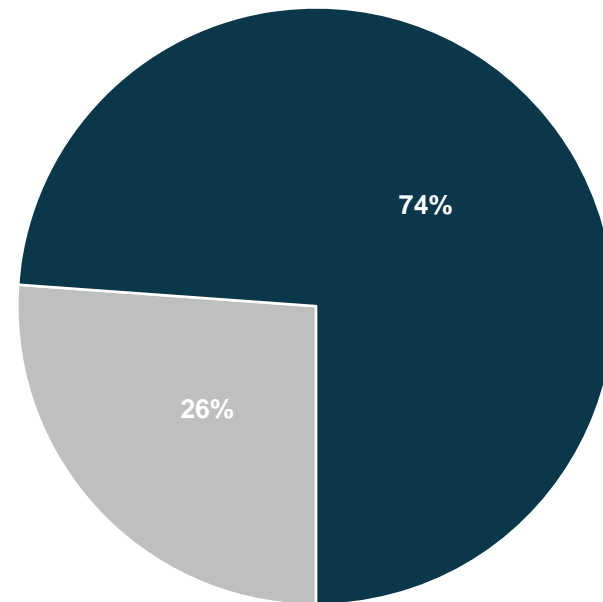


Unlimited Leverage-Based Restricted Payments % of Deals

Sponsor 2014



Non-Sponsor 2014



■ With Basket

■ Without Basket



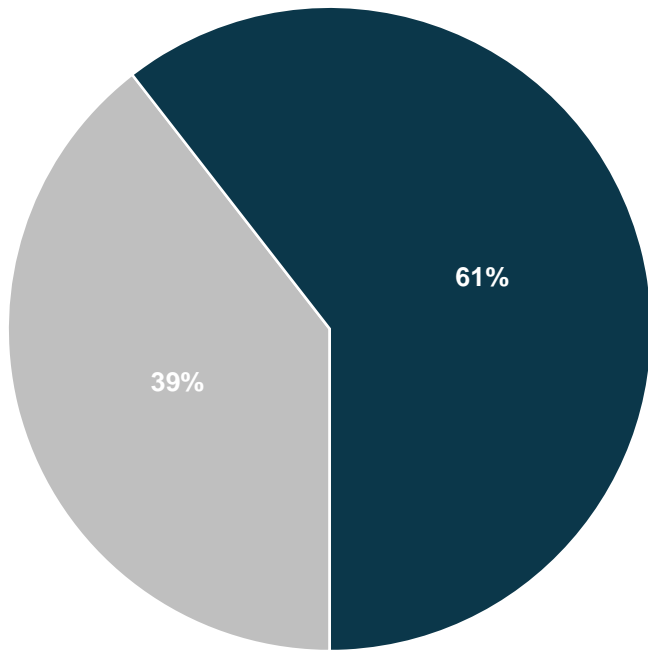
Liens



Secured Leverage Grower

% of Deals

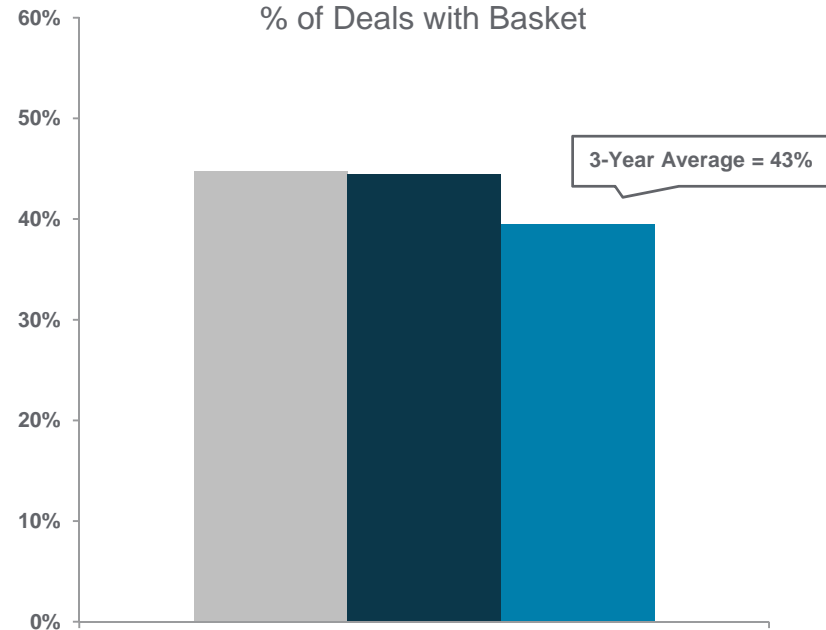
Global 2014



■ With Basket ■ Without Basket

Global

% of Deals with Basket



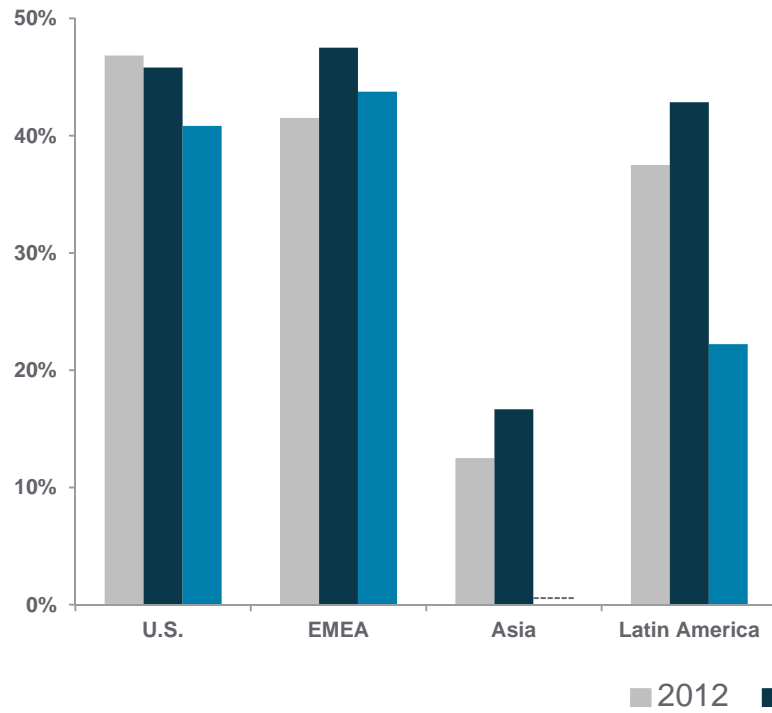
■ 2012 ■ 2013 ■ 2014



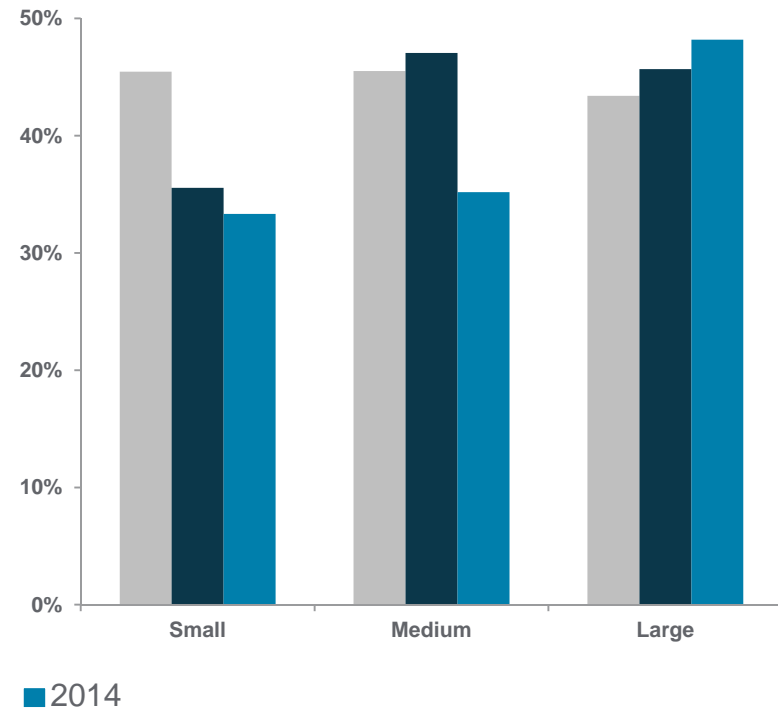
Secured Leverage Grower

% of Deals with Basket

Geography



Deal Size



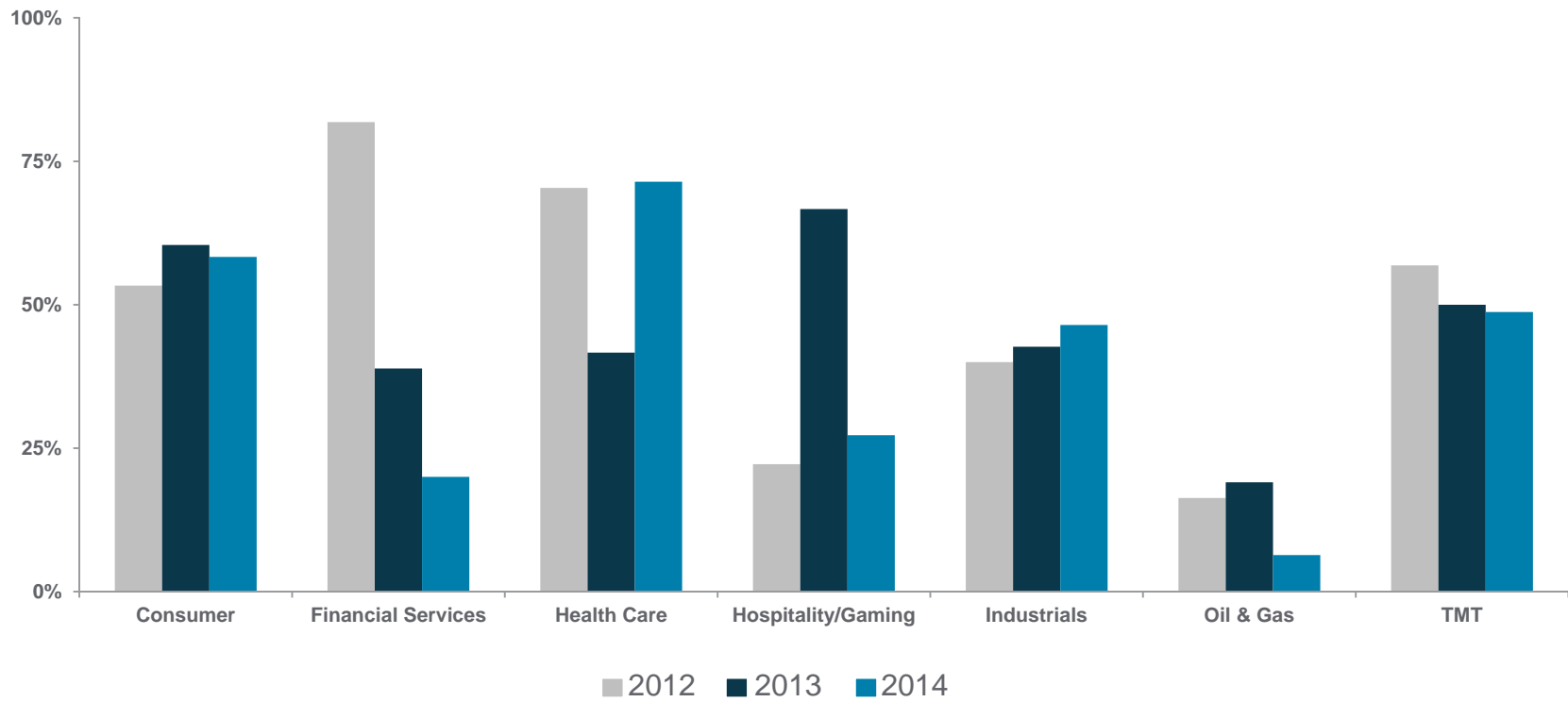
----- Indicates no reviewed deals contained term



Secured Leverage Grower

% of Deals with Basket

Industry

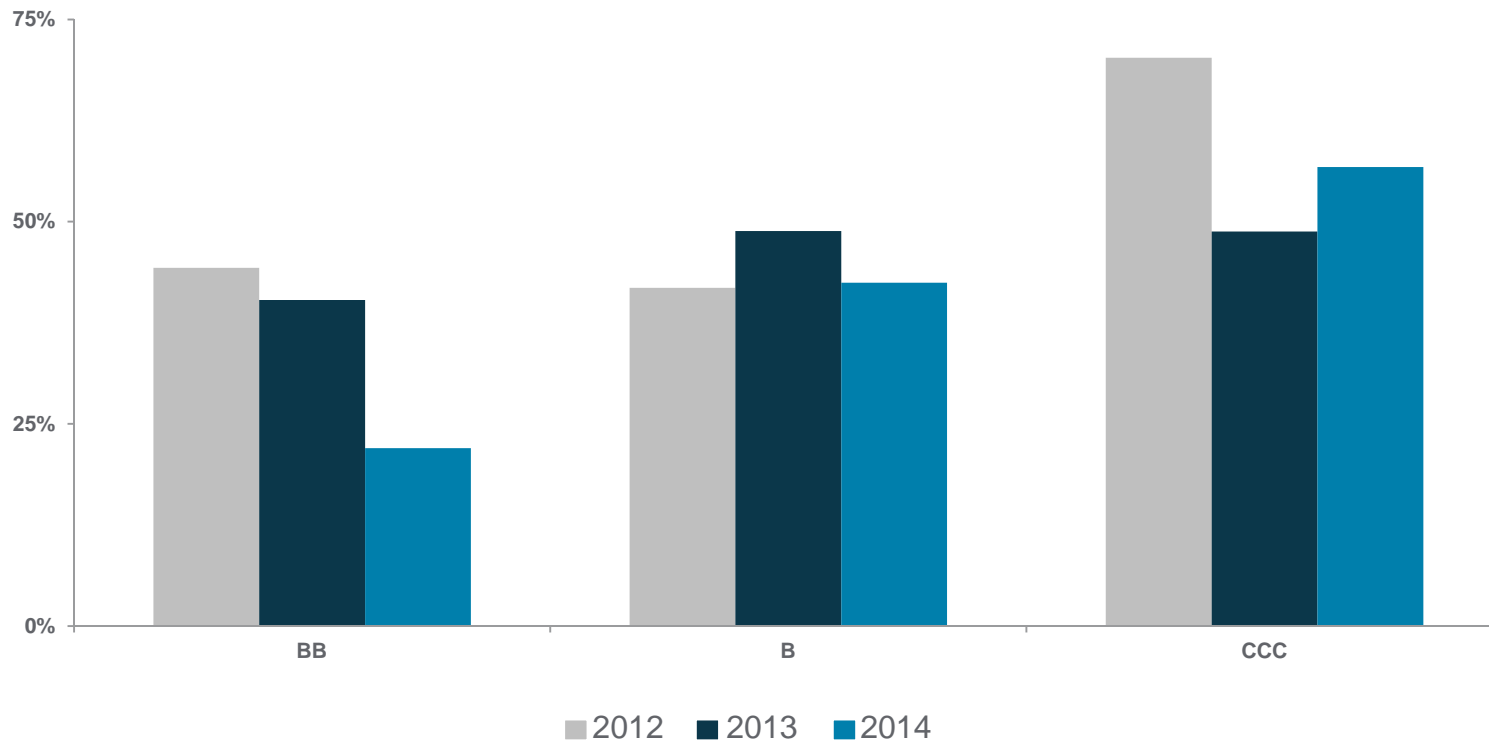




Secured Leverage Grower

% of Deals with Basket

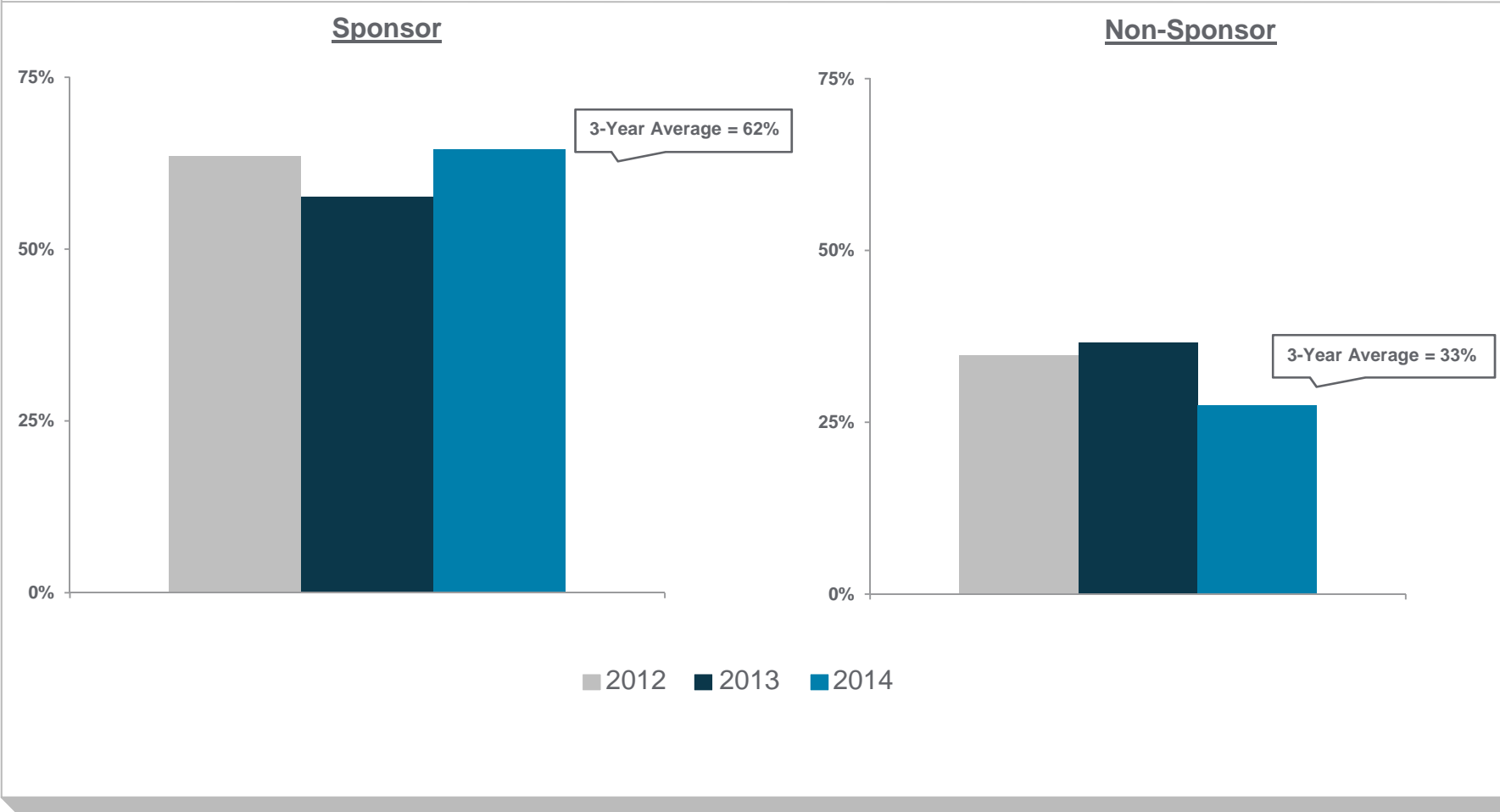
Ratings





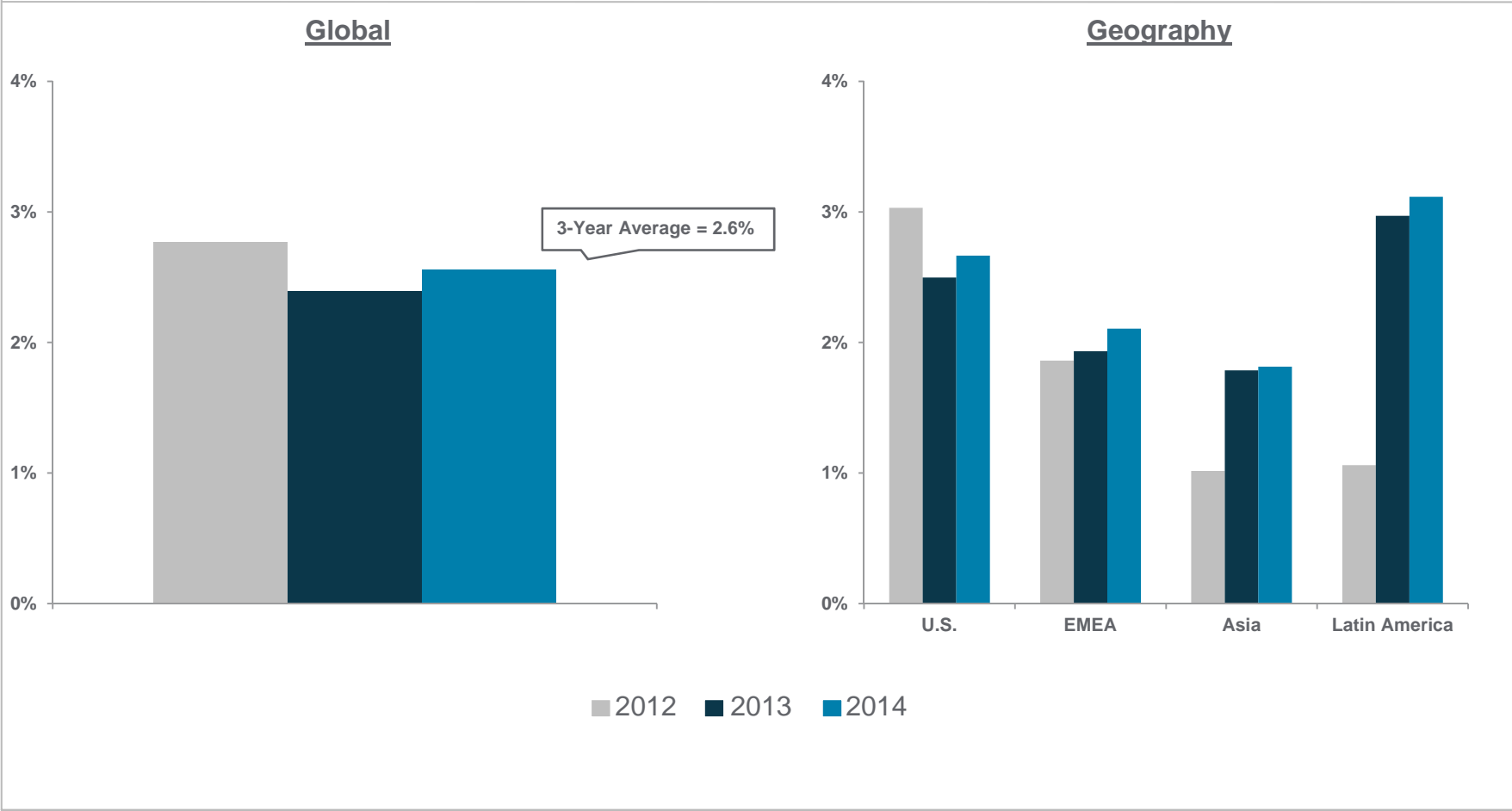
Secured Leverage Grower

% of Deals with Basket





General Permitted Lien Basket % of Issuer's Assets

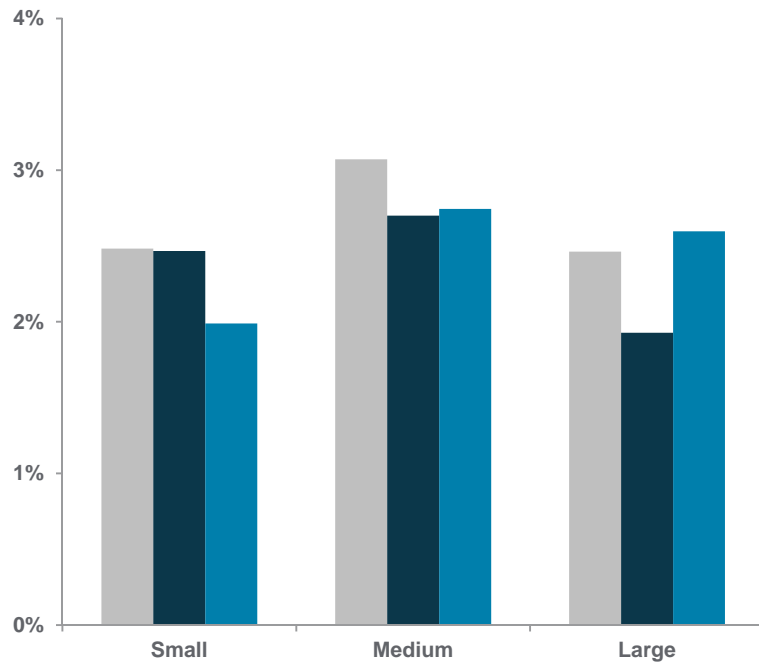




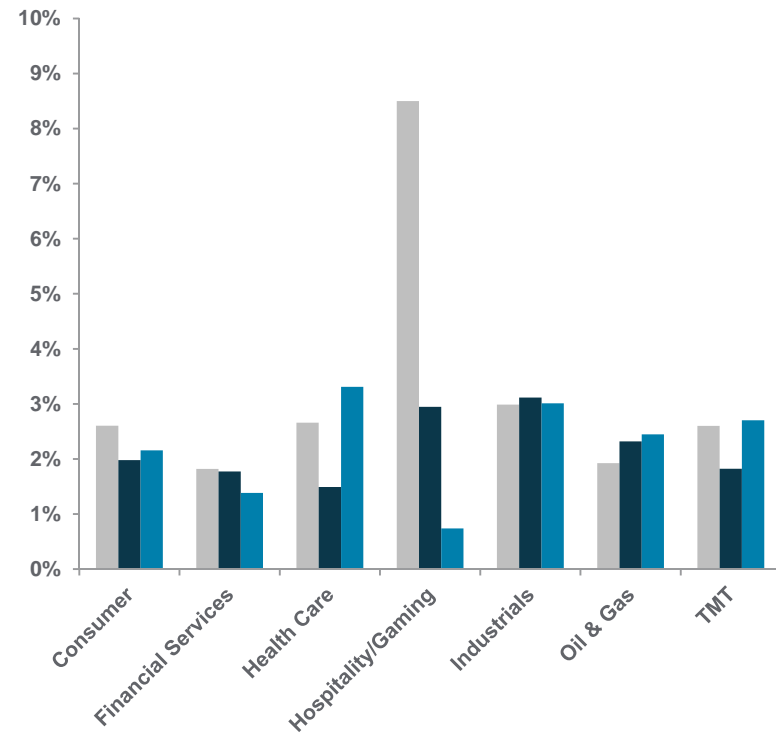
General Permitted Lien Basket

% of Issuer's Assets

Deal Size



Industry

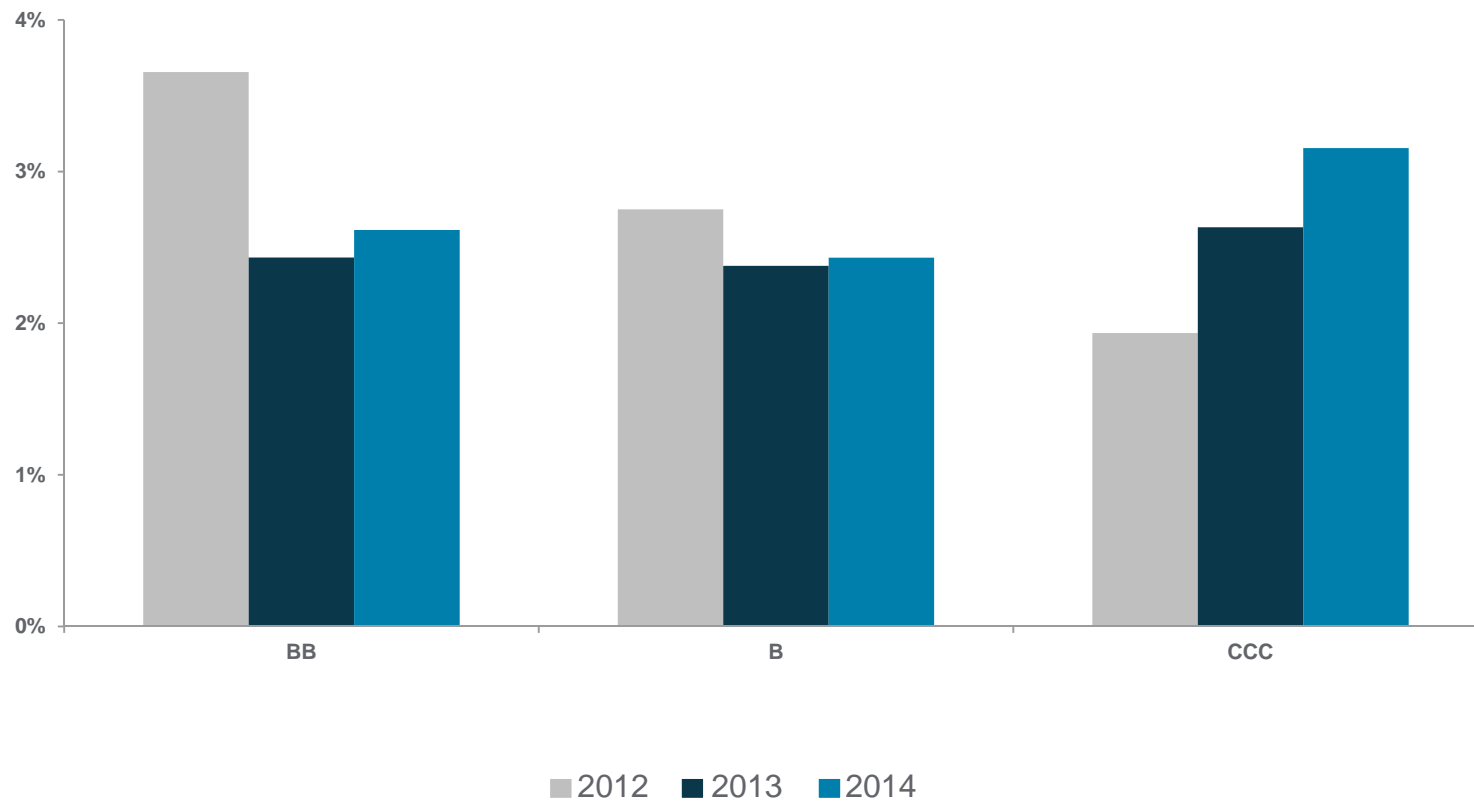


■ 2012 ■ 2013 ■ 2014



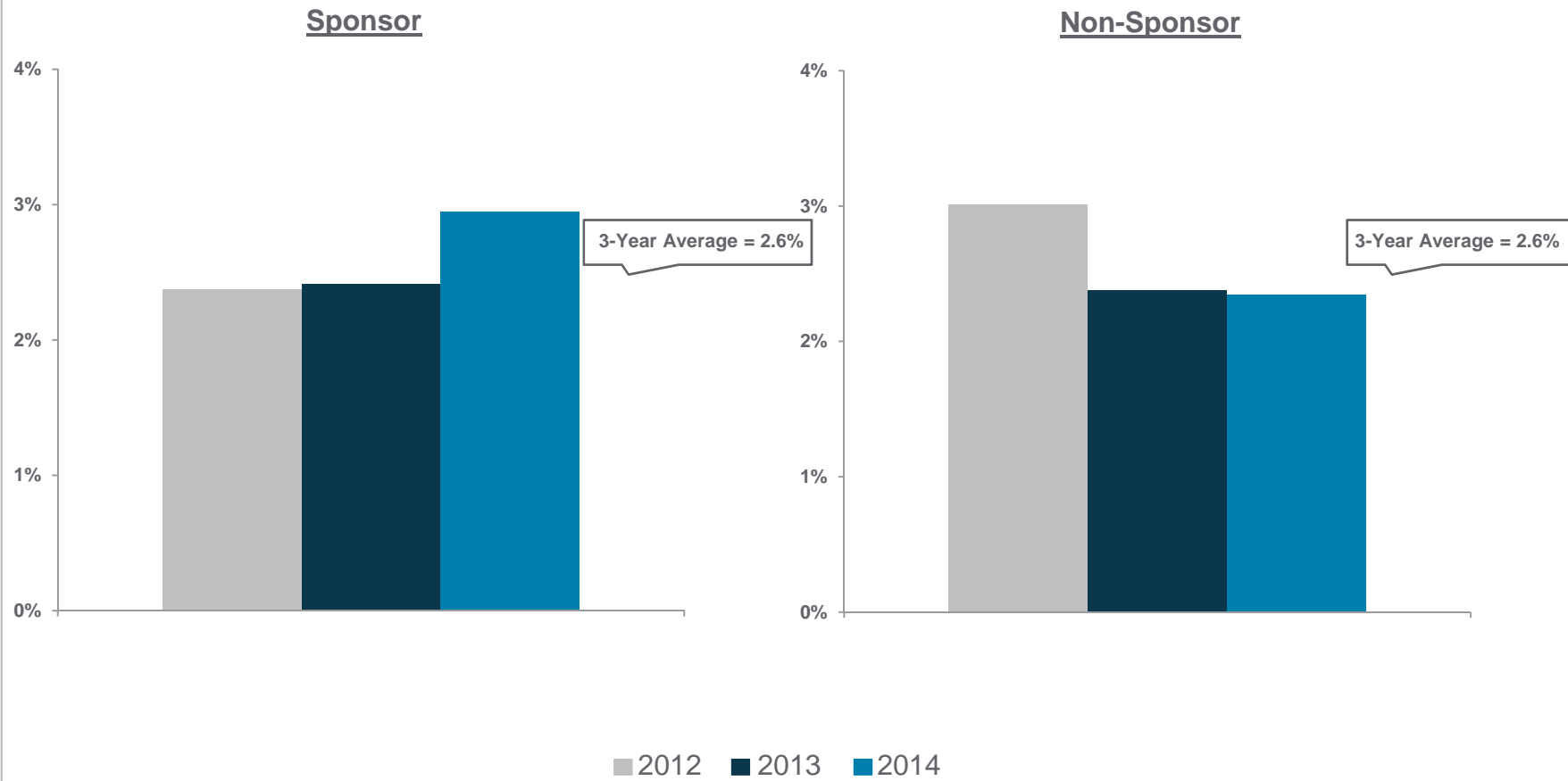
General Permitted Lien Basket % of Issuer's Assets

Ratings





General Permitted Lien Basket % of Issuer's Assets





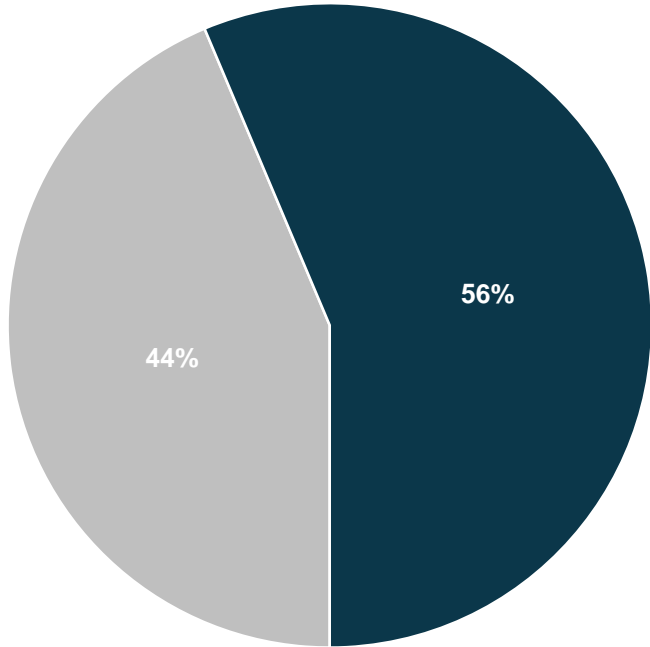
Affiliate Transactions



Fairness Opinion Requirement

% of Deals

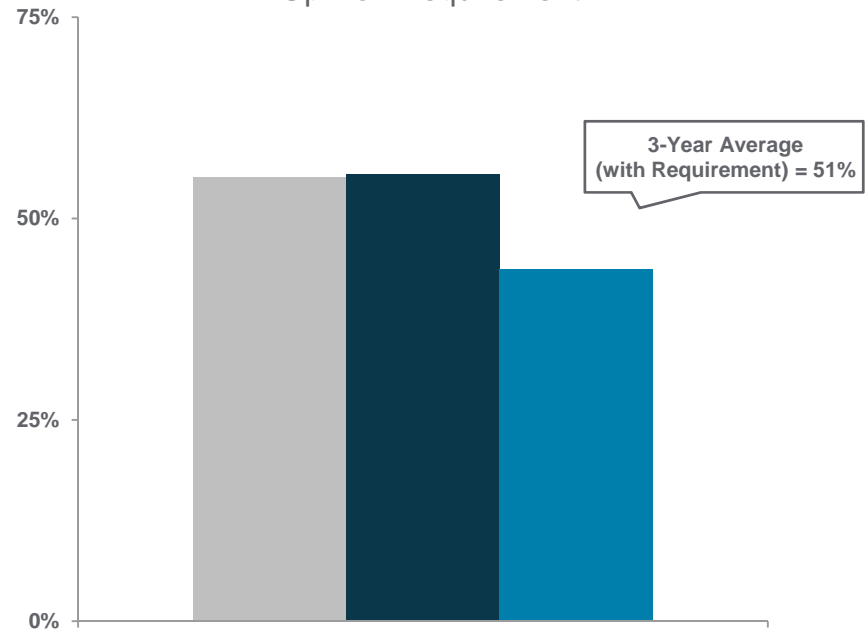
Global 2014



■ With Requirement ■ Without Requirement

Global

% of Deals with Fairness Opinion Requirement

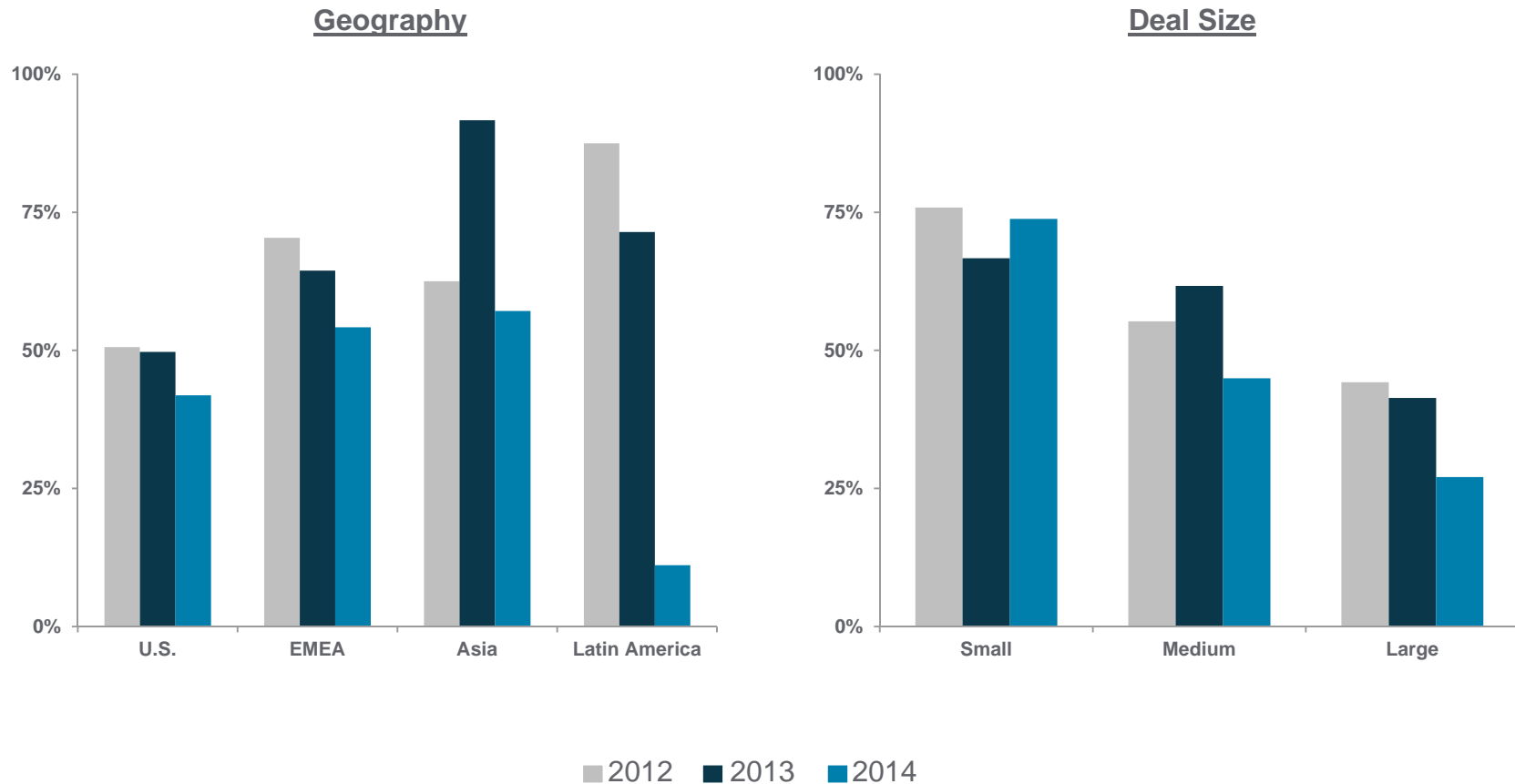


■ 2012 ■ 2013 ■ 2014



Fairness Opinion Requirement

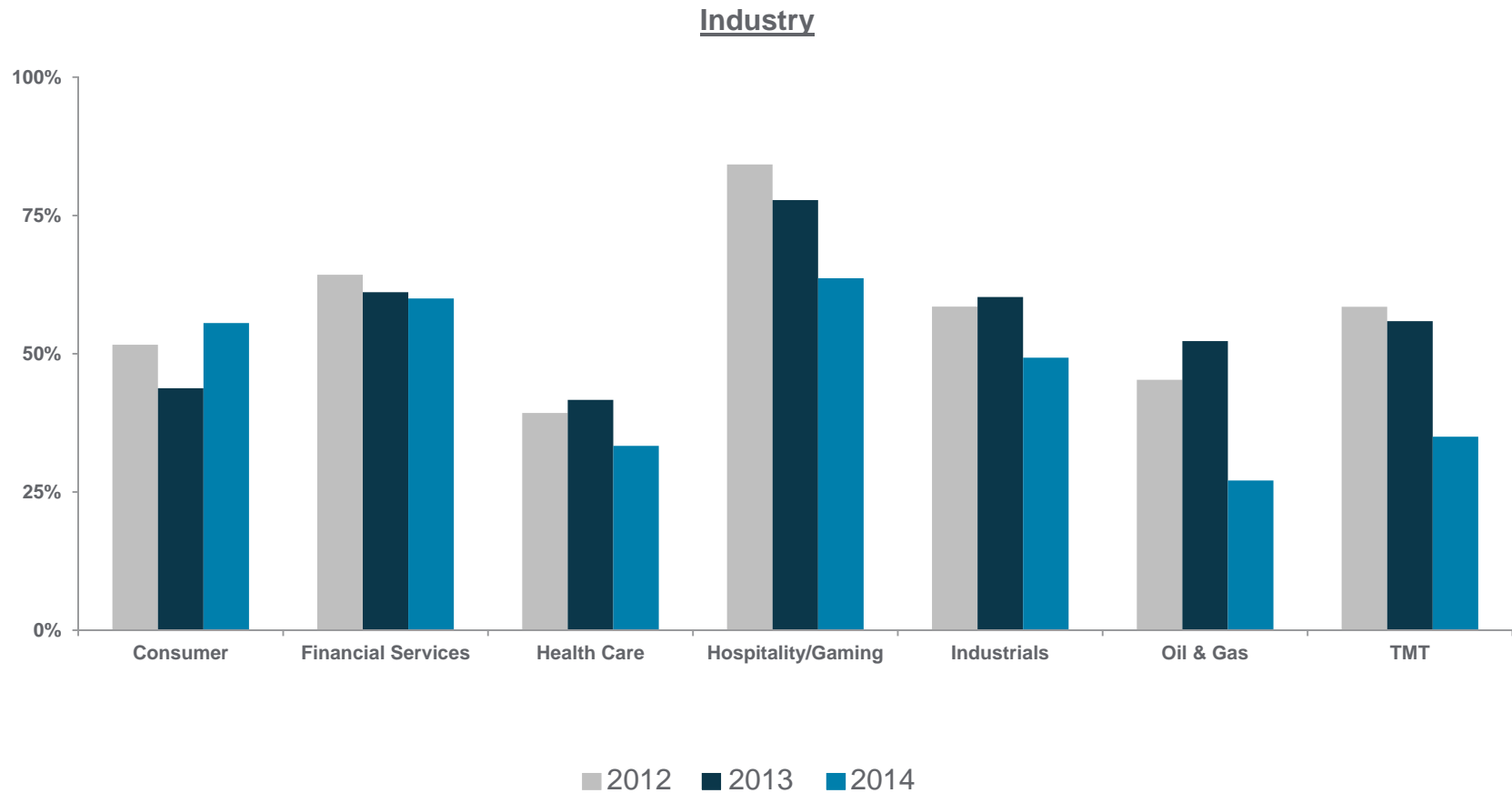
% of Deals with Fairness Opinion Requirement





Fairness Opinion Requirement

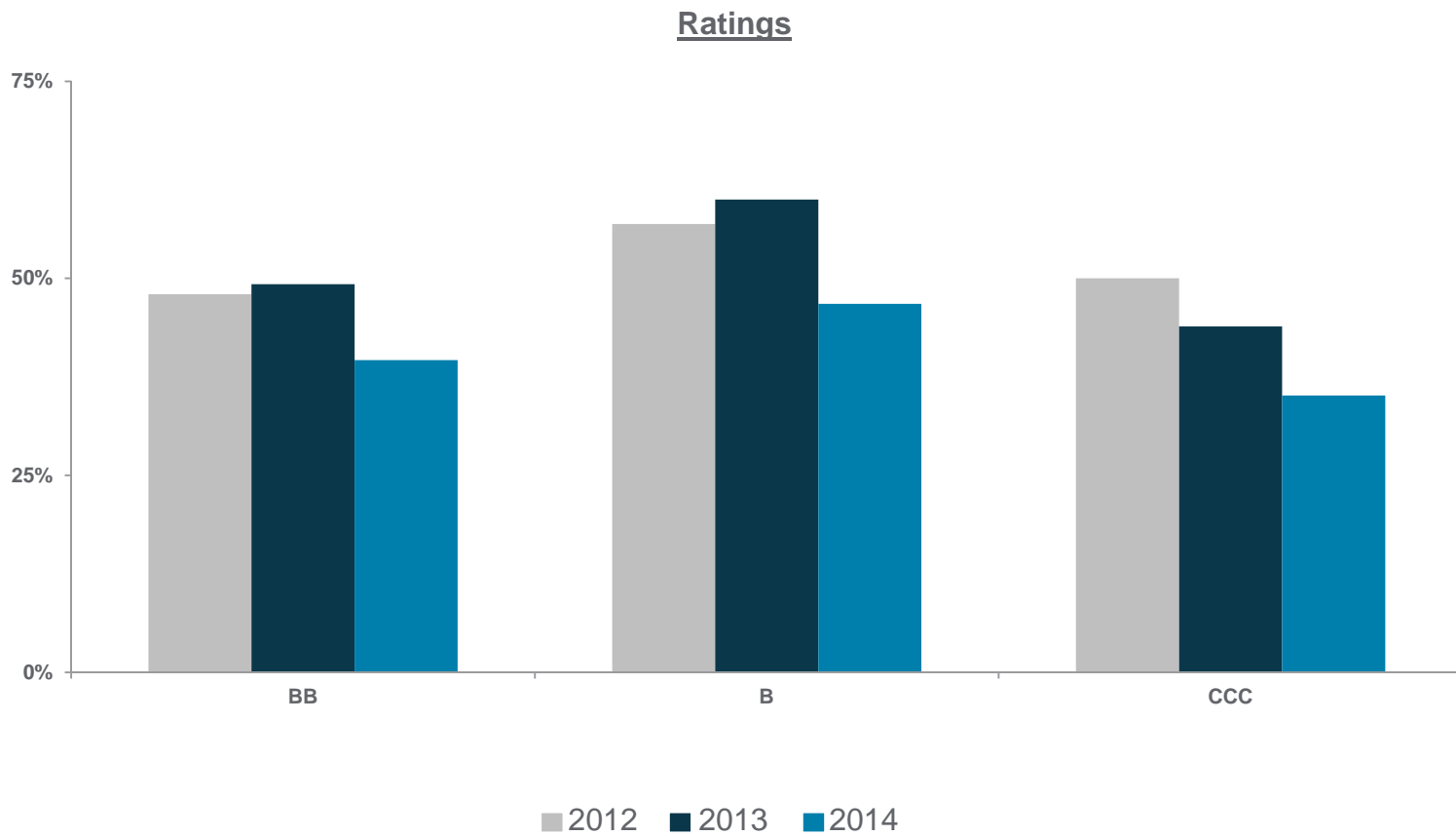
% of Deals with Fairness Opinion Requirement





Fairness Opinion Requirement

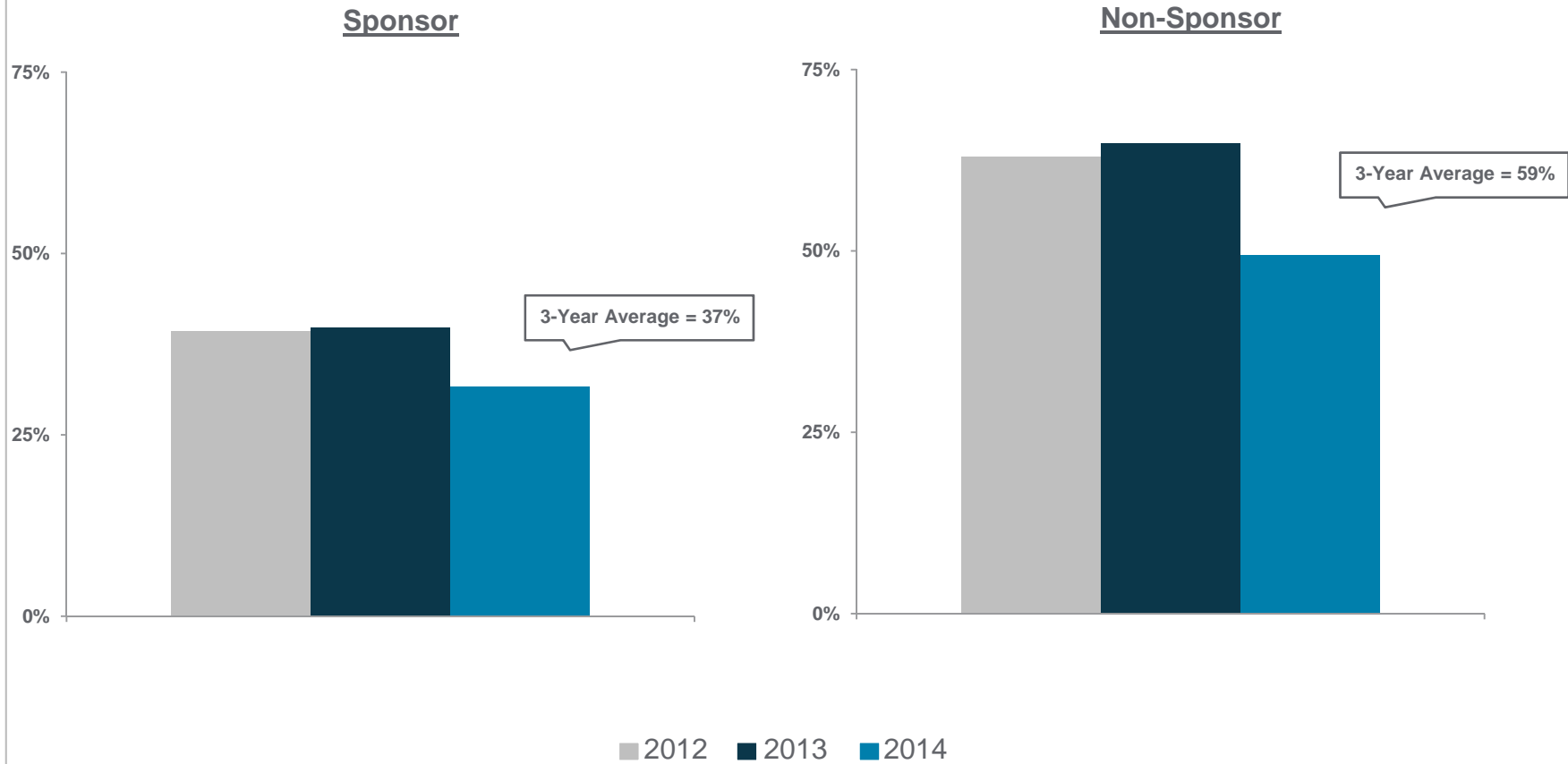
% of Deals with Fairness Opinion Requirement





Fairness Opinion Requirement

% of Deals with Fairness Opinion Requirement



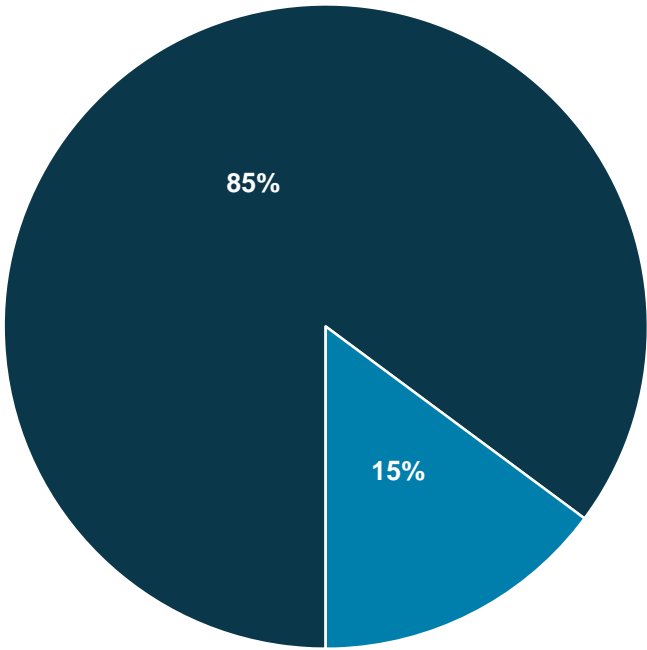


Asset Sales



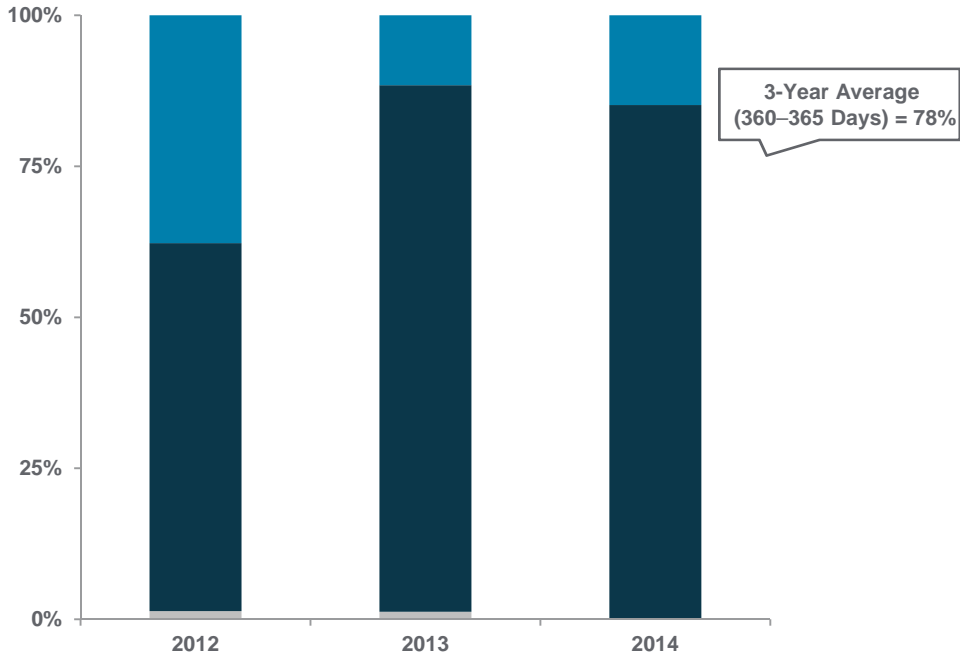
Reinvestment Period

Global 2014



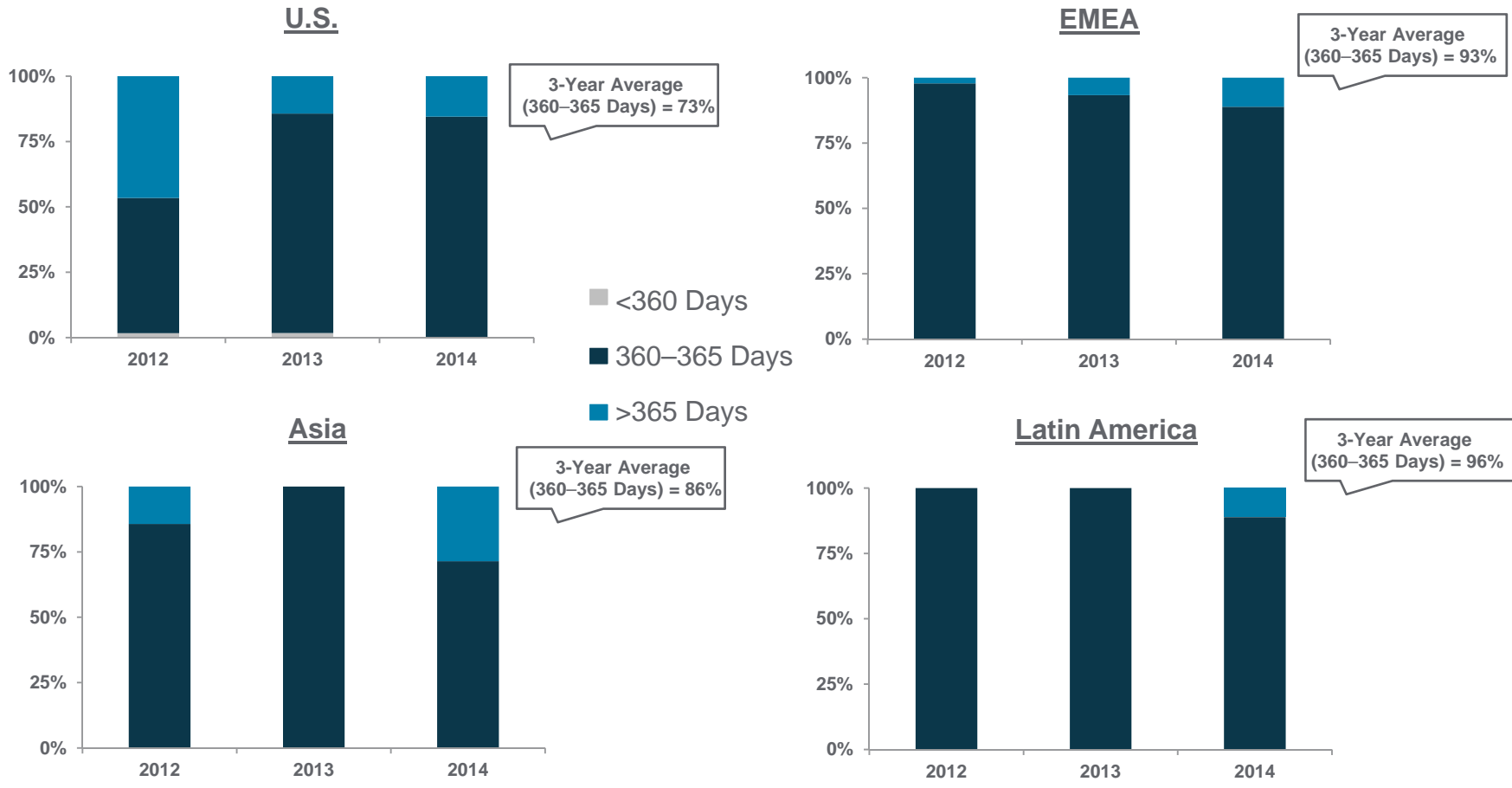
■ <360 Days ■ 360–365 Days ■ >365 Days

Global



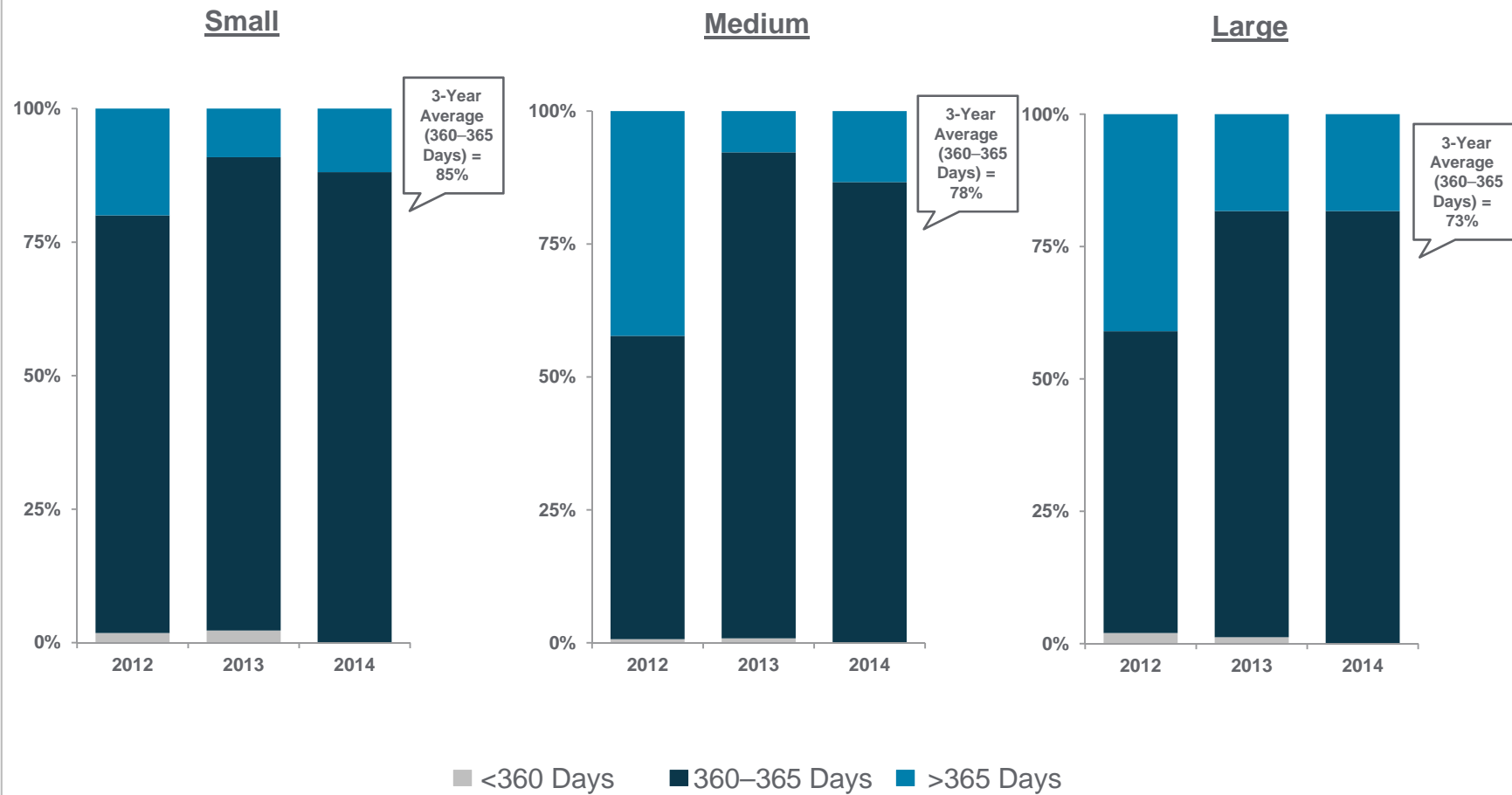


Reinvestment Period Geographic Breakdown



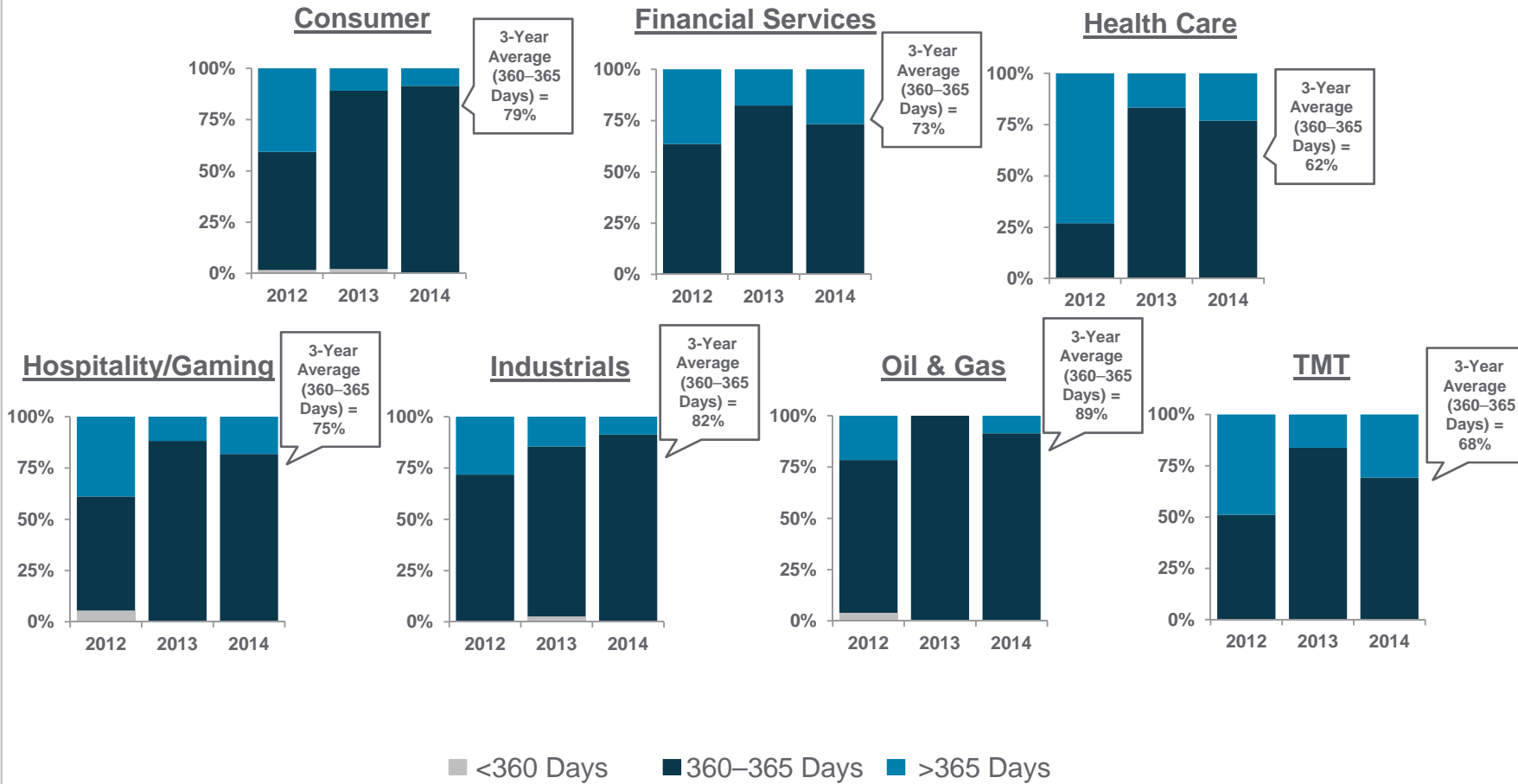


Reinvestment Period Deal Size Breakdown



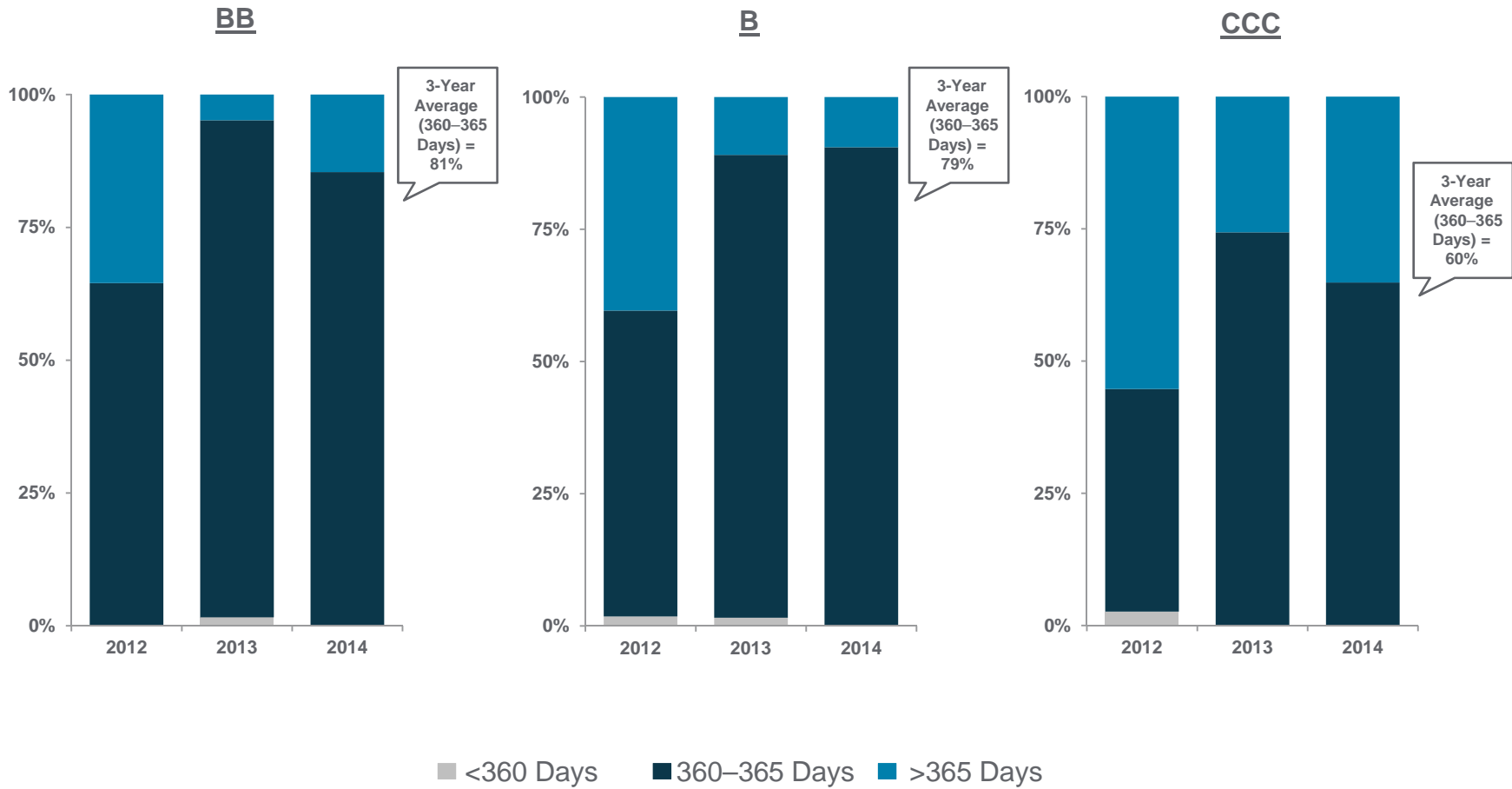


Reinvestment Period Industry Breakdown



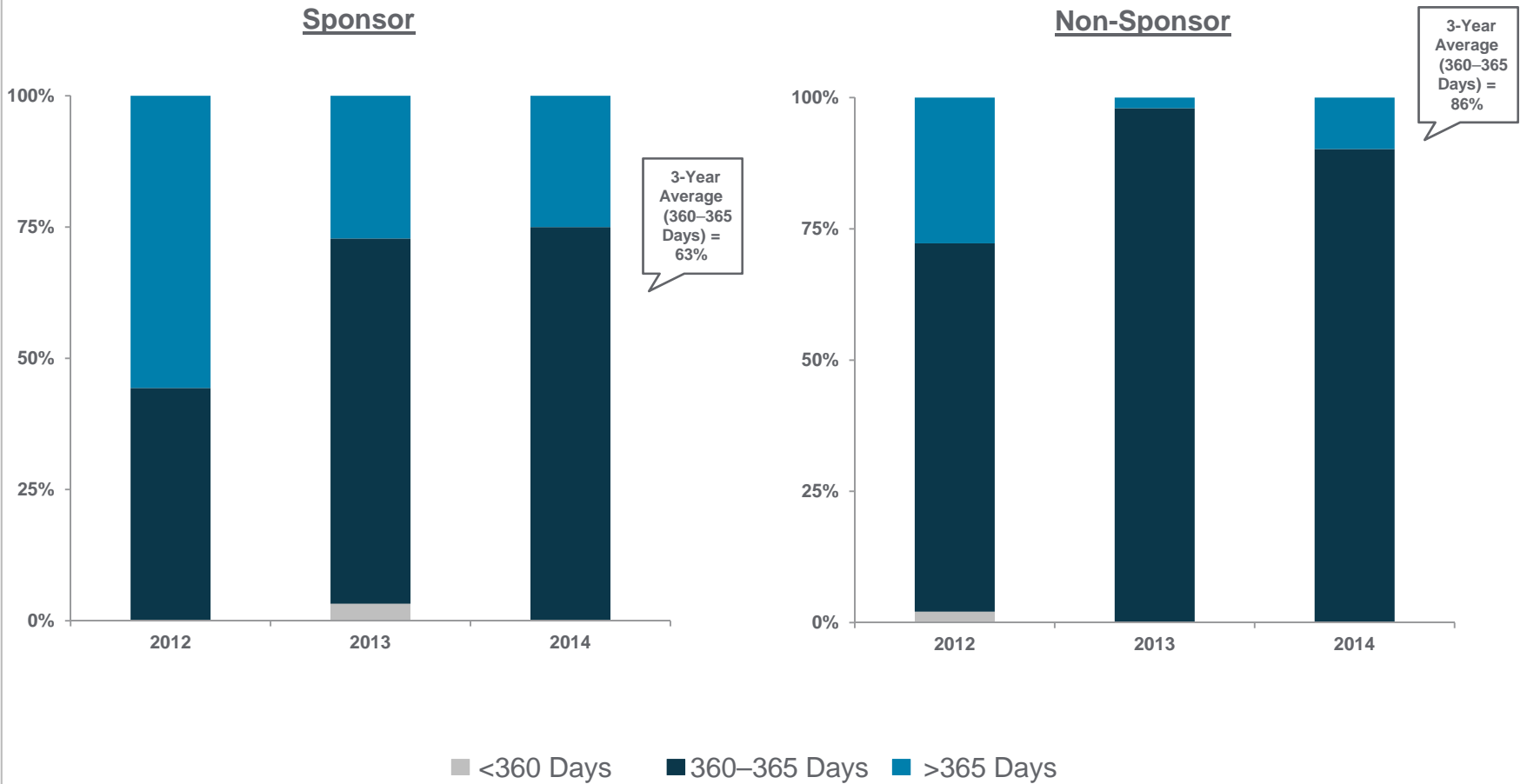


Reinvestment Period Ratings Breakdown





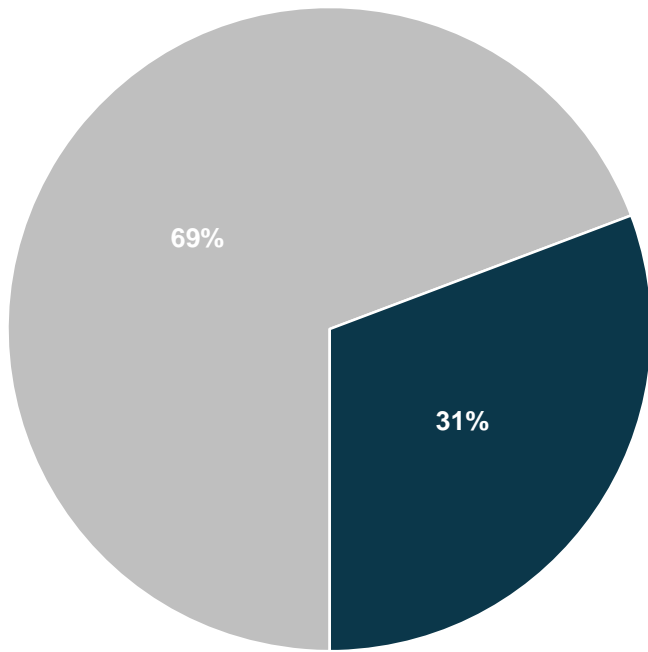
Reinvestment Period Sponsor Breakdown





Designated Non-Cash Consideration % of Deals

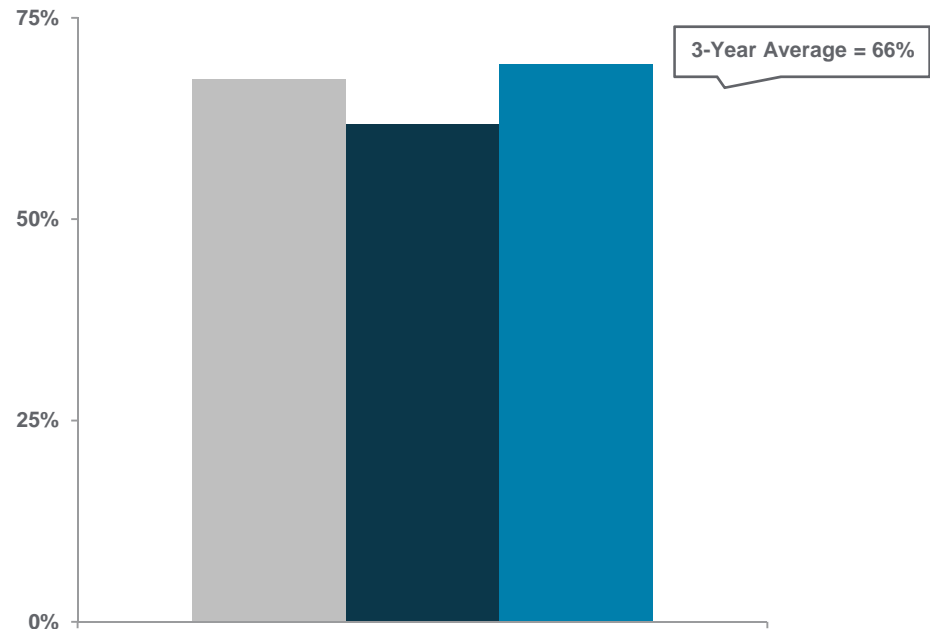
Global 2014



■ With Carve-out ■ Without Carve-out

Global

% of Deals with Carve-out

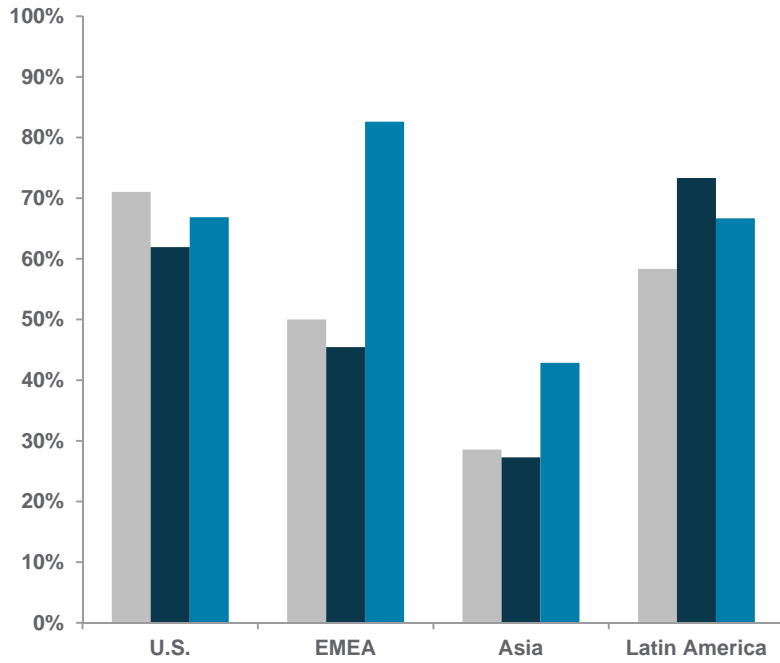


■ 2012 ■ 2013 ■ 2014

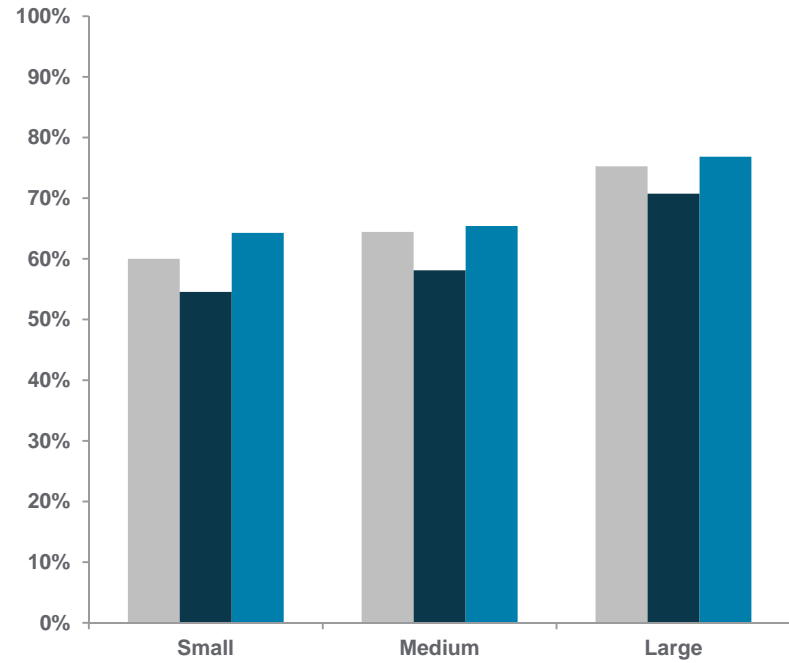


Designated Non-Cash Consideration % of Deals with Carve-out

Geography



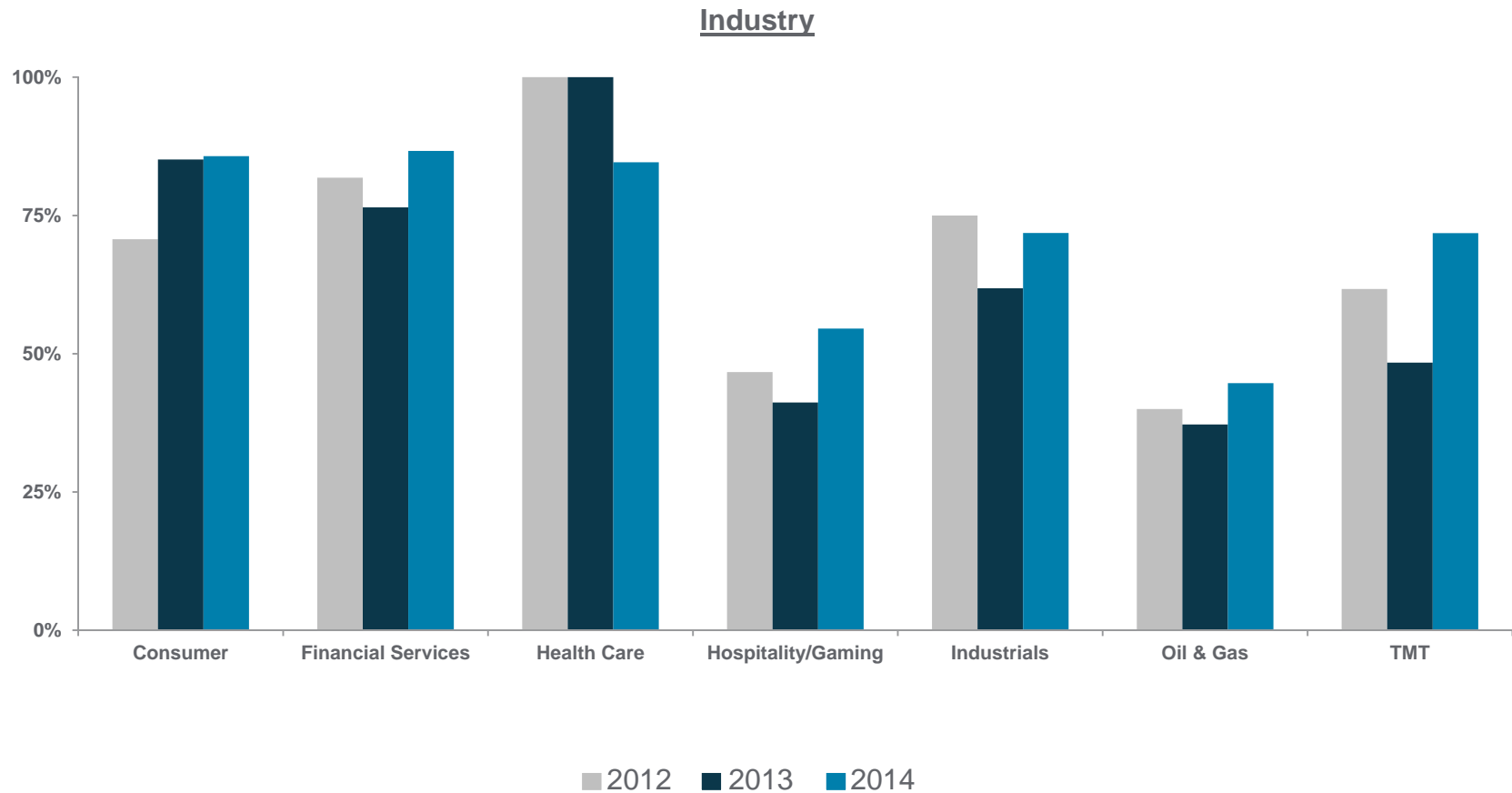
Deal Size



■ 2012 ■ 2013 ■ 2014

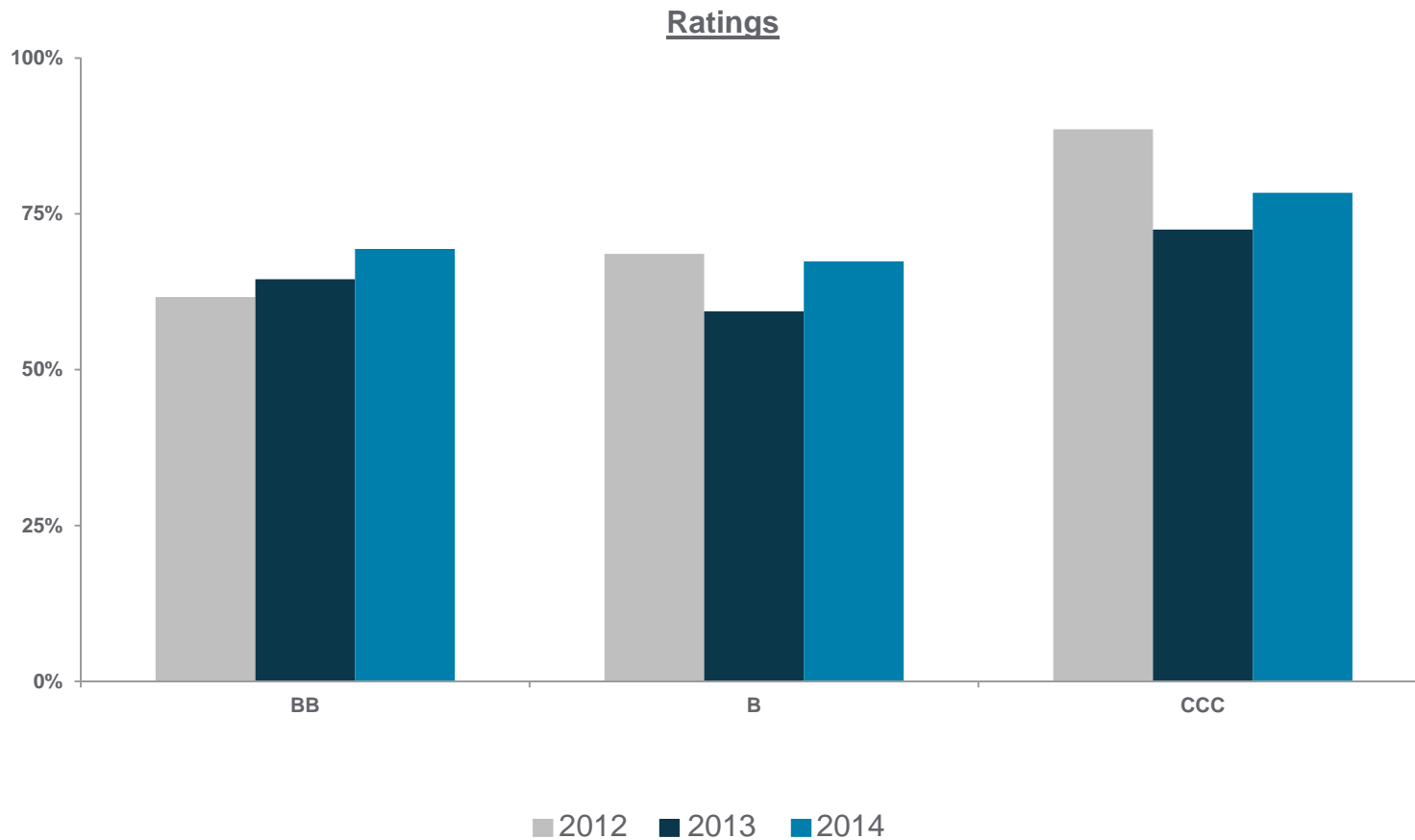


Designated Non-Cash Consideration % of Deals with Carve-out



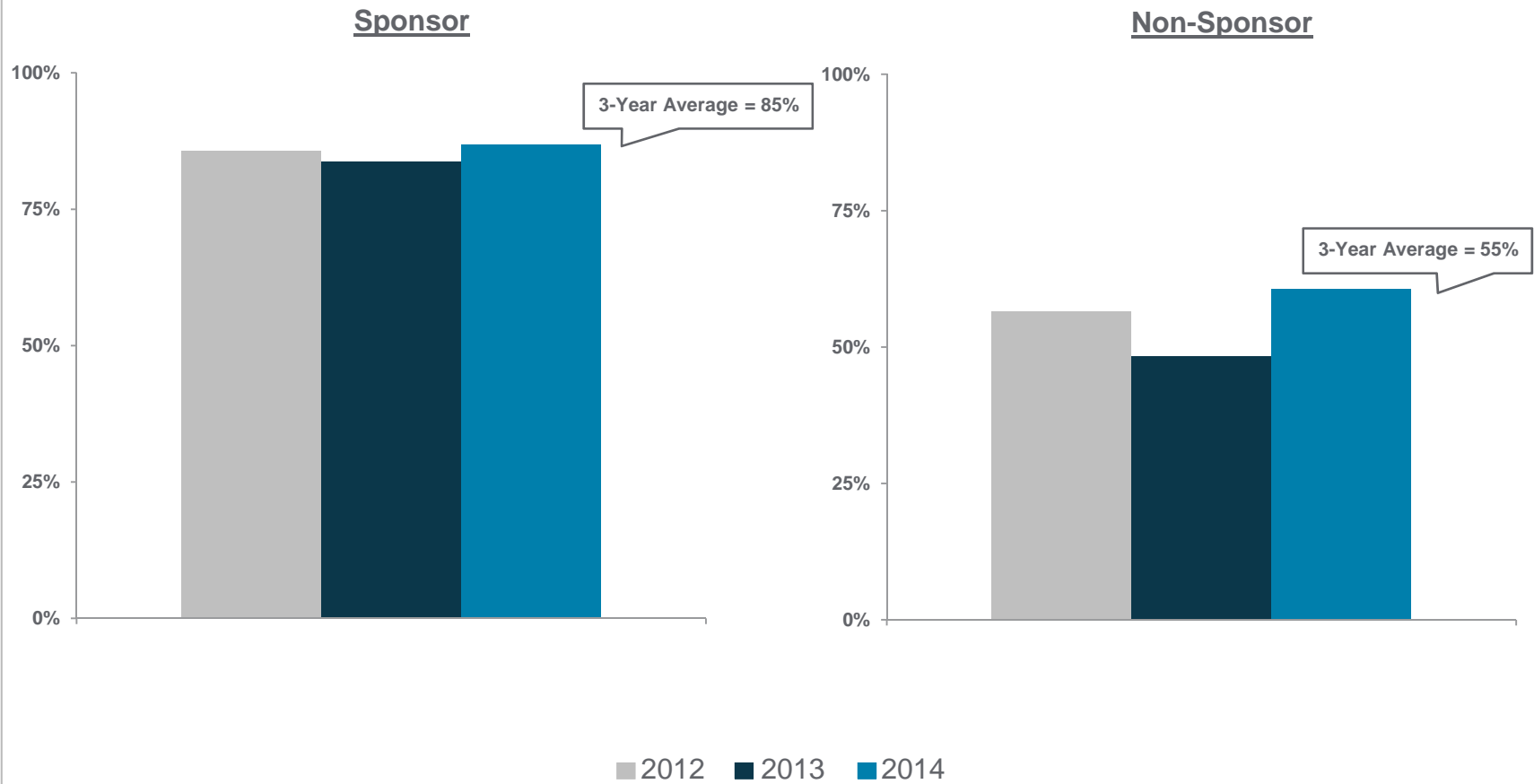


Designated Non-Cash Consideration % of Deals with Carve-out





Designated Non-Cash Consideration % of Deals with Carve-out



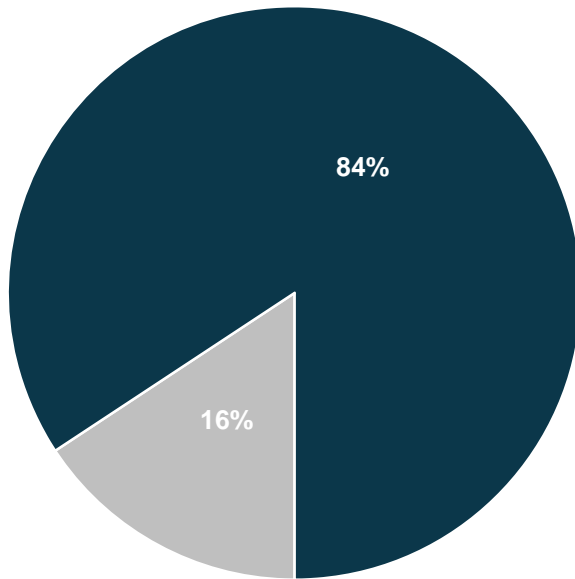


Merger Covenant

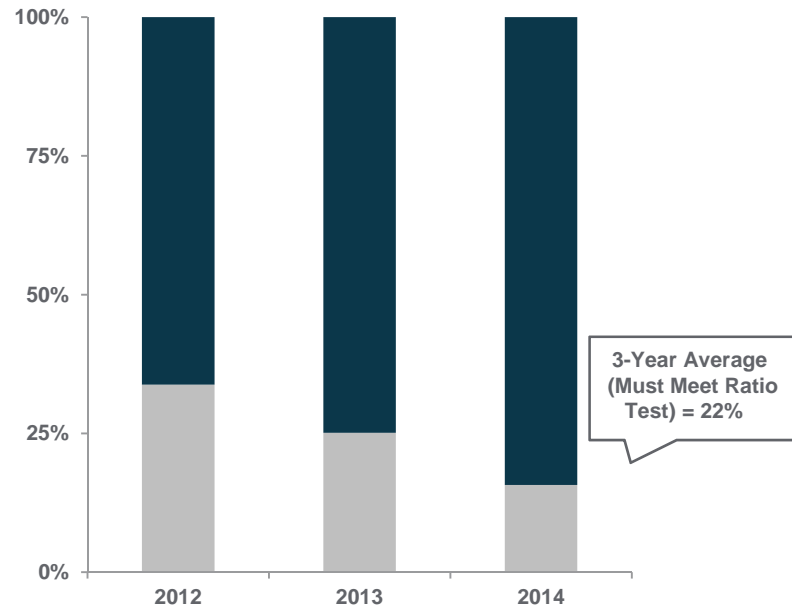


Ratio Debt Condition % of Deals

Global 2014



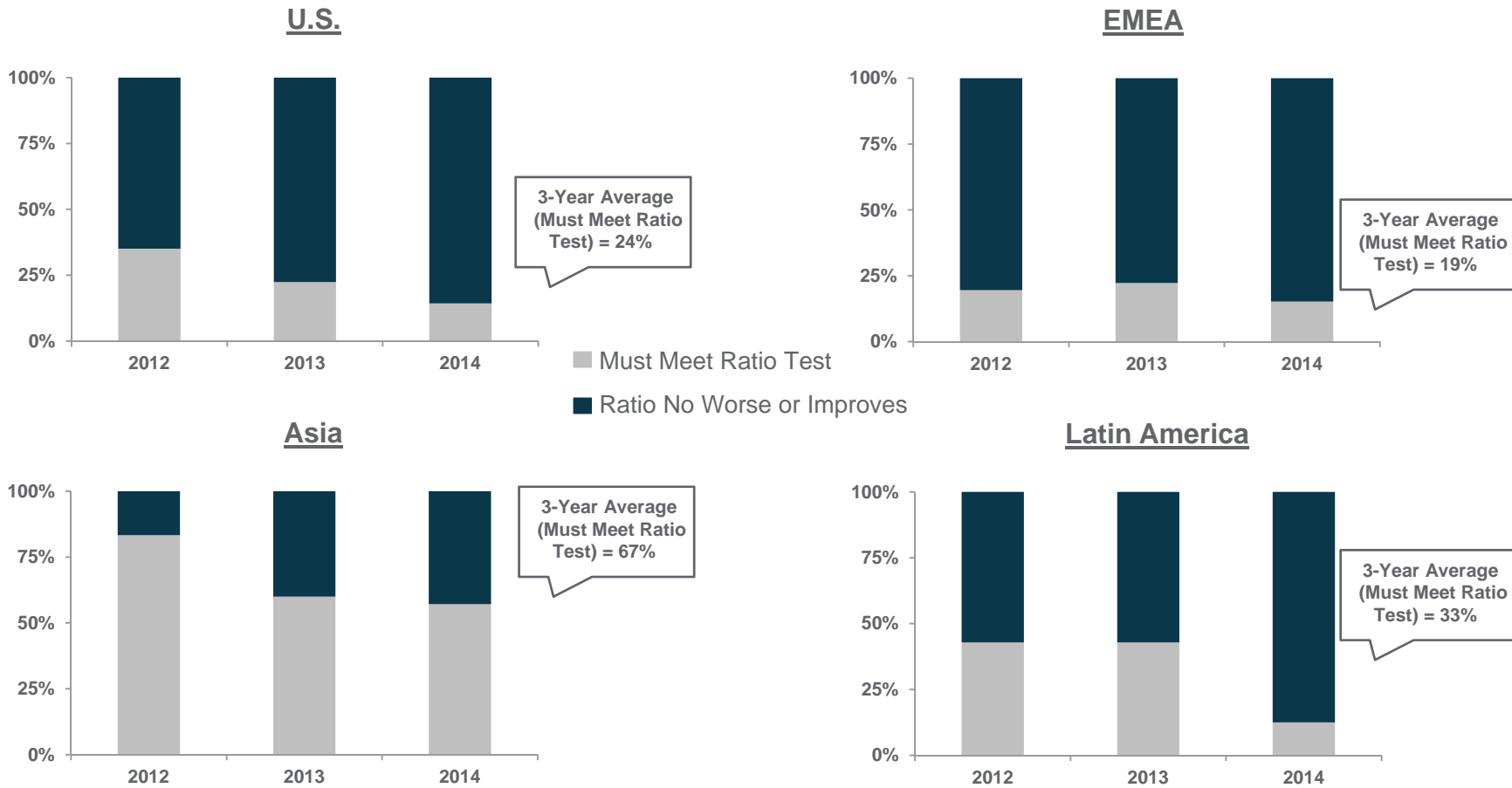
Global



■ Must Meet Ratio Test ■ Ratio No Worse or Improves

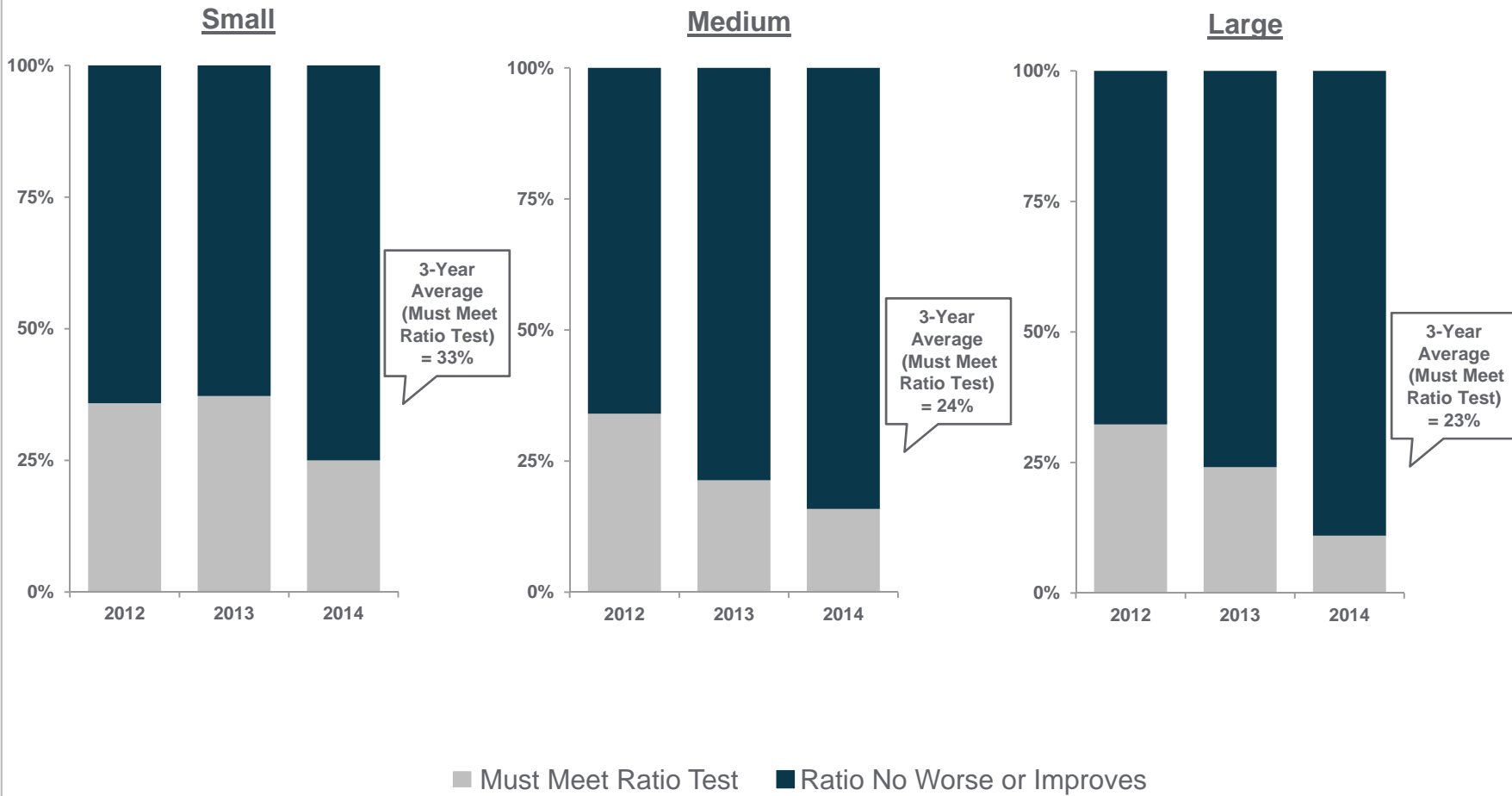


Ratio Debt Condition Geographic Breakdown



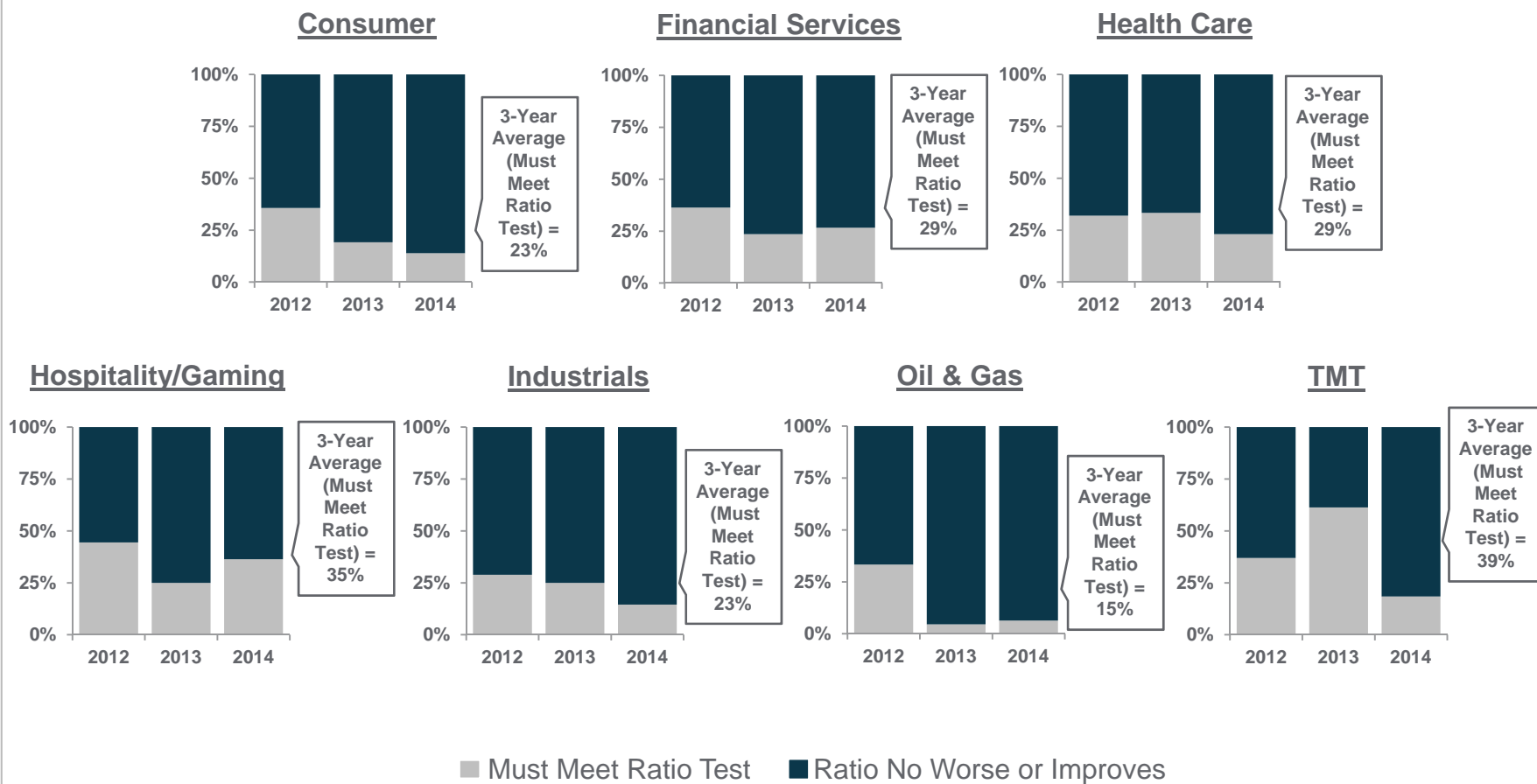


Ratio Debt Condition Deal Size Breakdown



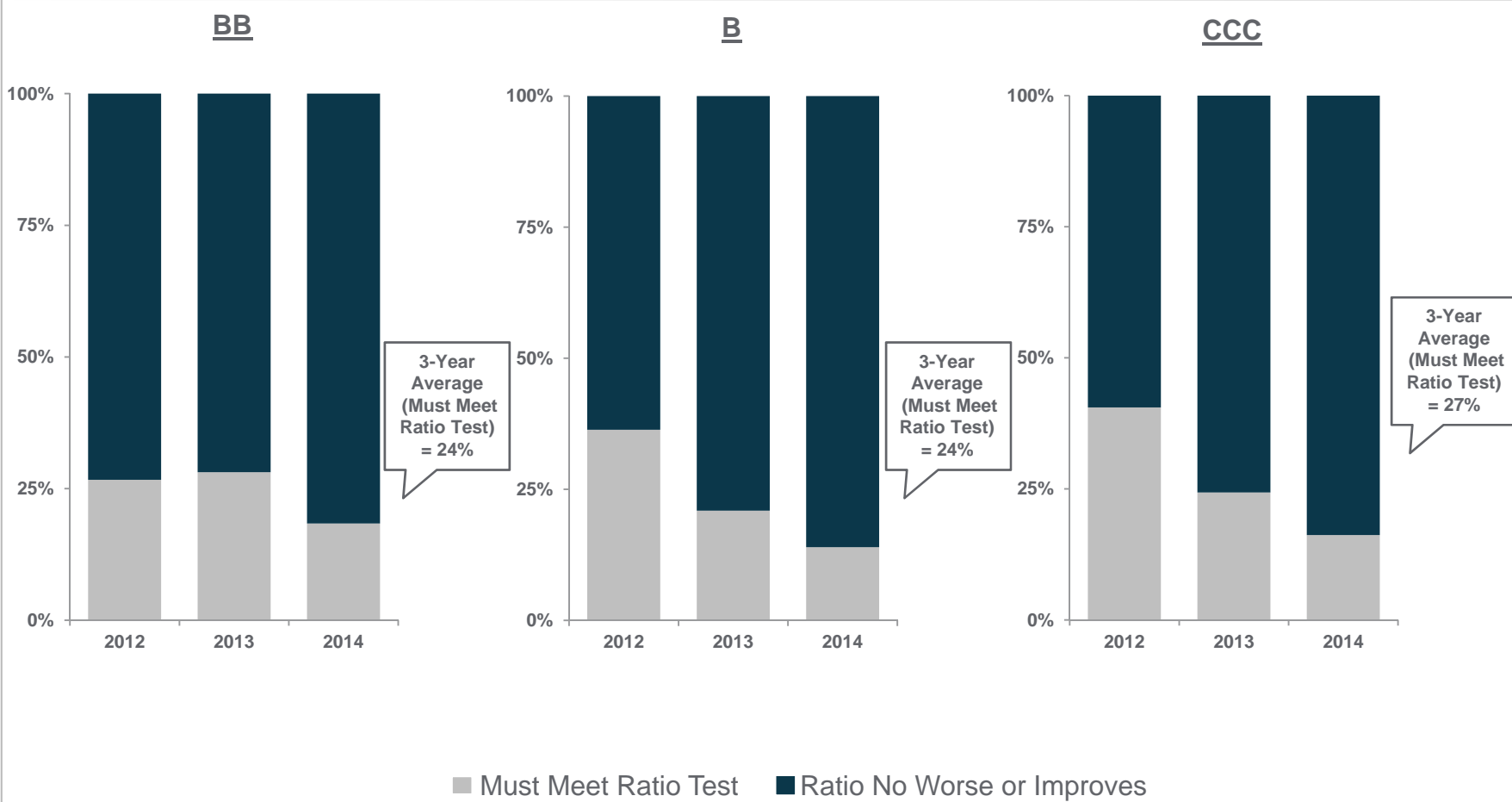


Ratio Debt Condition Industry Breakdown



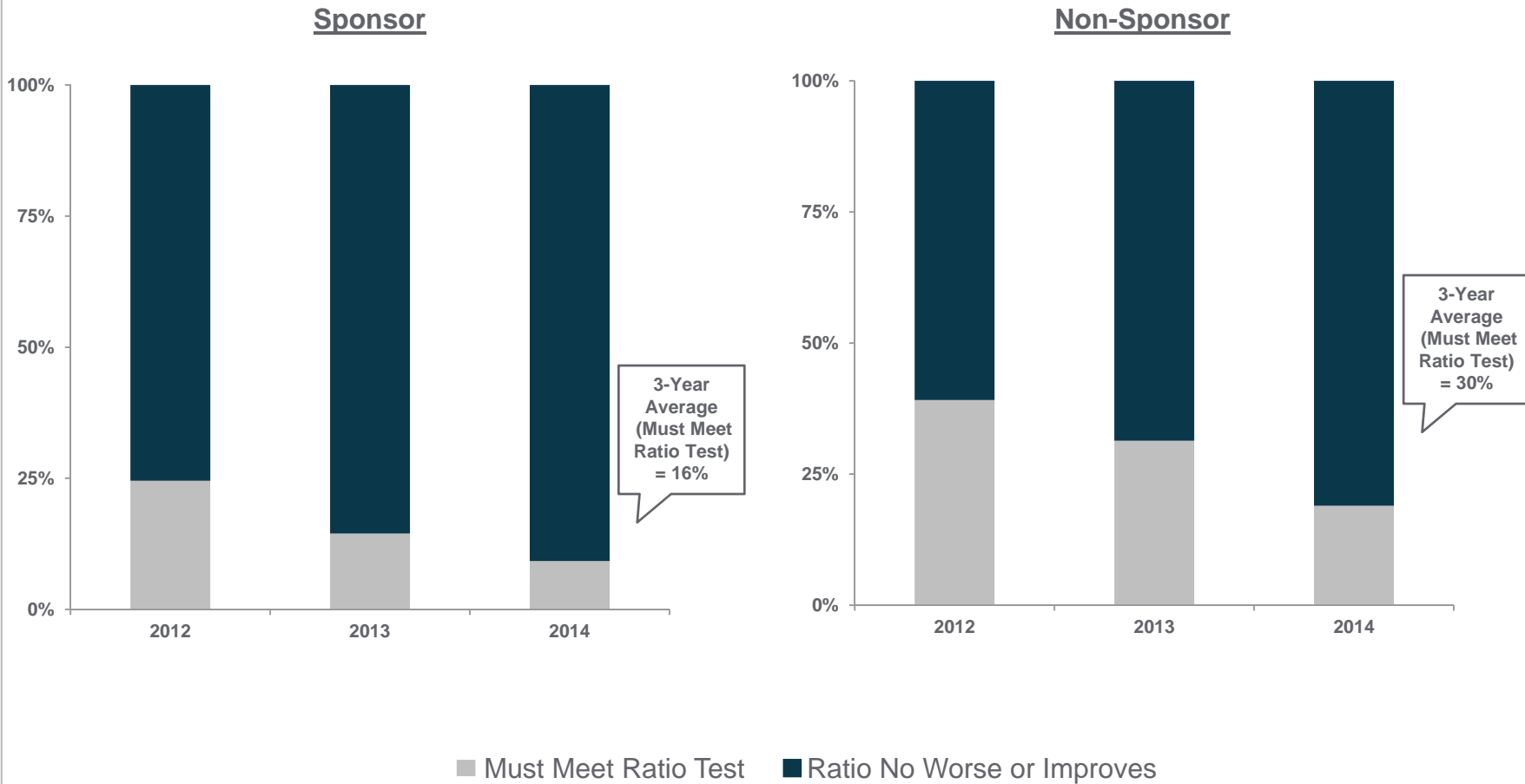


Ratio Debt Condition Ratings Breakdown





Ratio Debt Condition Sponsor Breakdown







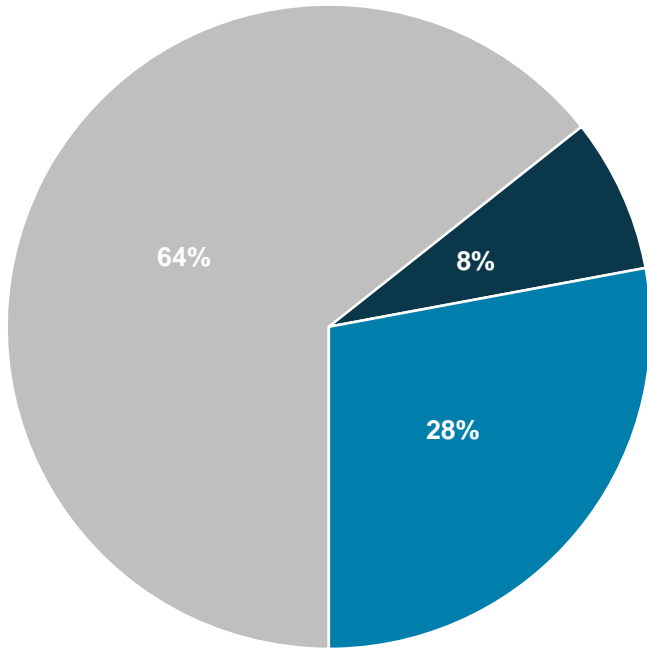
Registration Rights



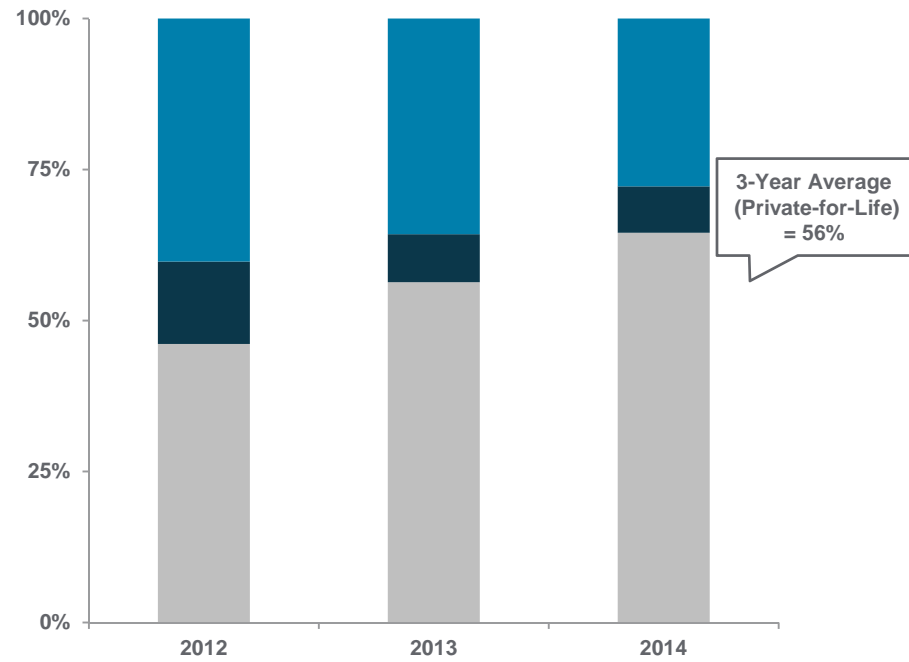
Registration Rights

% of Deals

Global 2014



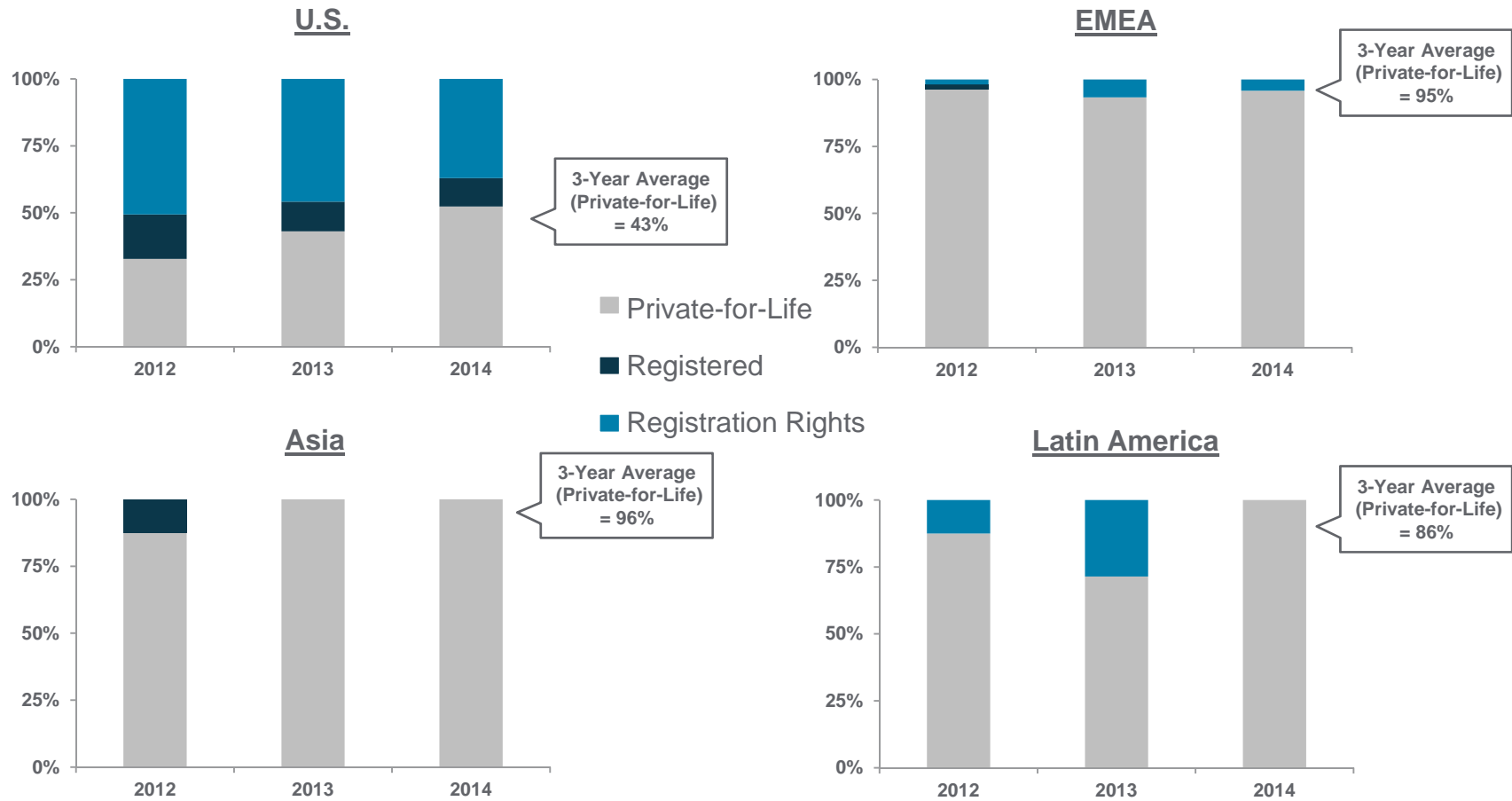
Global



■ Private-for-Life ■ Registered ■ Registration Rights



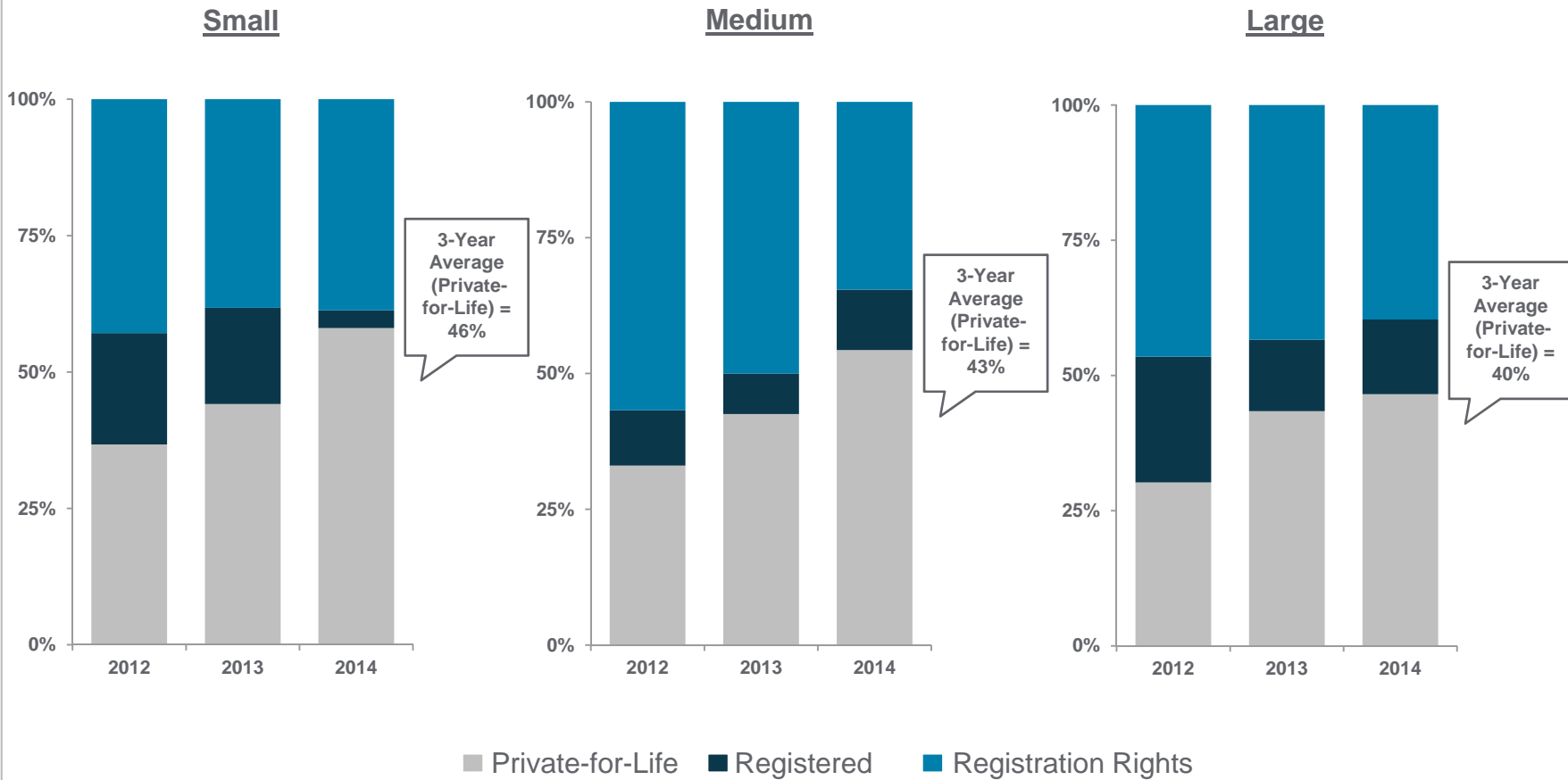
Registration Rights Geographic Breakdown





Registration Rights

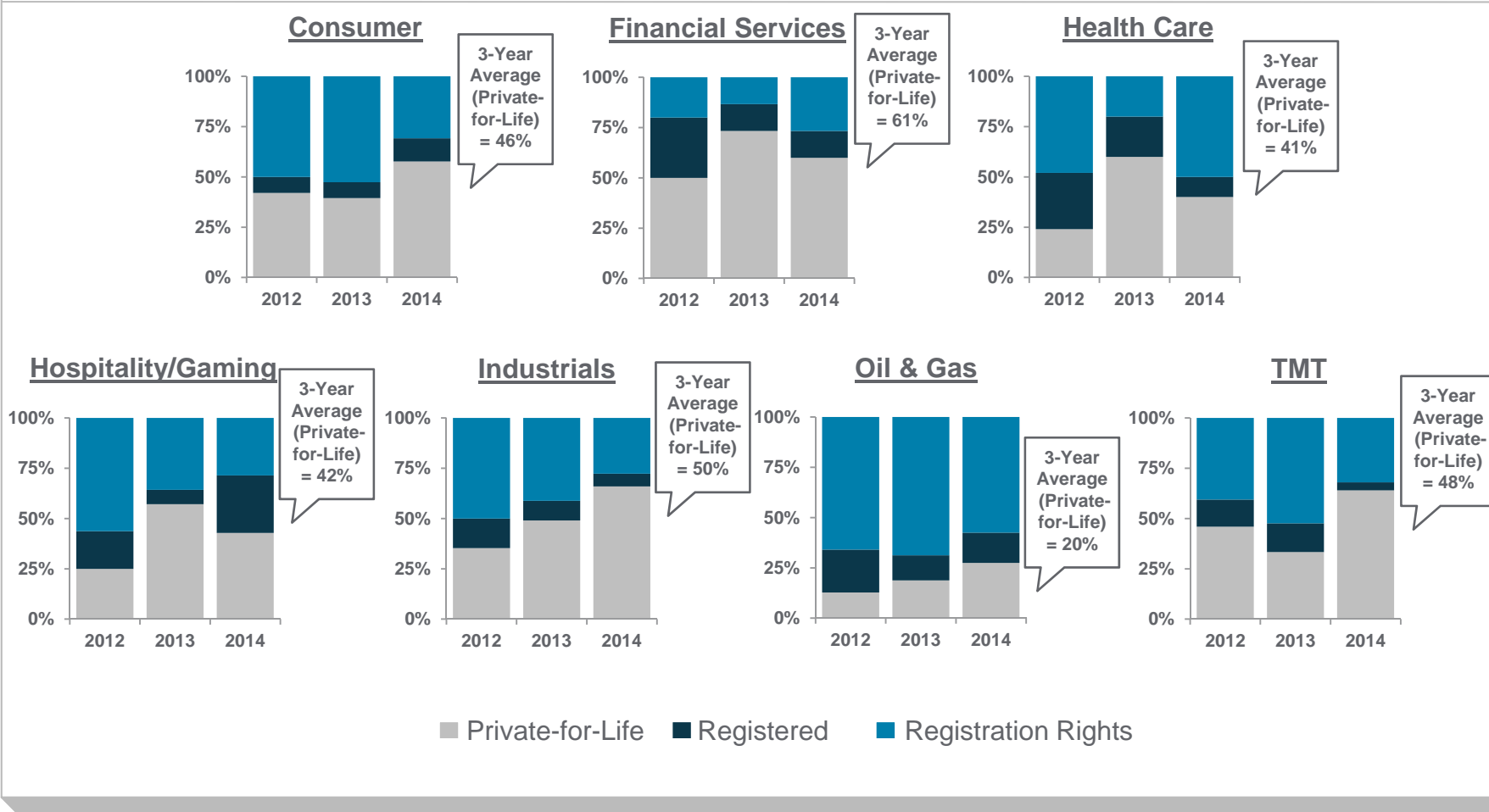
Deal Size Breakdown (U.S. Deals)





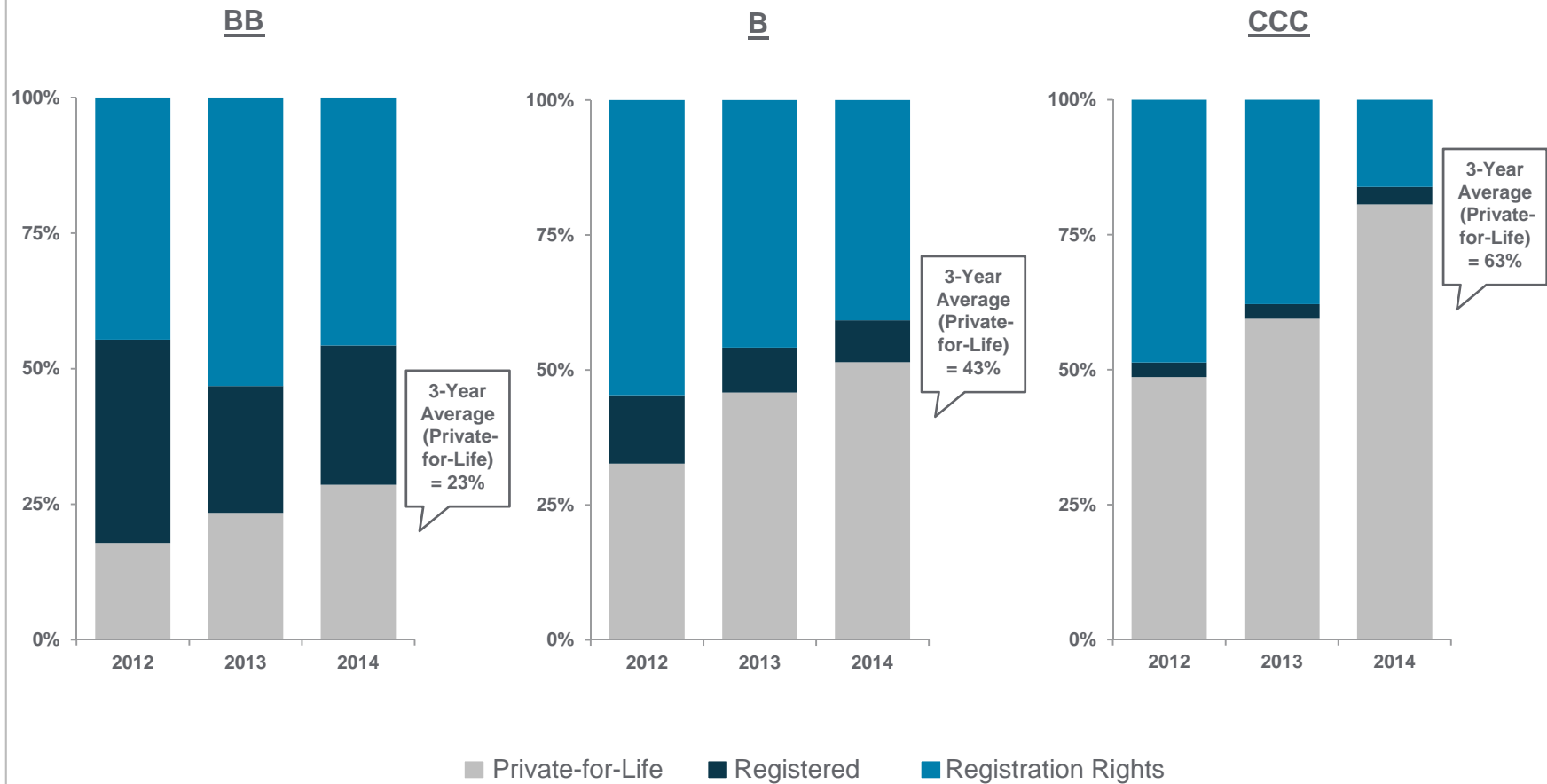
Registration Rights

Industry Breakdown (U.S. Deals)





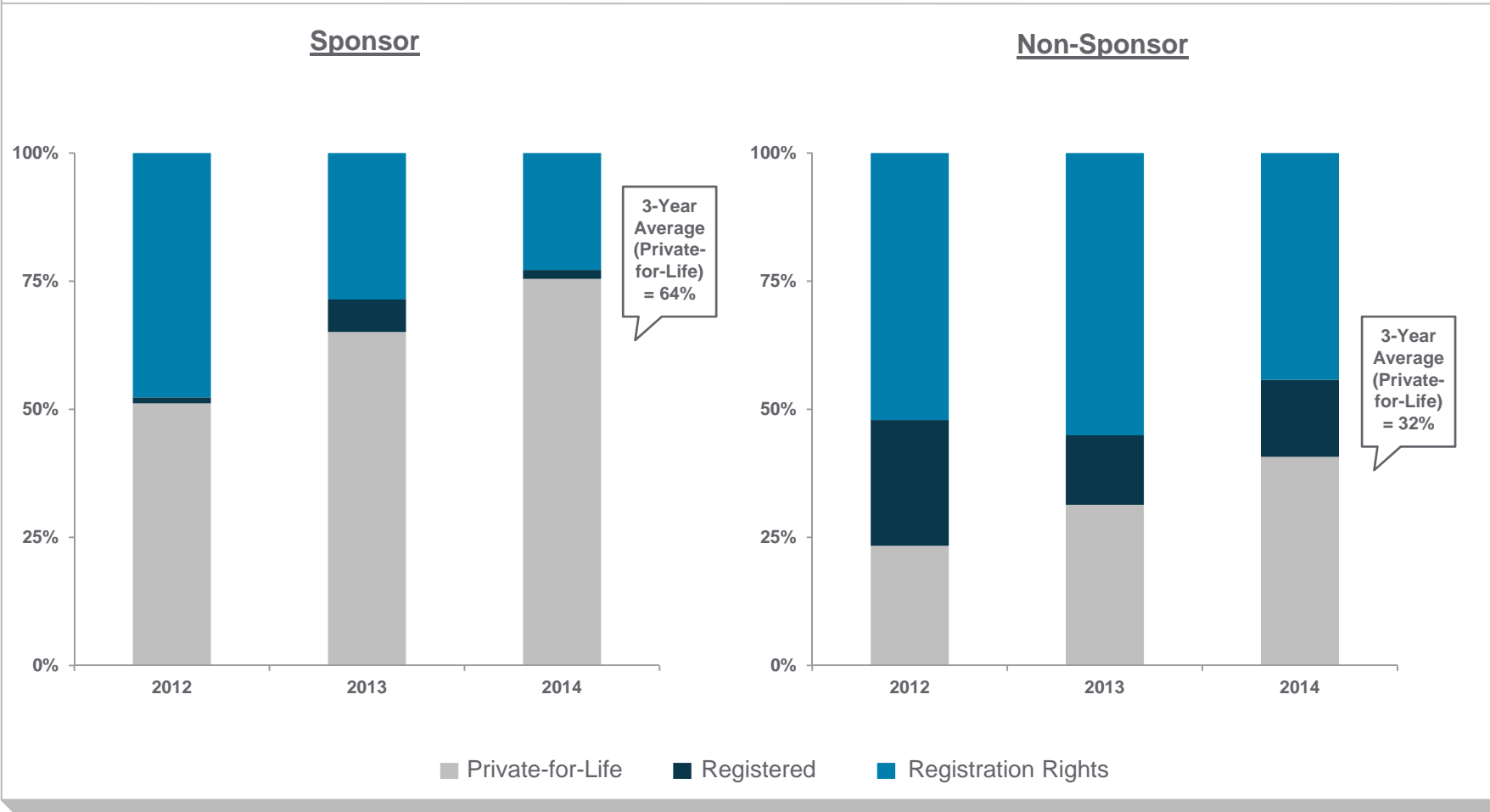
Registration Rights Ratings Breakdown (U.S. Deals)





Registration Rights

Sponsor Breakdown (U.S. Deals)







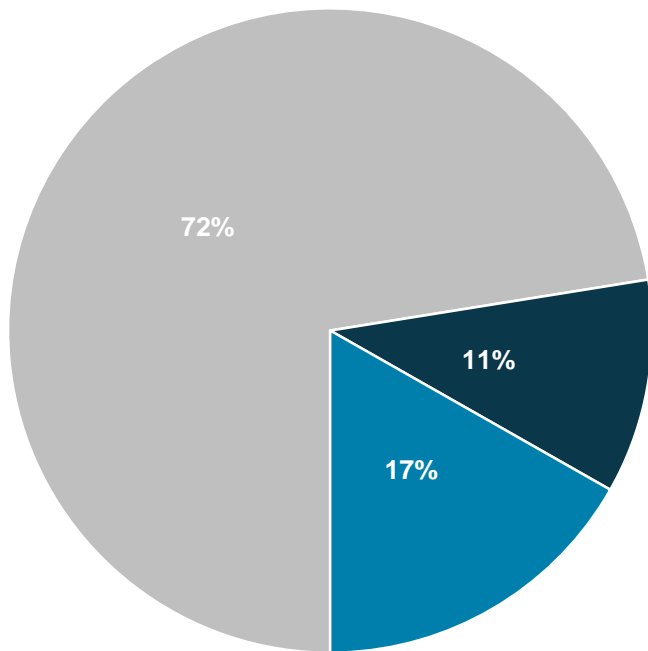
Covenant Suspension / Fall Away



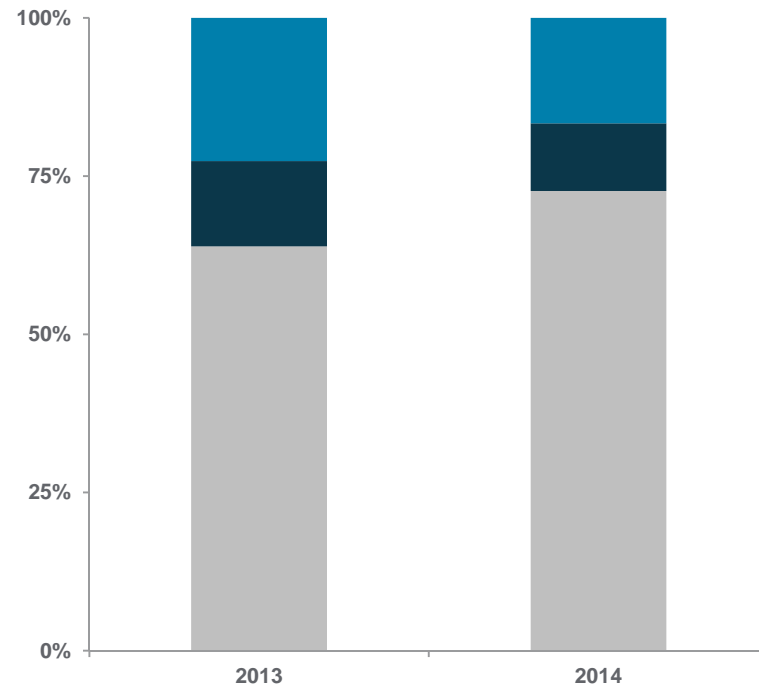
Covenant Suspension / Fall Away

% of Deals

Global 2014



Global

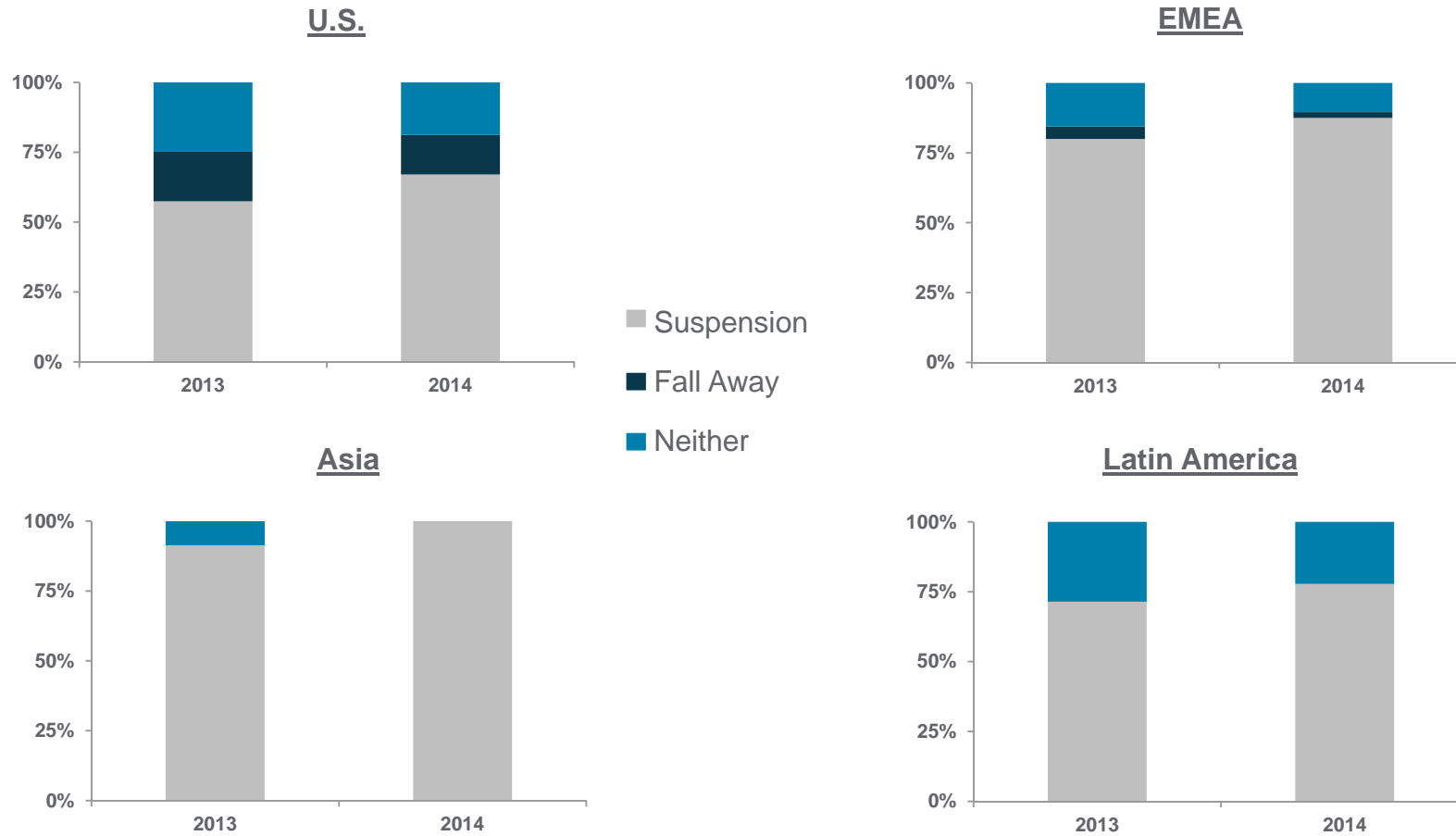


■ Suspension ■ Fall Away ■ Neither



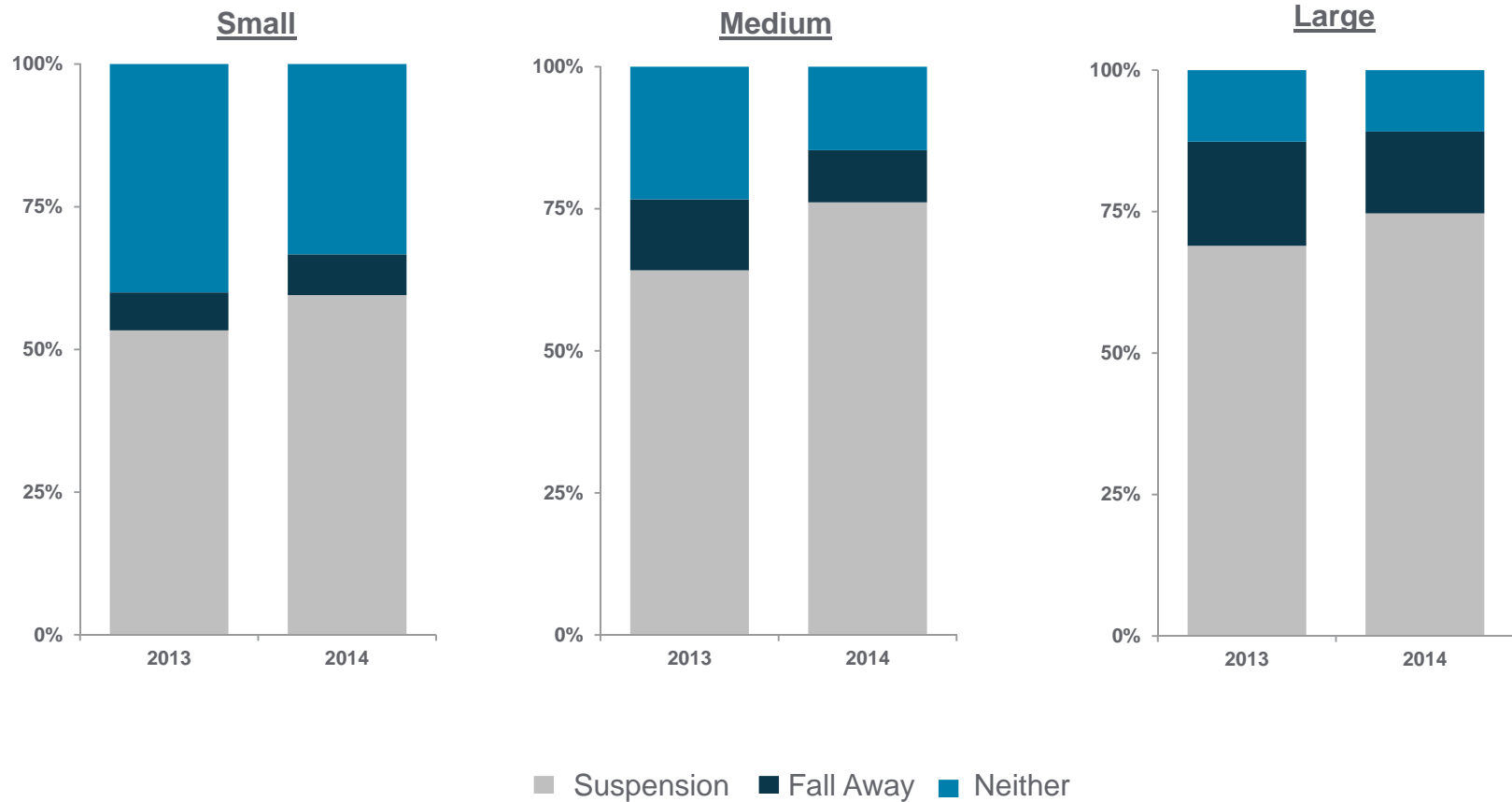
Covenant Suspension / Fall Away

Geographic Breakdown



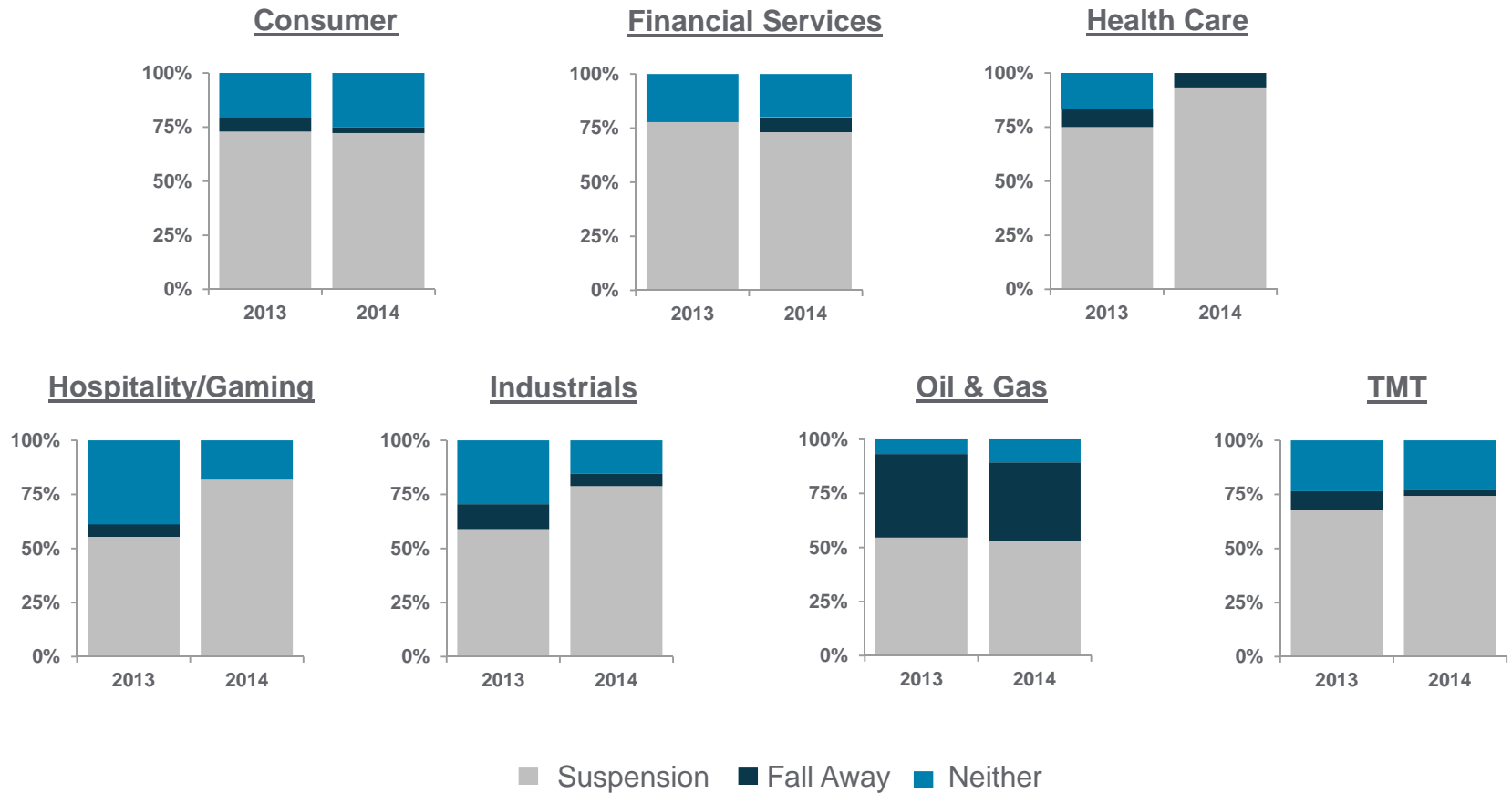


Covenant Suspension / Fall Away Deal Size Breakdown



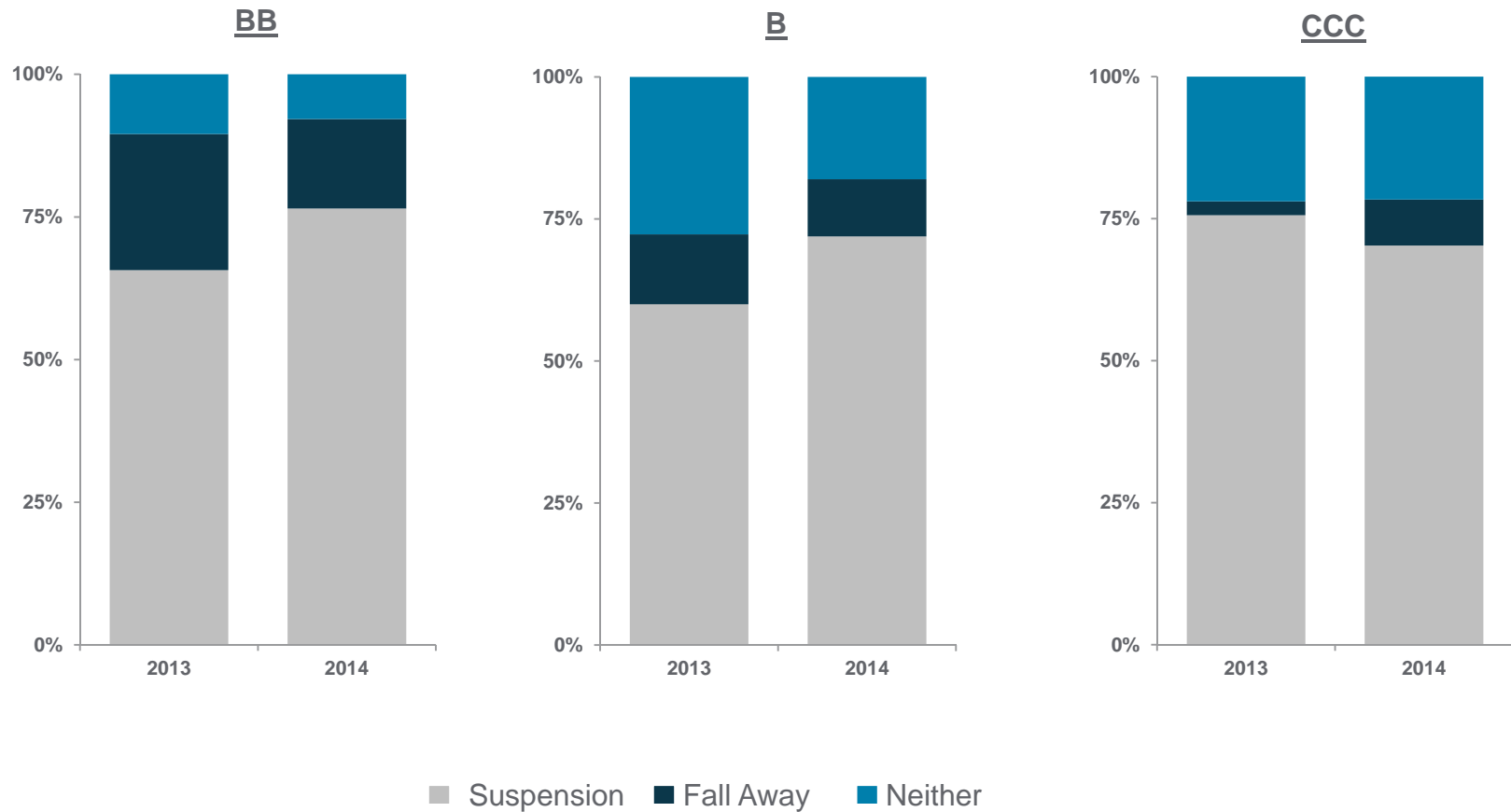


Covenant Suspension / Fall Away Industry Breakdown





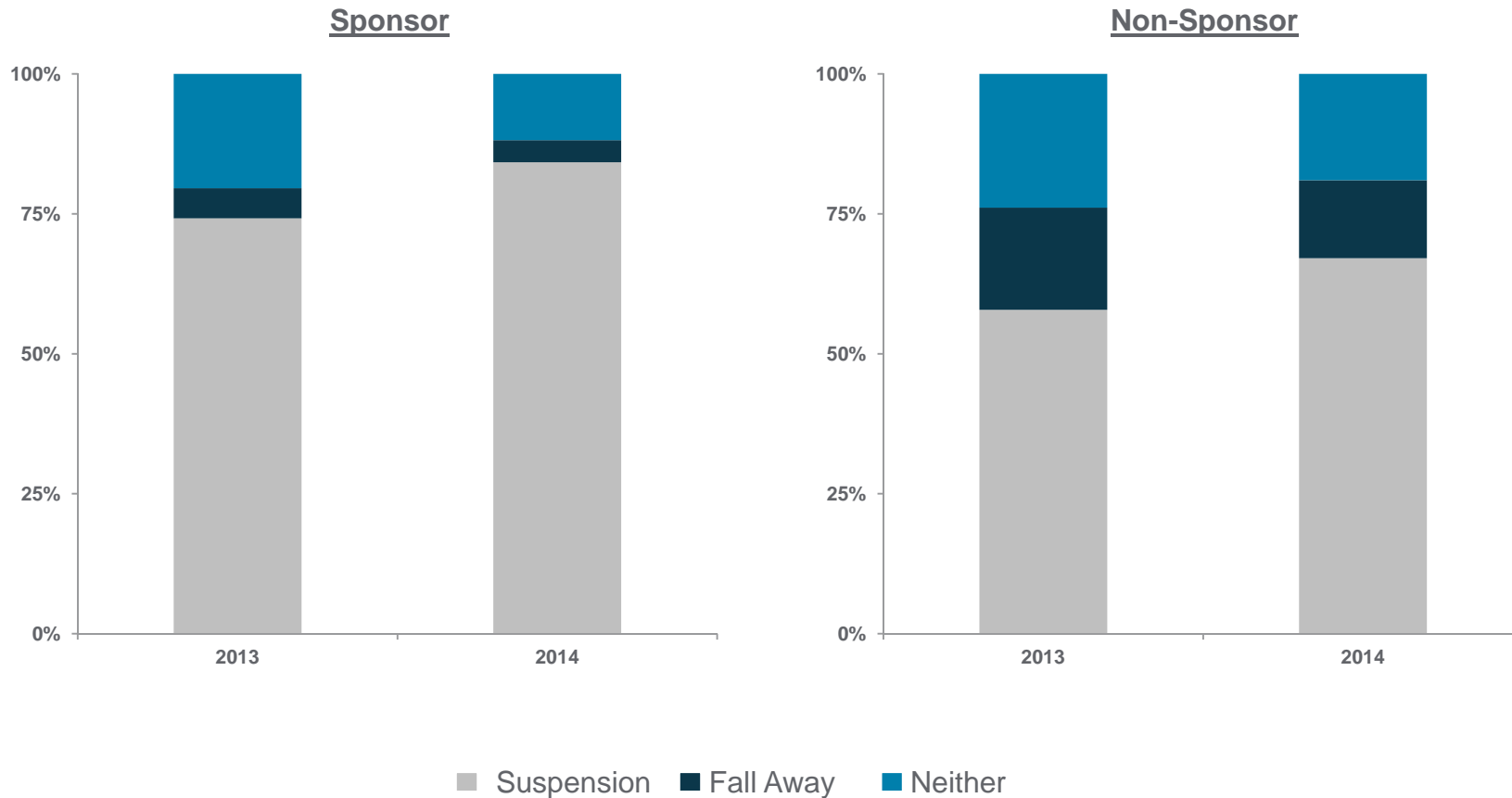
Covenant Suspension / Fall Away Ratings Breakdown





Covenant Suspension / Fall Away

Sponsor Breakdown





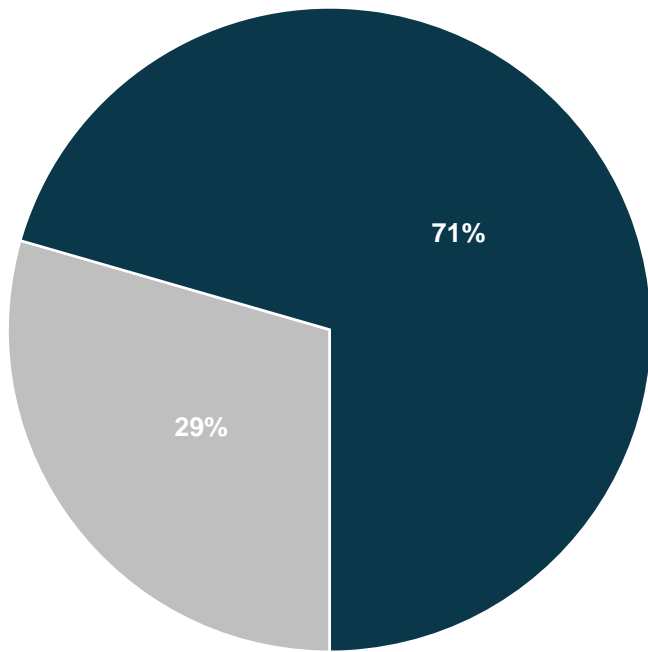


Collateral



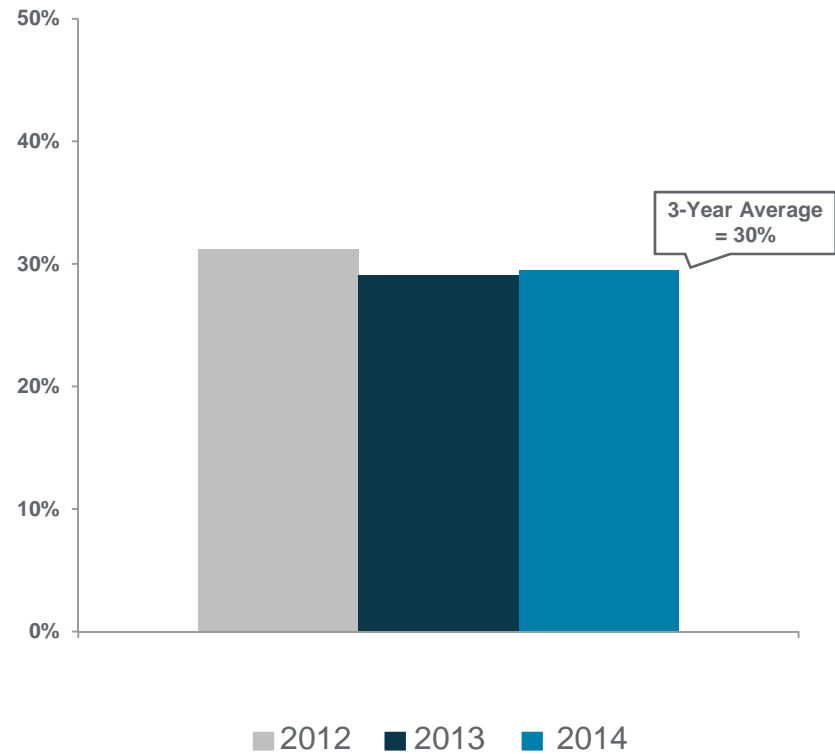
Secured vs. Unsecured % of Deals

Global 2014



■ Secured ■ Unsecured

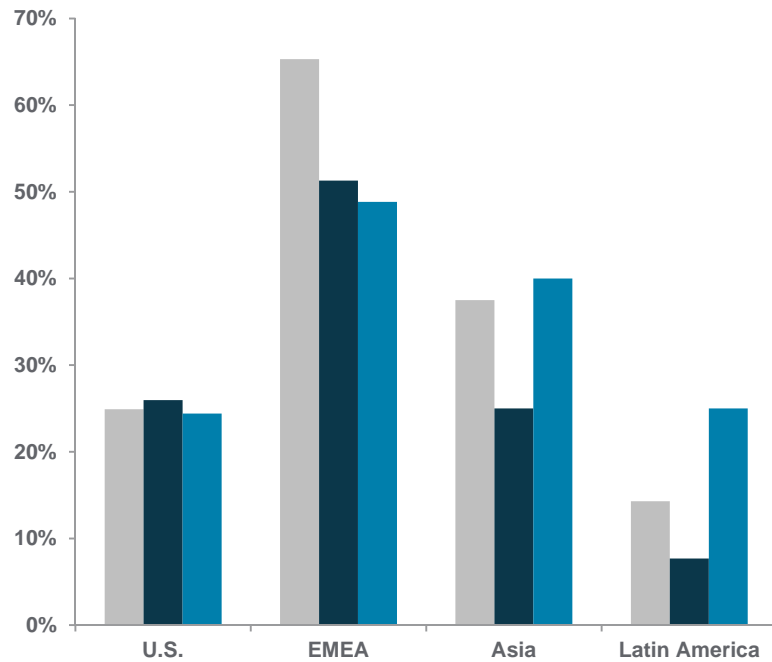
Global
% of Secured Deals



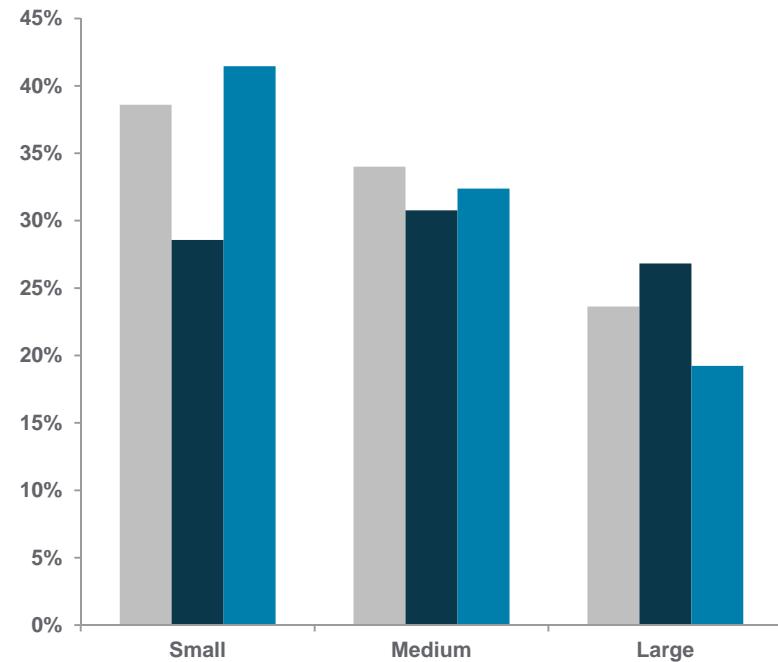


Secured vs. Unsecured % of Secured Deals

Geography



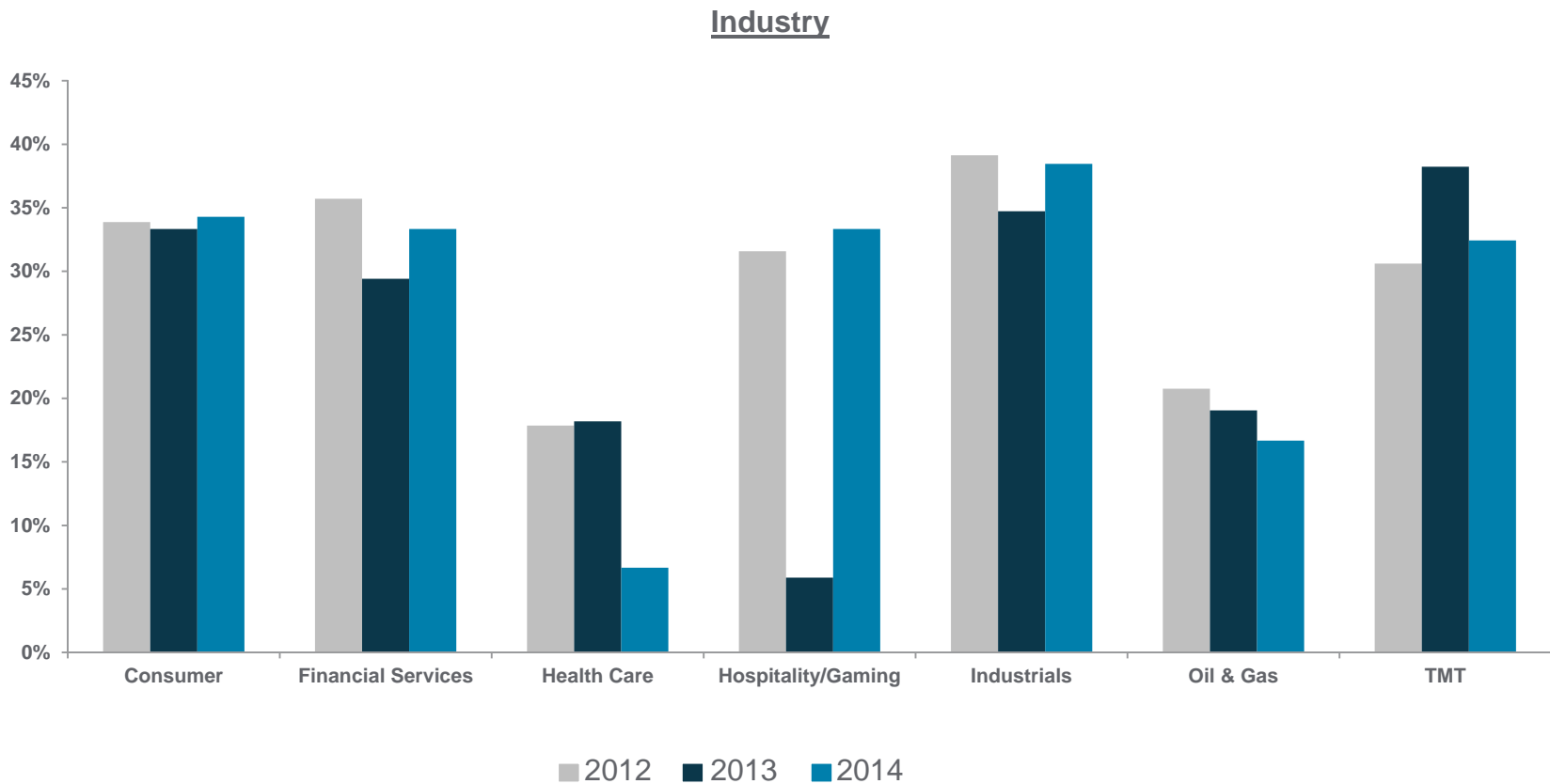
Deal Size



■ 2012 ■ 2013 ■ 2014



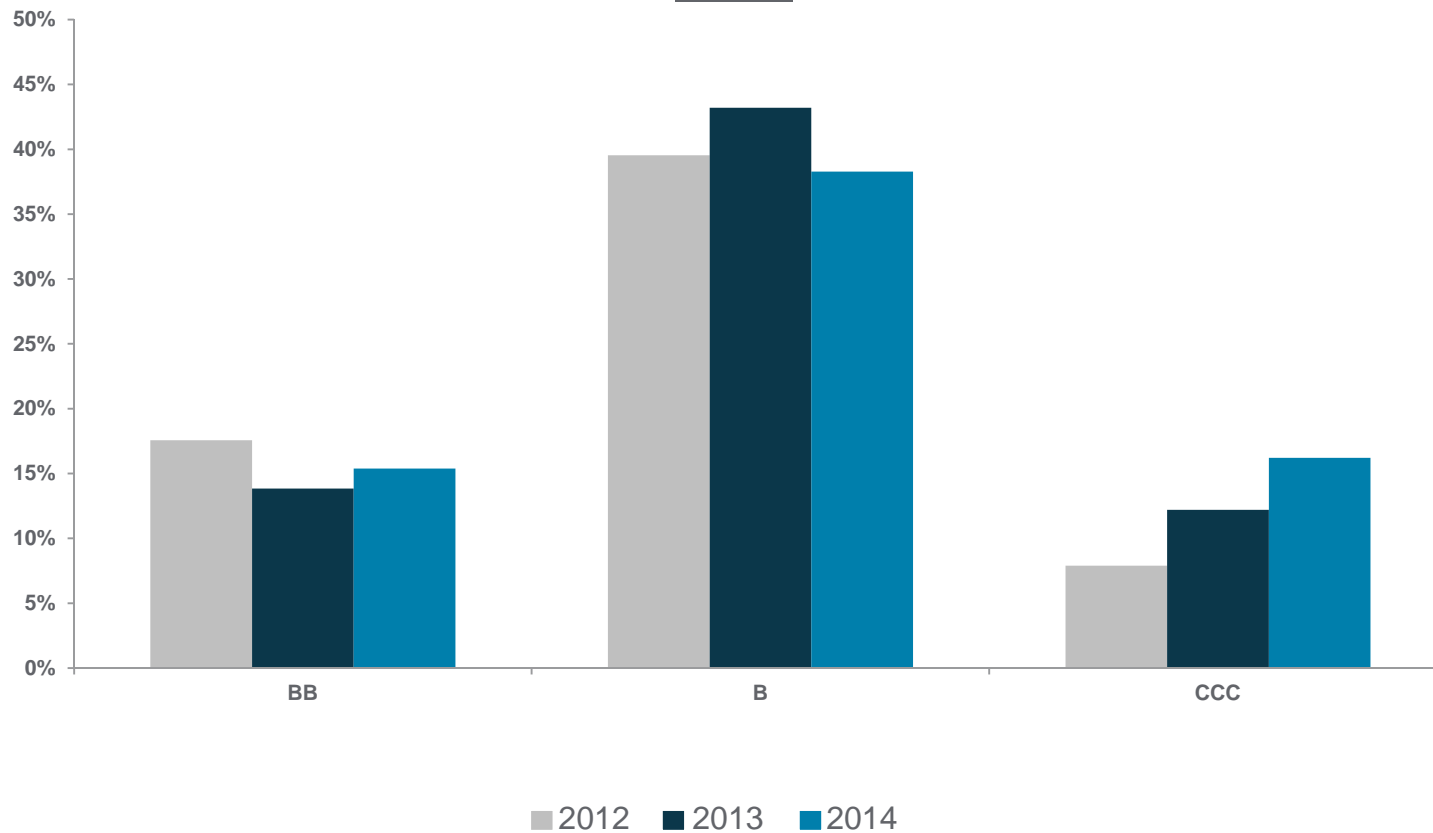
Secured vs. Unsecured % of Secured Deals





Secured vs. Unsecured % of Secured Deals

Ratings

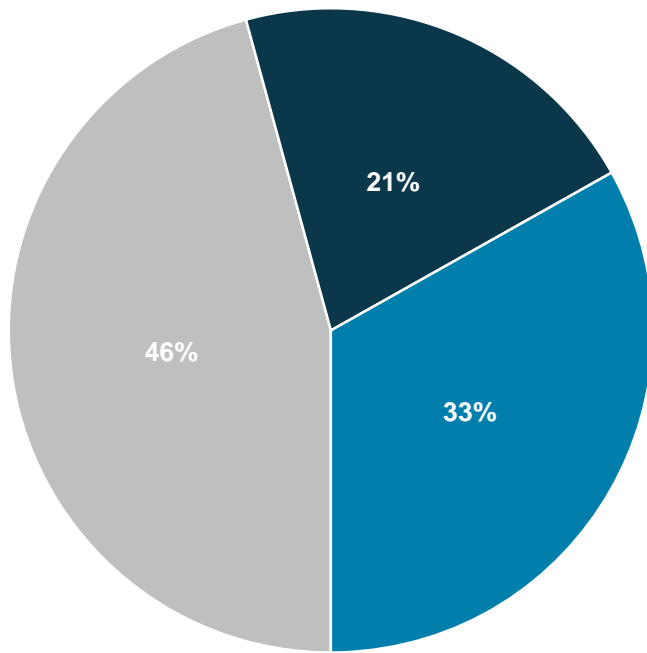




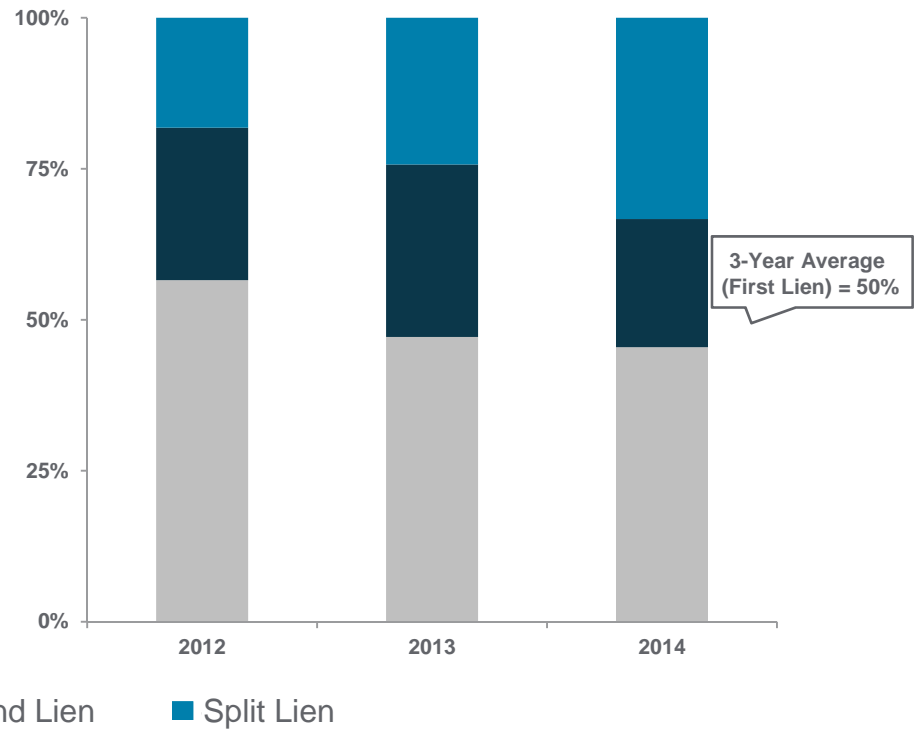
Priority of Collateral Package

% of Secured Deals

Global 2014

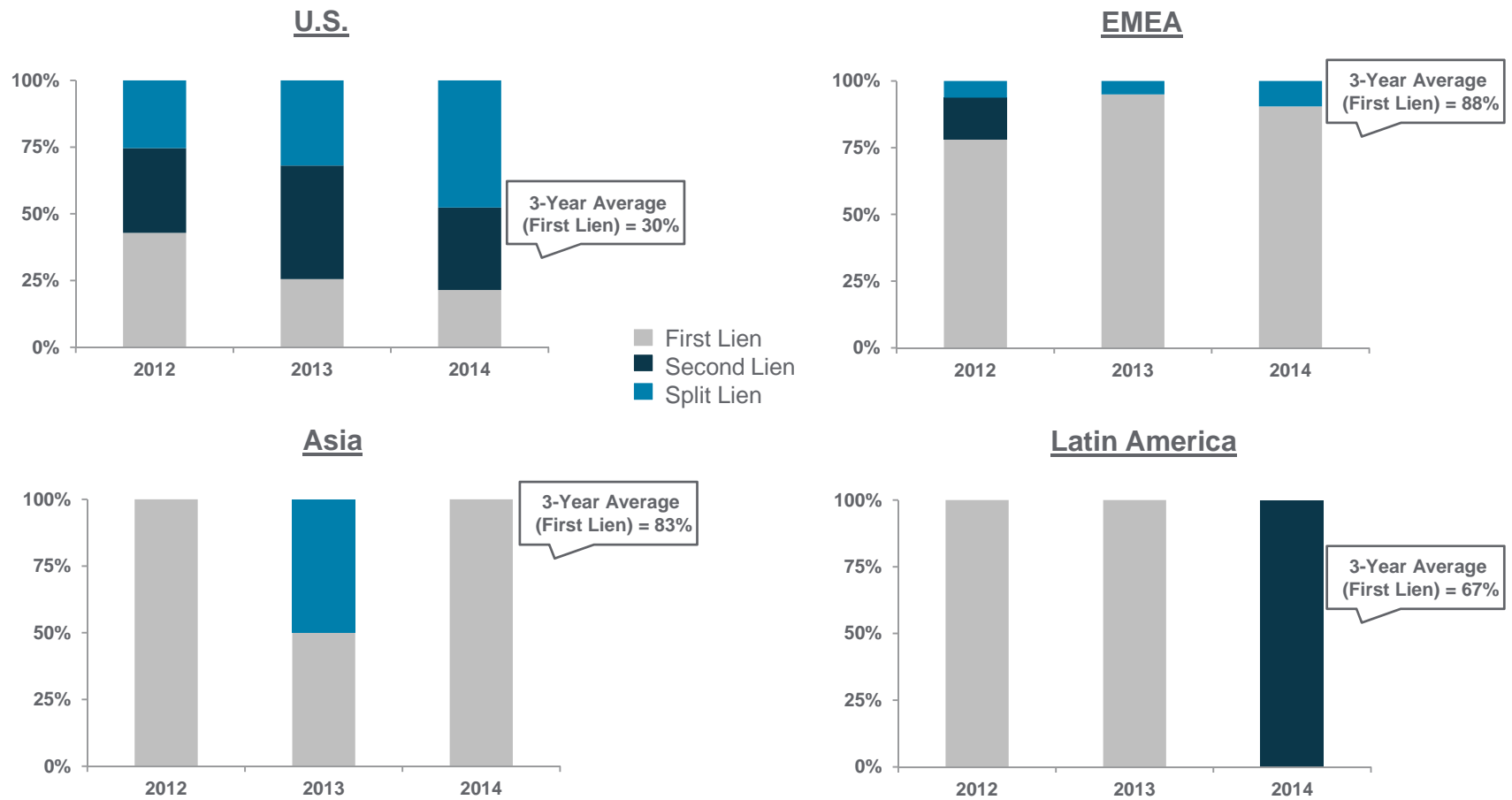


Global



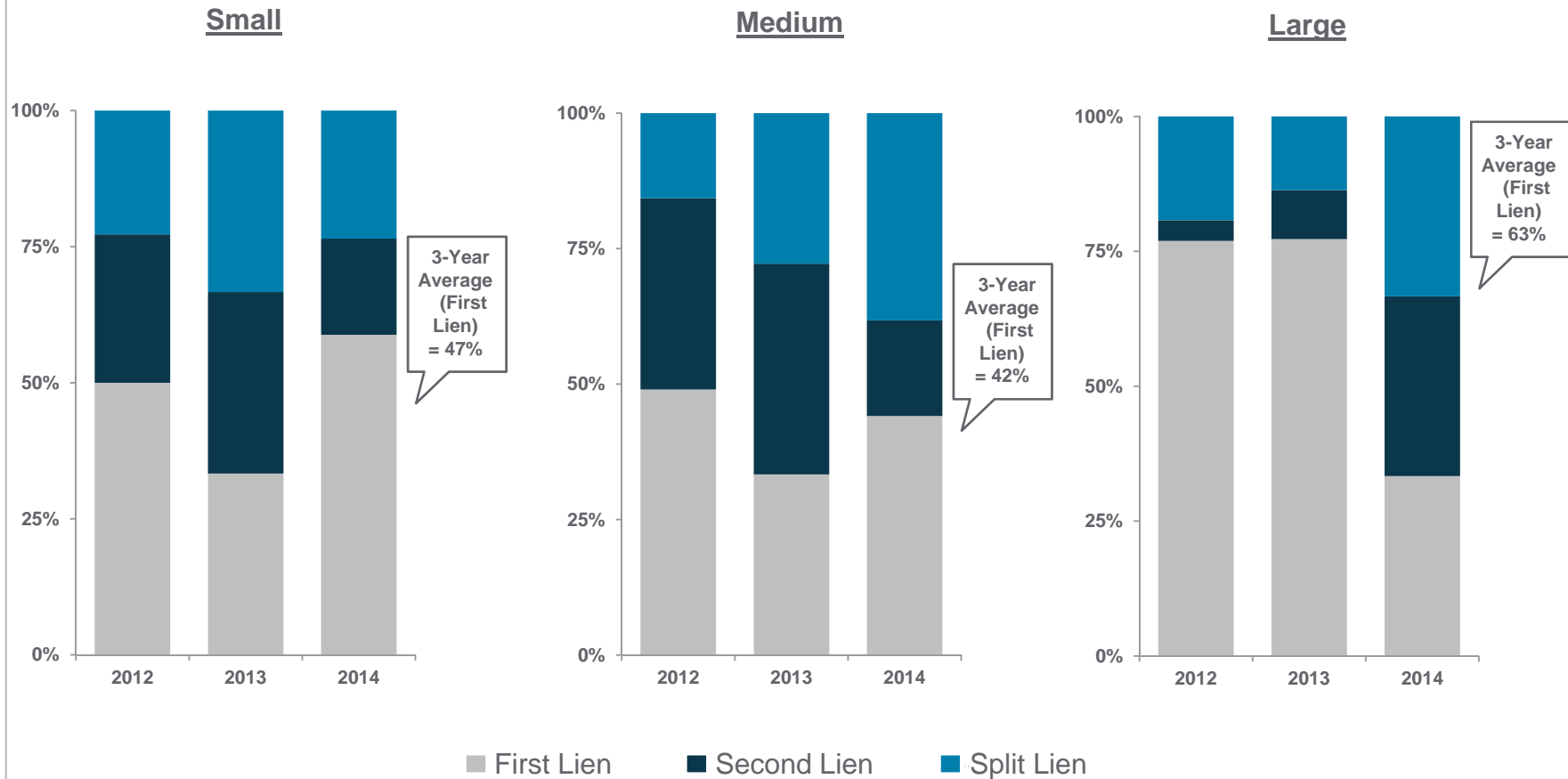
Priority of Collateral Package

Geographic Breakdown



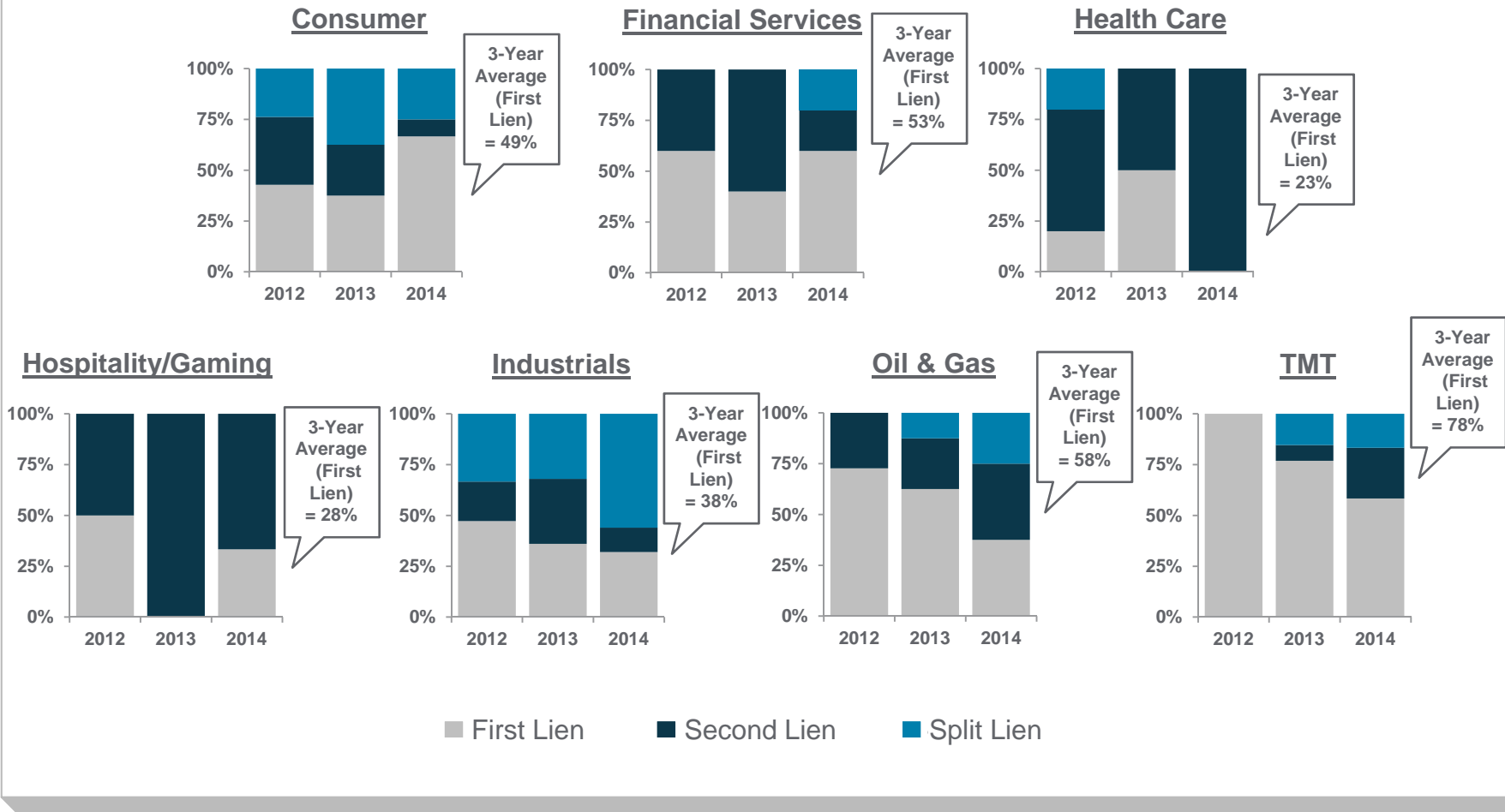


Priority of Collateral Package Deal Size Breakdown



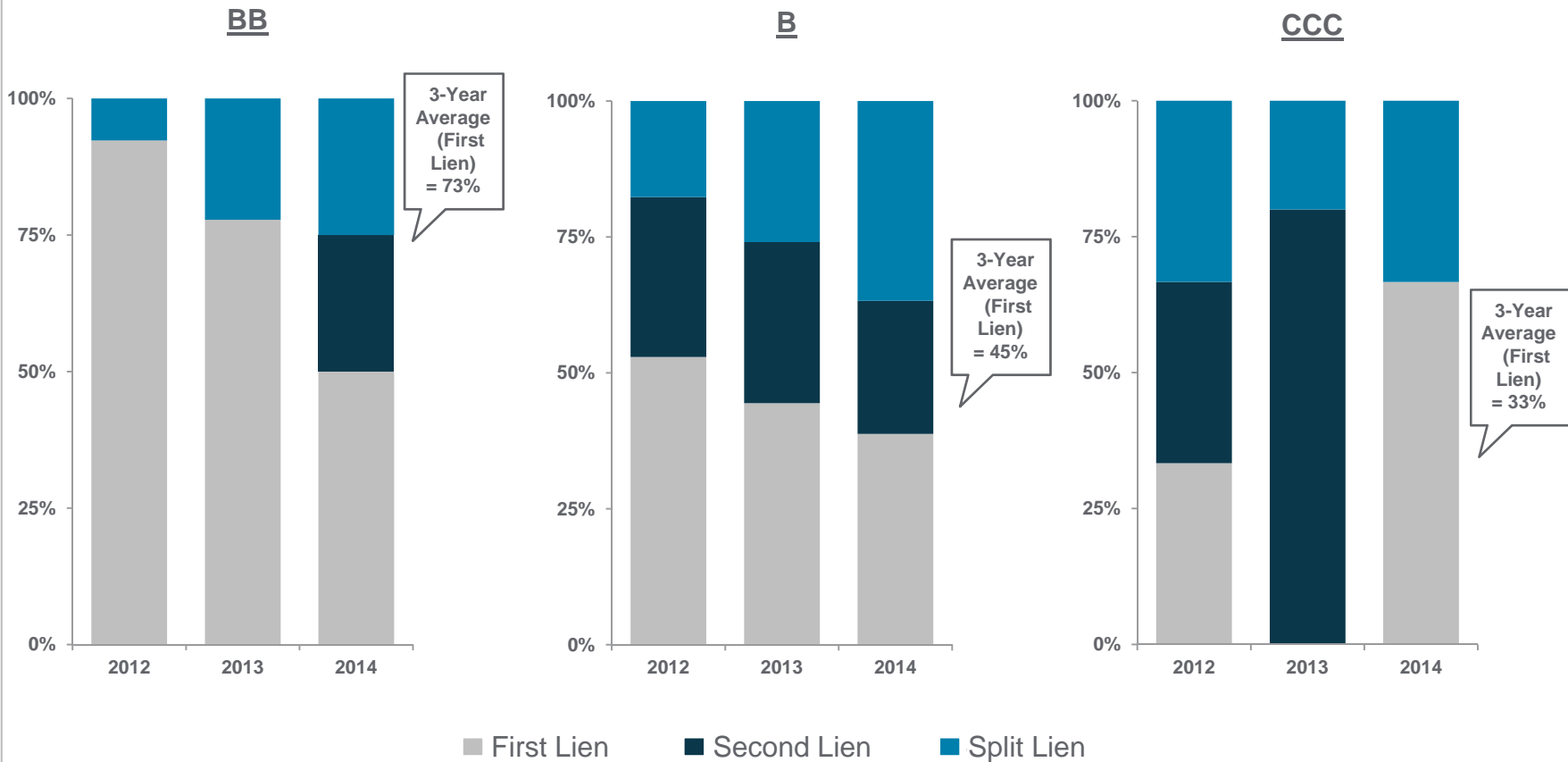


Priority of Collateral Package Industry Breakdown



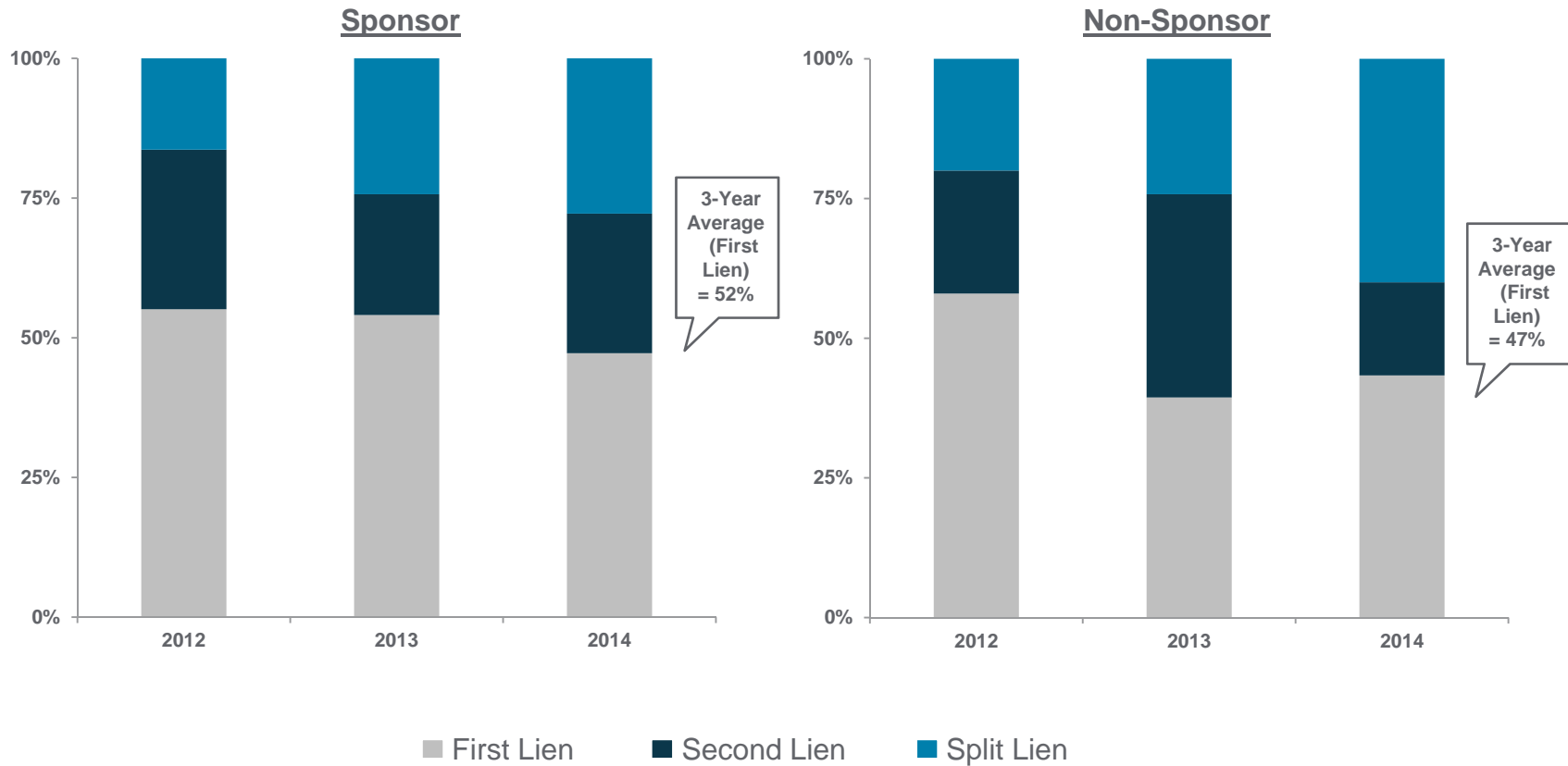


Priority of Collateral Package Ratings Breakdown



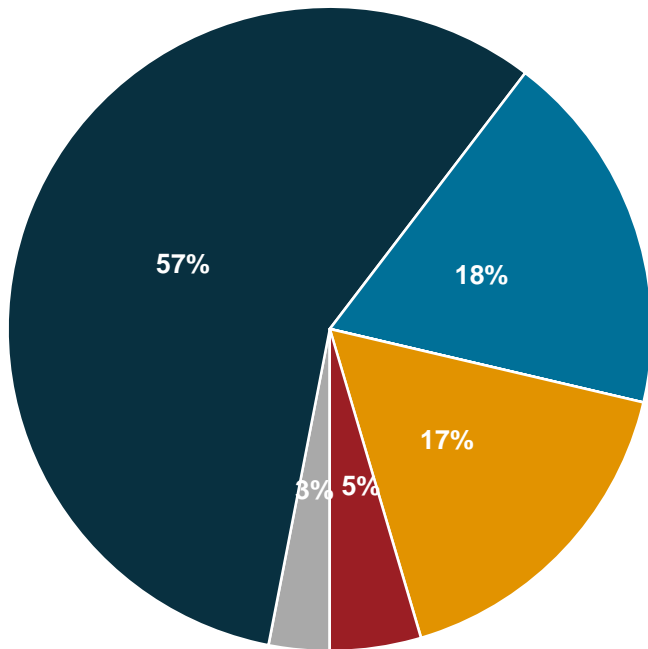


Priority of Collateral Package Sponsor Breakdown

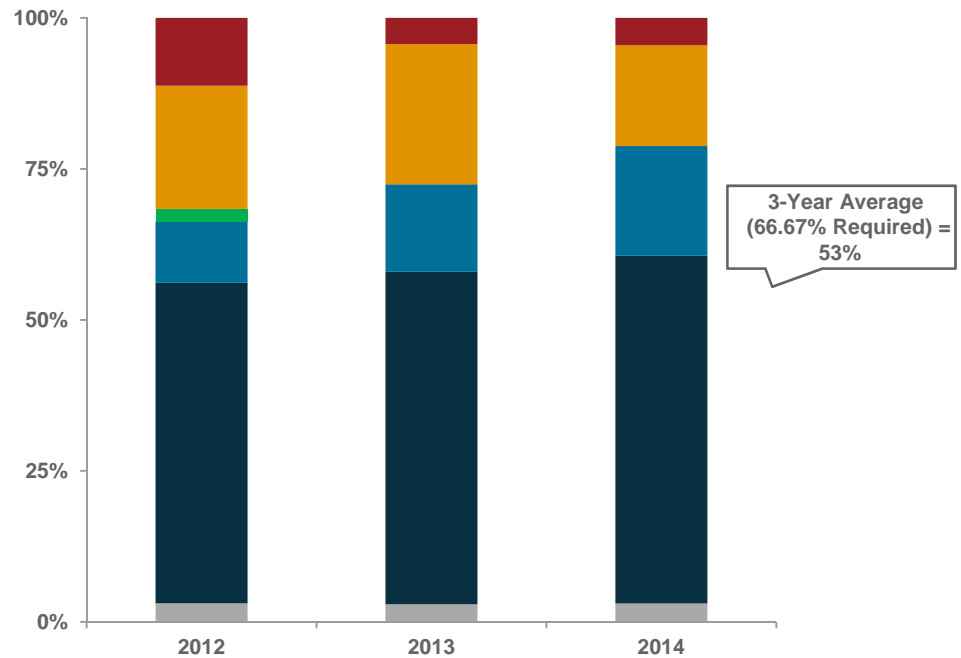


Voting Requirement to Release All or Substantially All Collateral

Global 2014



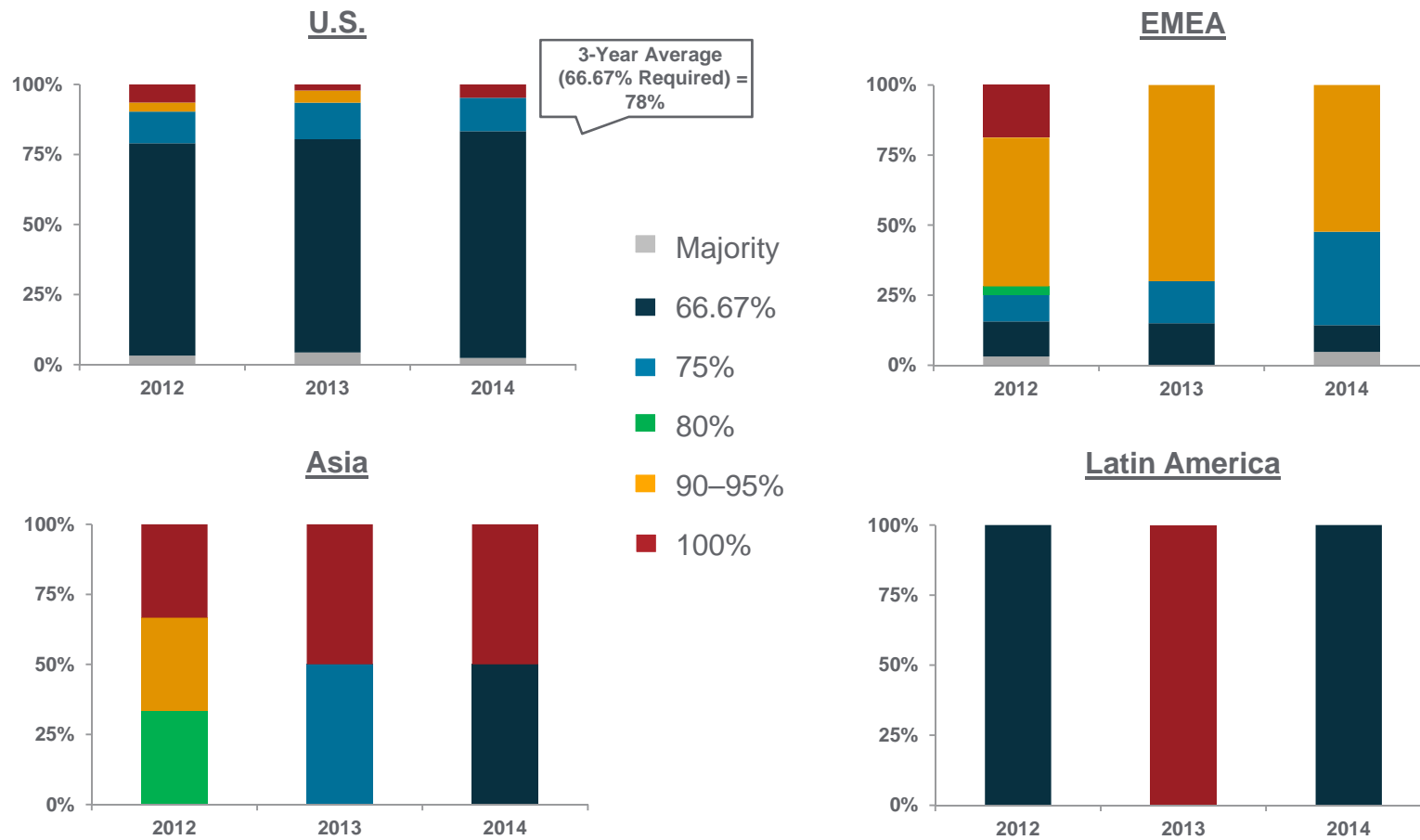
Global



Majority
 66.67%
 75%
 80%
 90-95%
 100%

Voting Requirement to Release All or Substantially All Collateral

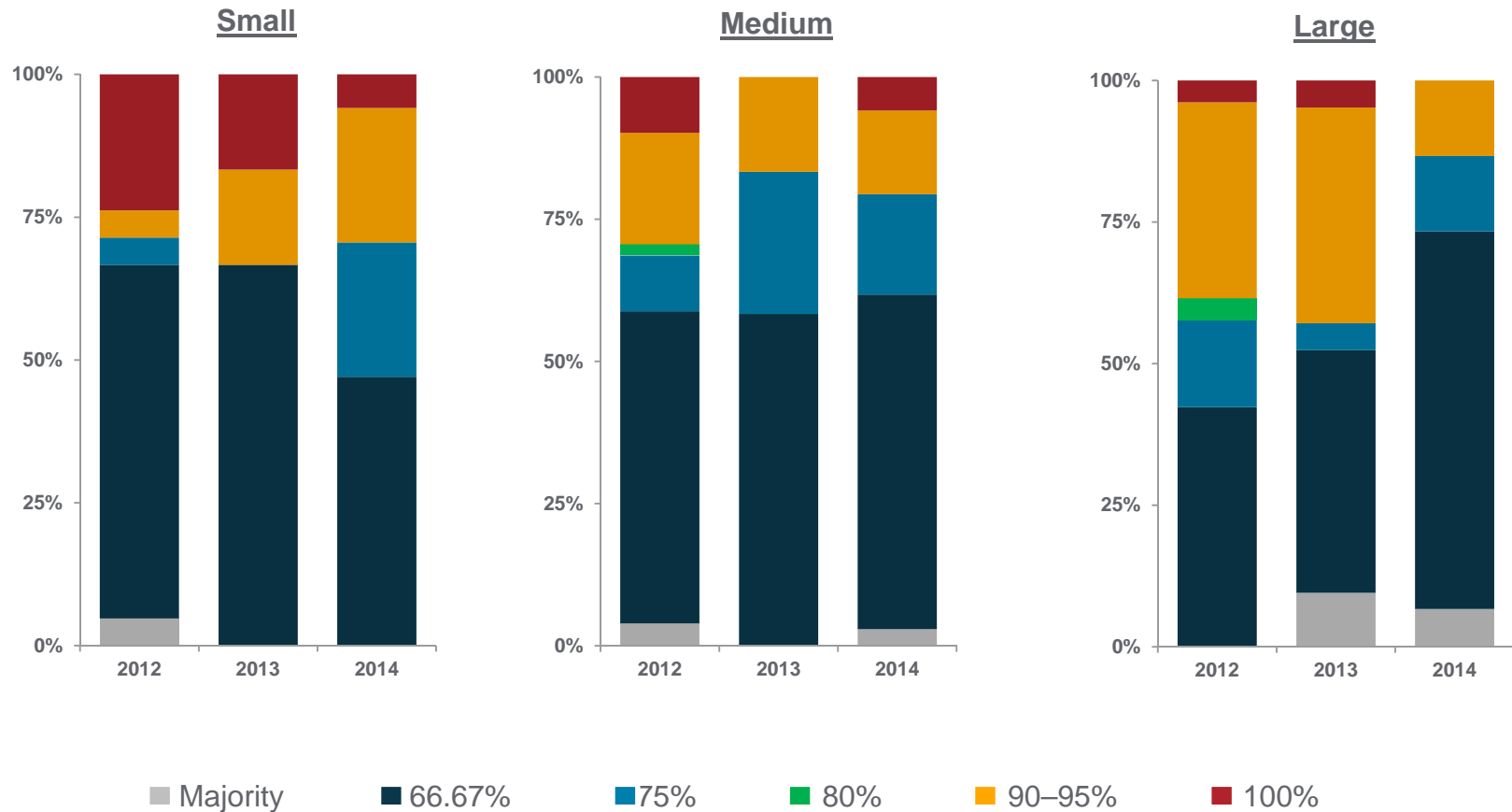
Geographic Breakdown





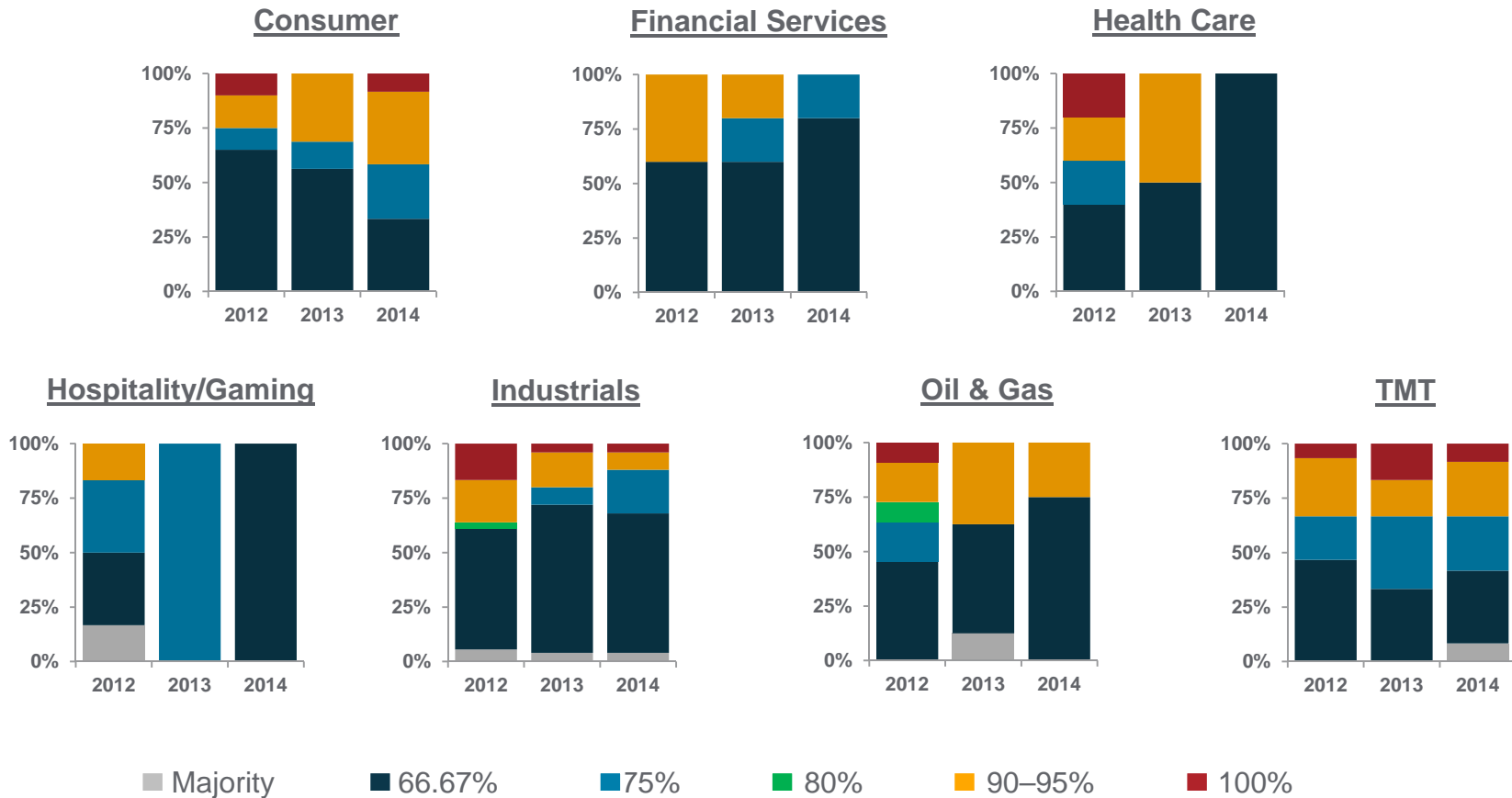
Voting Requirement to Release All or Substantially All Collateral

Deal Size Breakdown



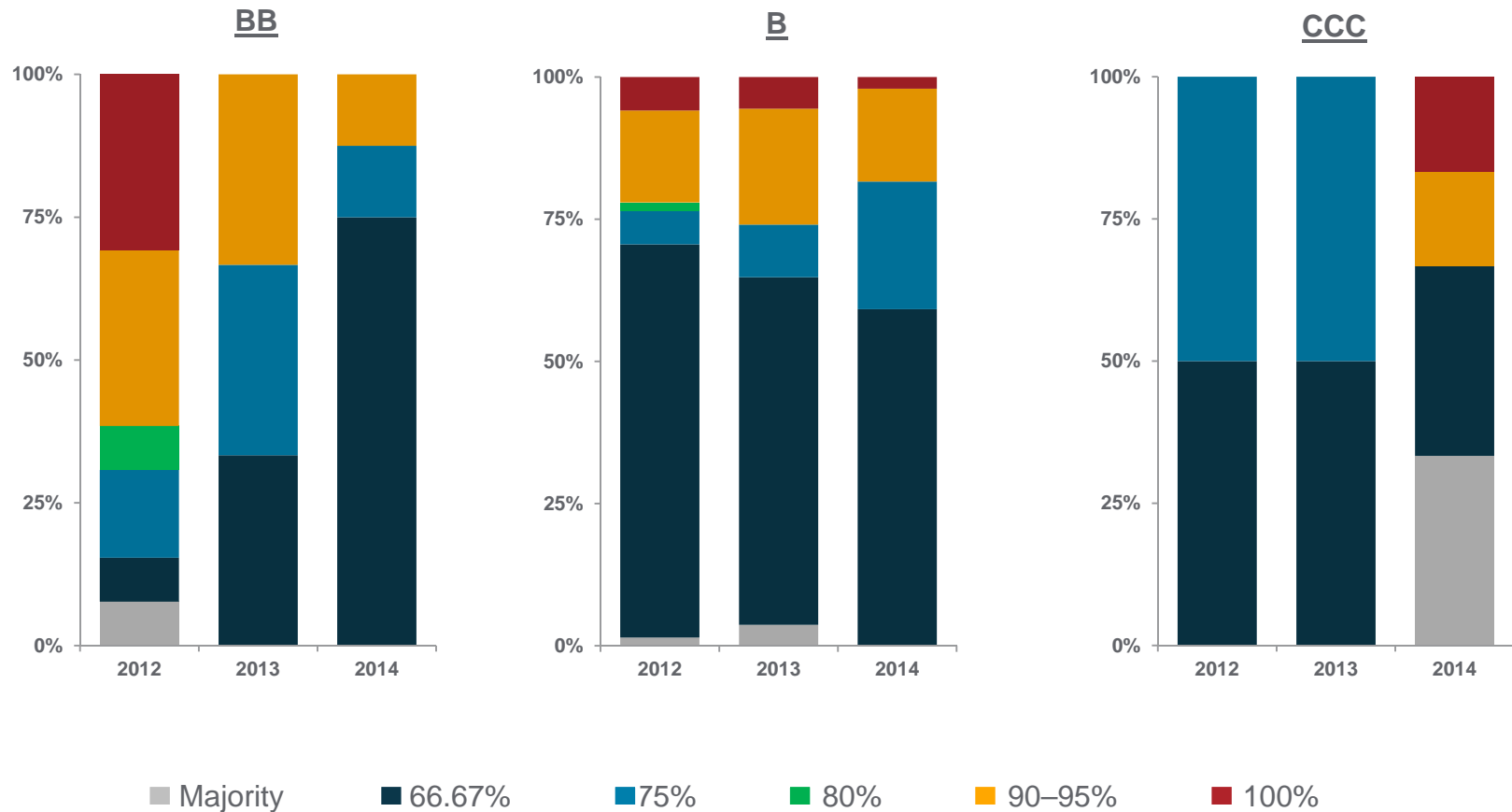
Voting Requirement to Release All or Substantially All Collateral

Industry Breakdown



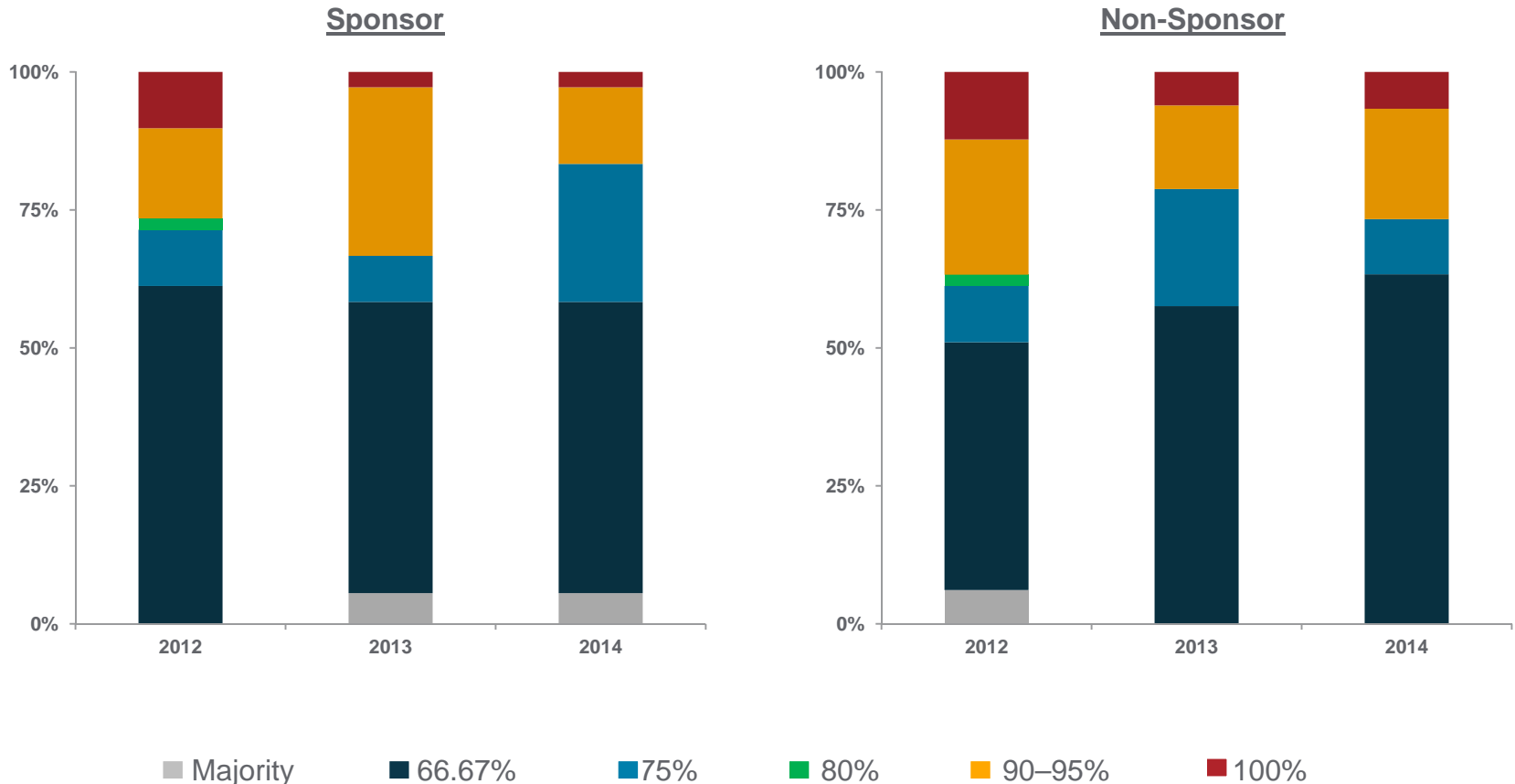
Voting Requirement to Release All or Substantially All Collateral

Ratings Breakdown



Voting Requirement to Release All or Substantially All Collateral

Sponsor Breakdown





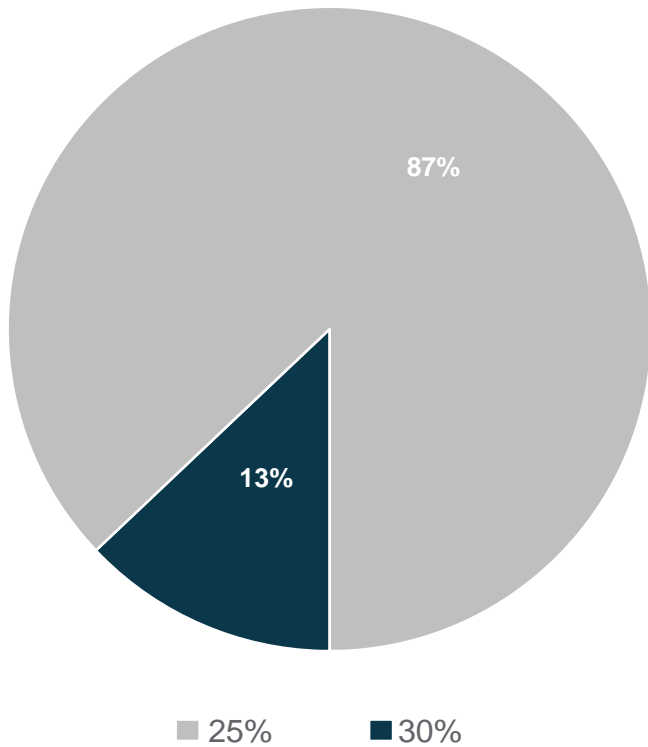


Events of Default



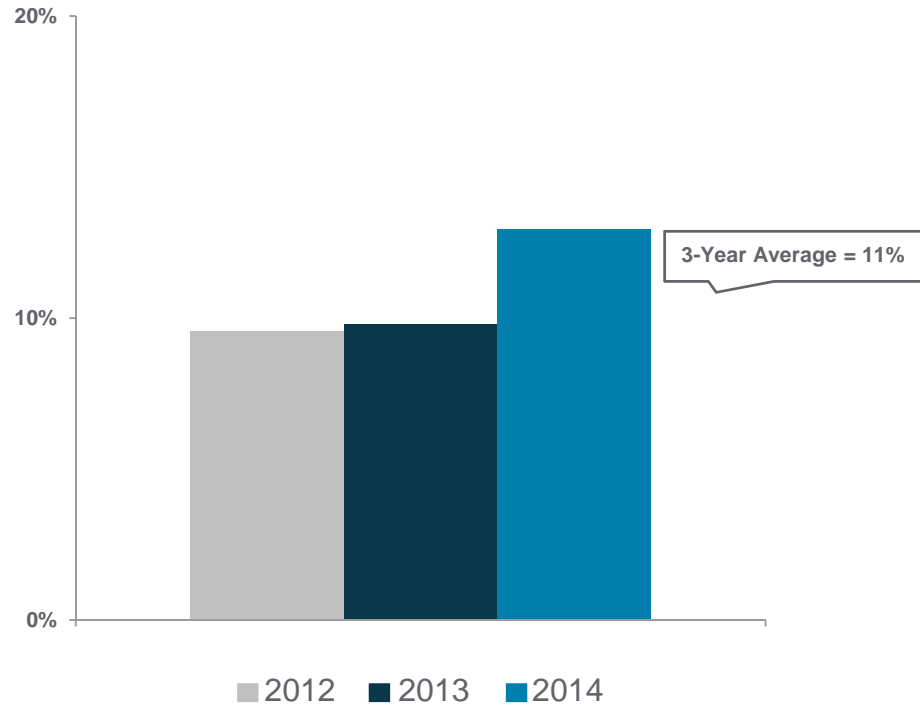
Required Percentage to Accelerate* % of Deals

Global 2014



Global

% of Deals Requiring 30%

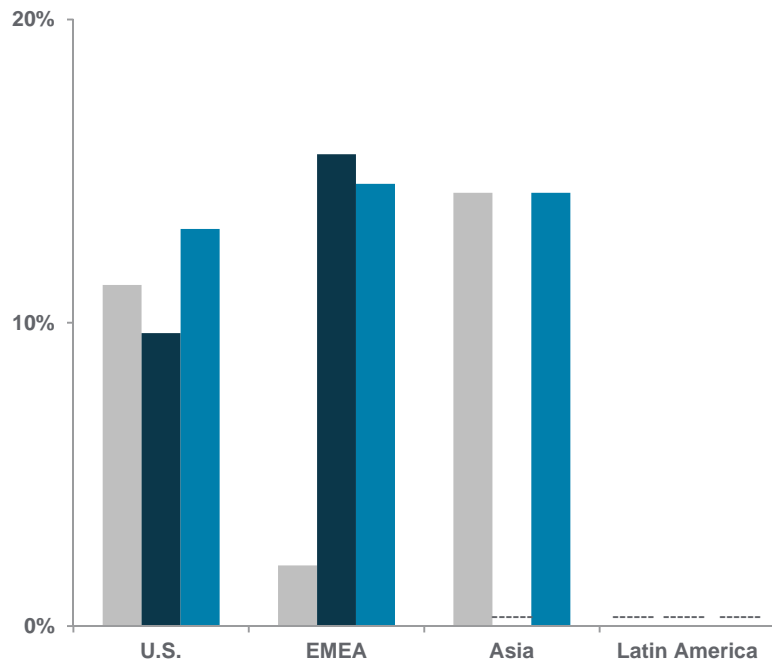


*Based on aggregate principal amount of notes

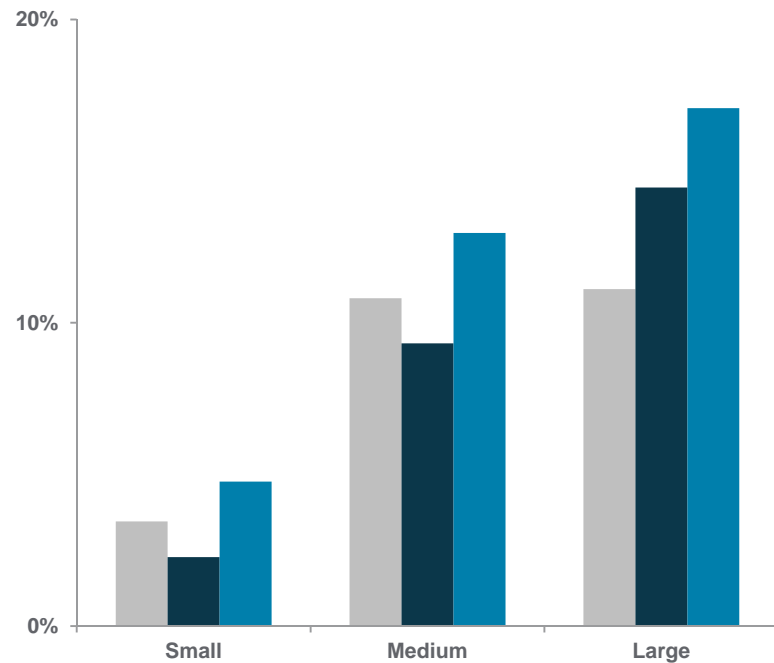


Required Percentage to Accelerate* % of Deals Requiring 30%

Geography



Deal Size



■ 2012 ■ 2013 ■ 2014

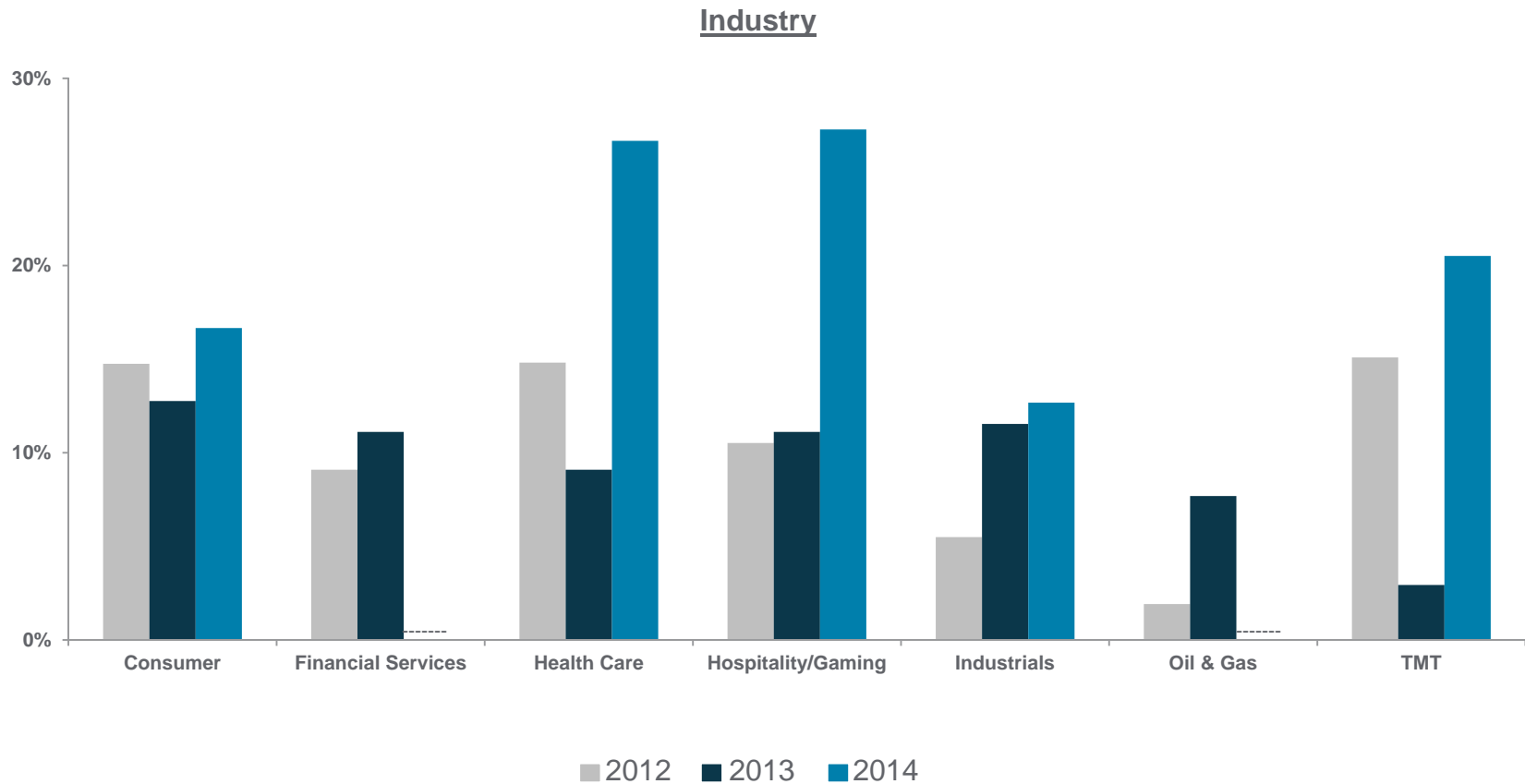
* Based on aggregate principal amount of notes

----- Indicates no reviewed deals contained term



Required Percentage to Accelerate*

% of Deals Requiring 30%



* Based on aggregate principal amount of notes

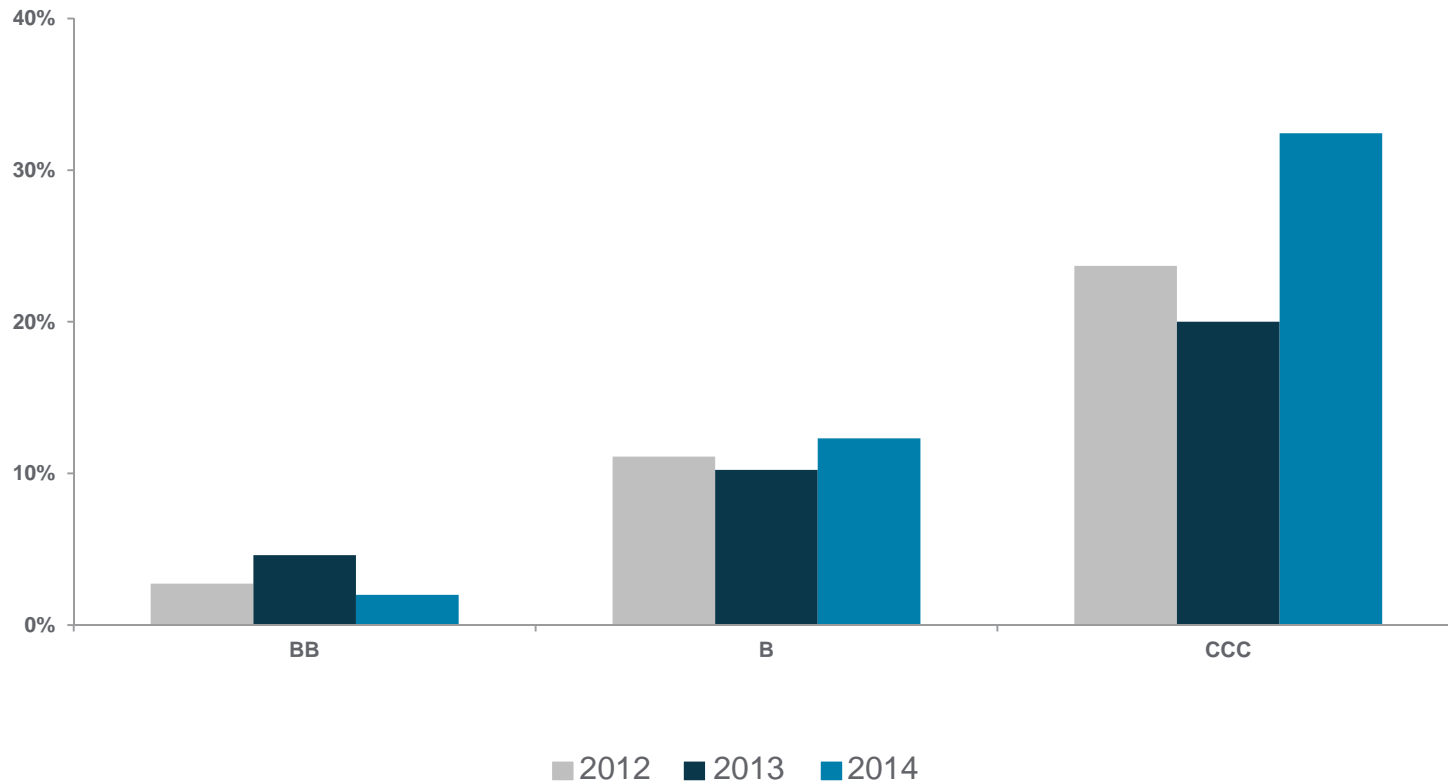
----- Indicates no reviewed deals contained term



Required Percentage to Accelerate*

% of Deals Requiring 30%

Ratings

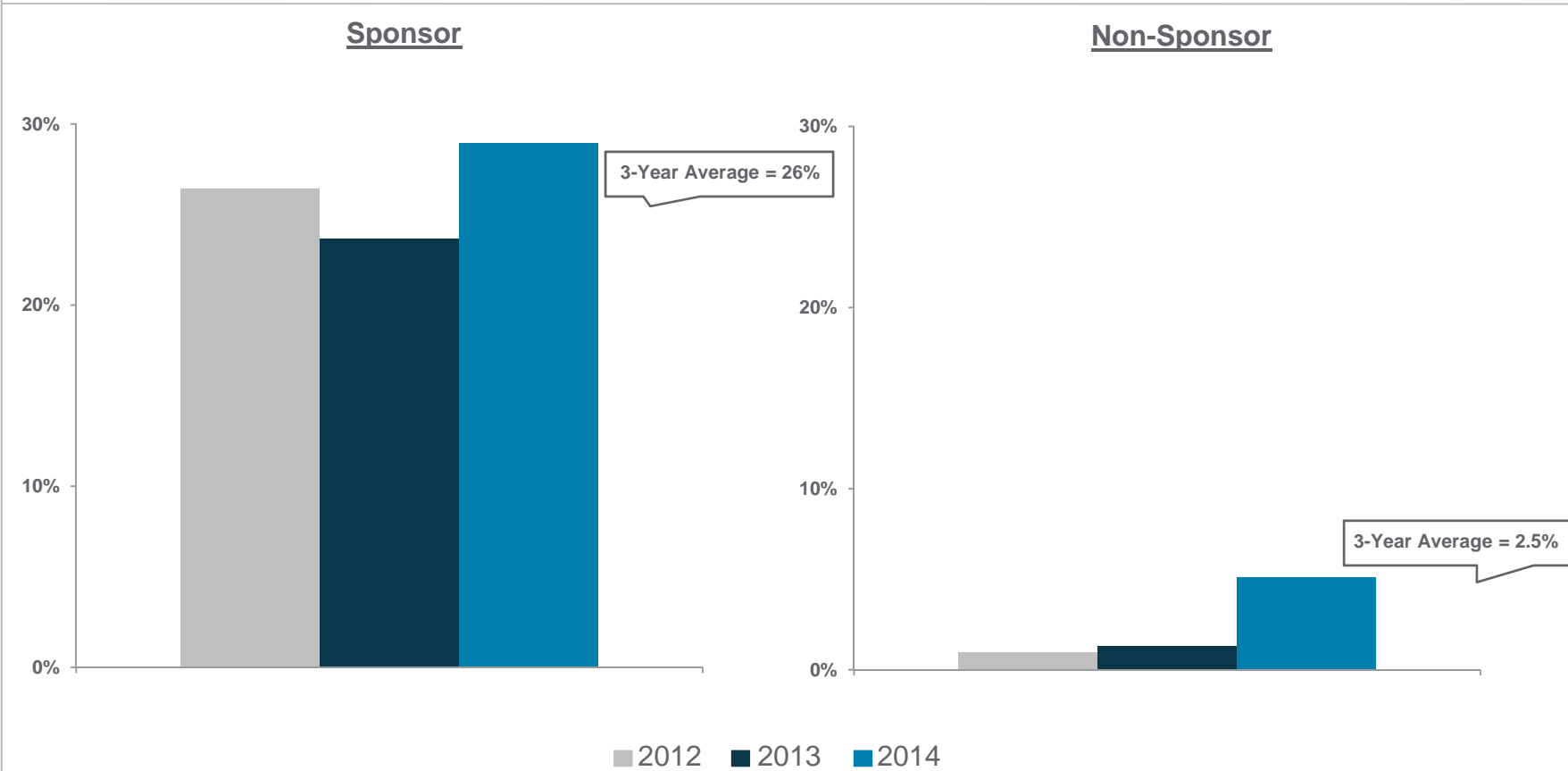


*Based on aggregate principal amount of notes



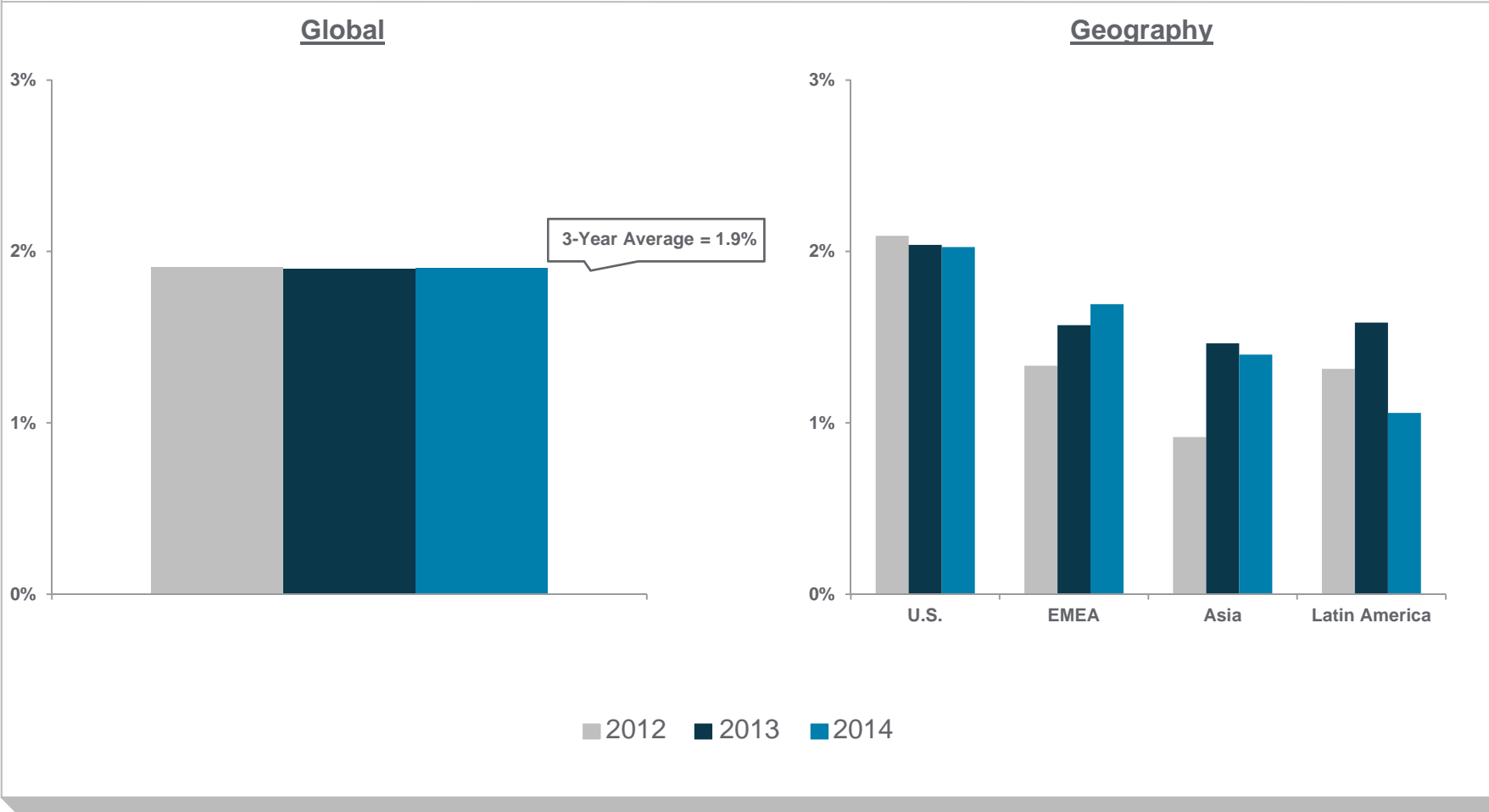
Required Percentage to Accelerate*

% of Deals Requiring 30%



*Based on aggregate principal amount of notes

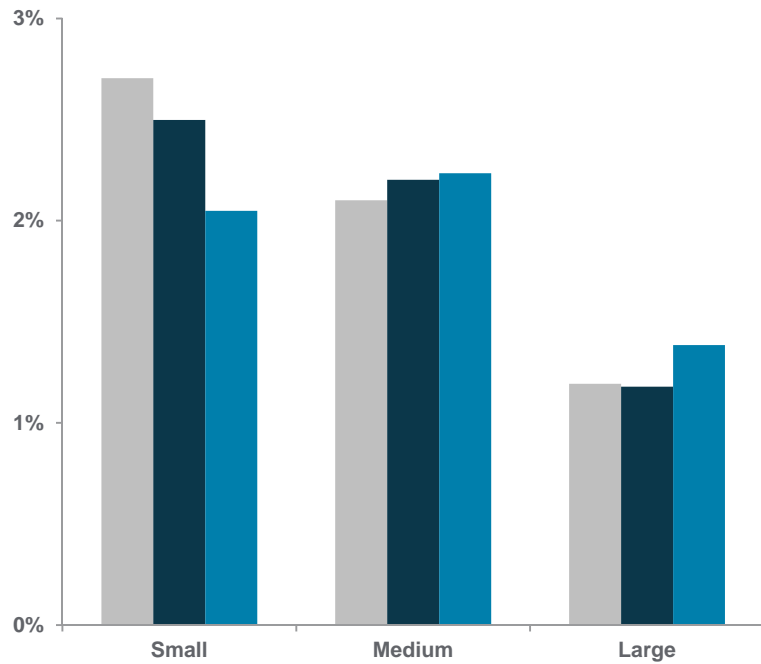
Cross-Acceleration Threshold % of Issuer's Assets



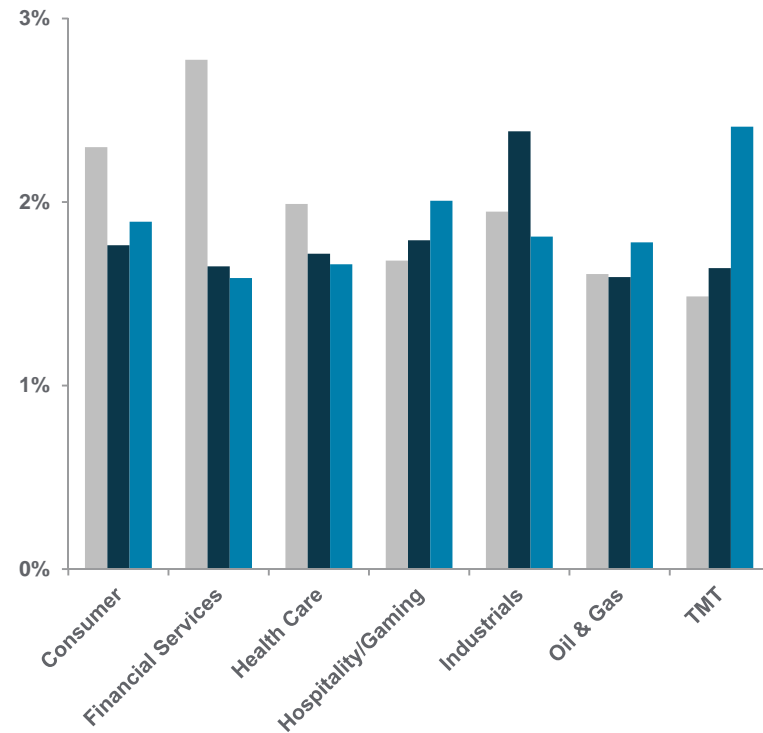


Cross-Acceleration Threshold % of Issuer's Assets

Deal Size



Industry



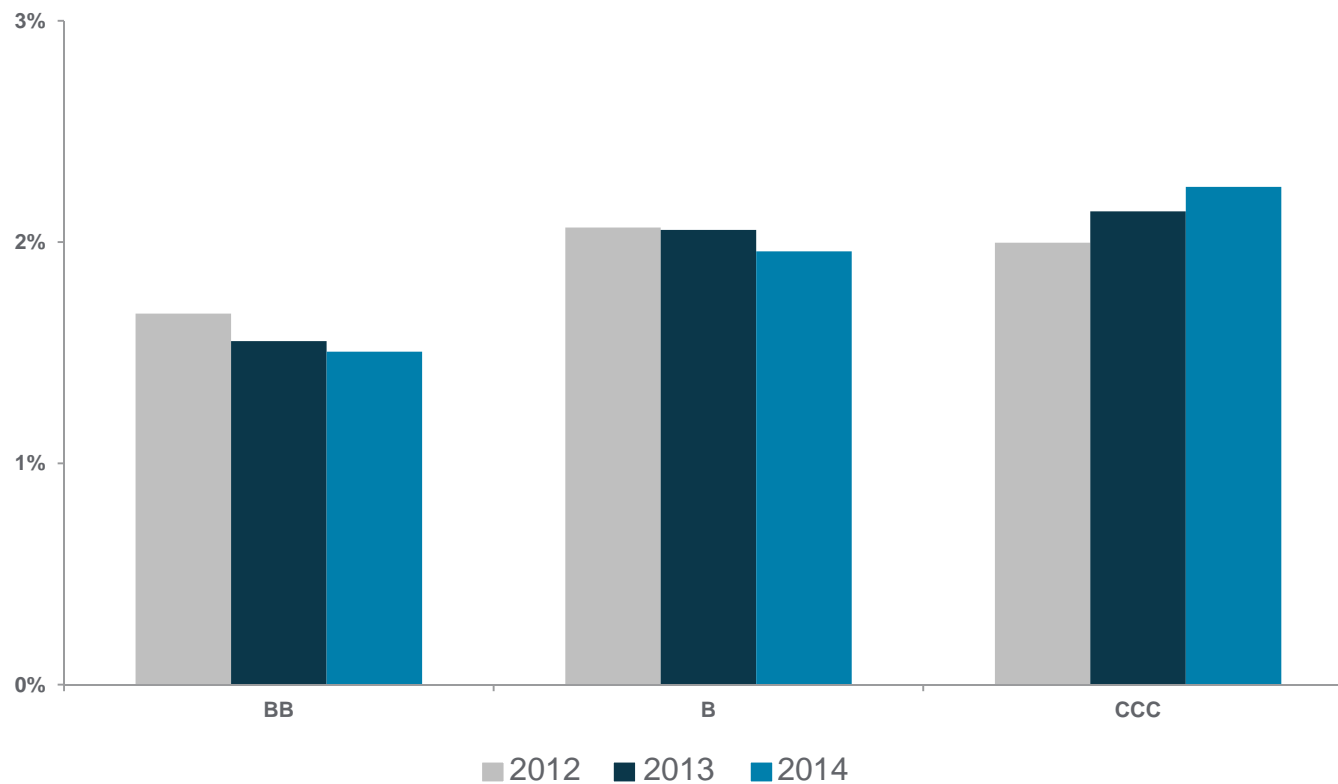
■ 2012 ■ 2013 ■ 2014



Cross-Acceleration Threshold

% of Issuer's Assets

Ratings

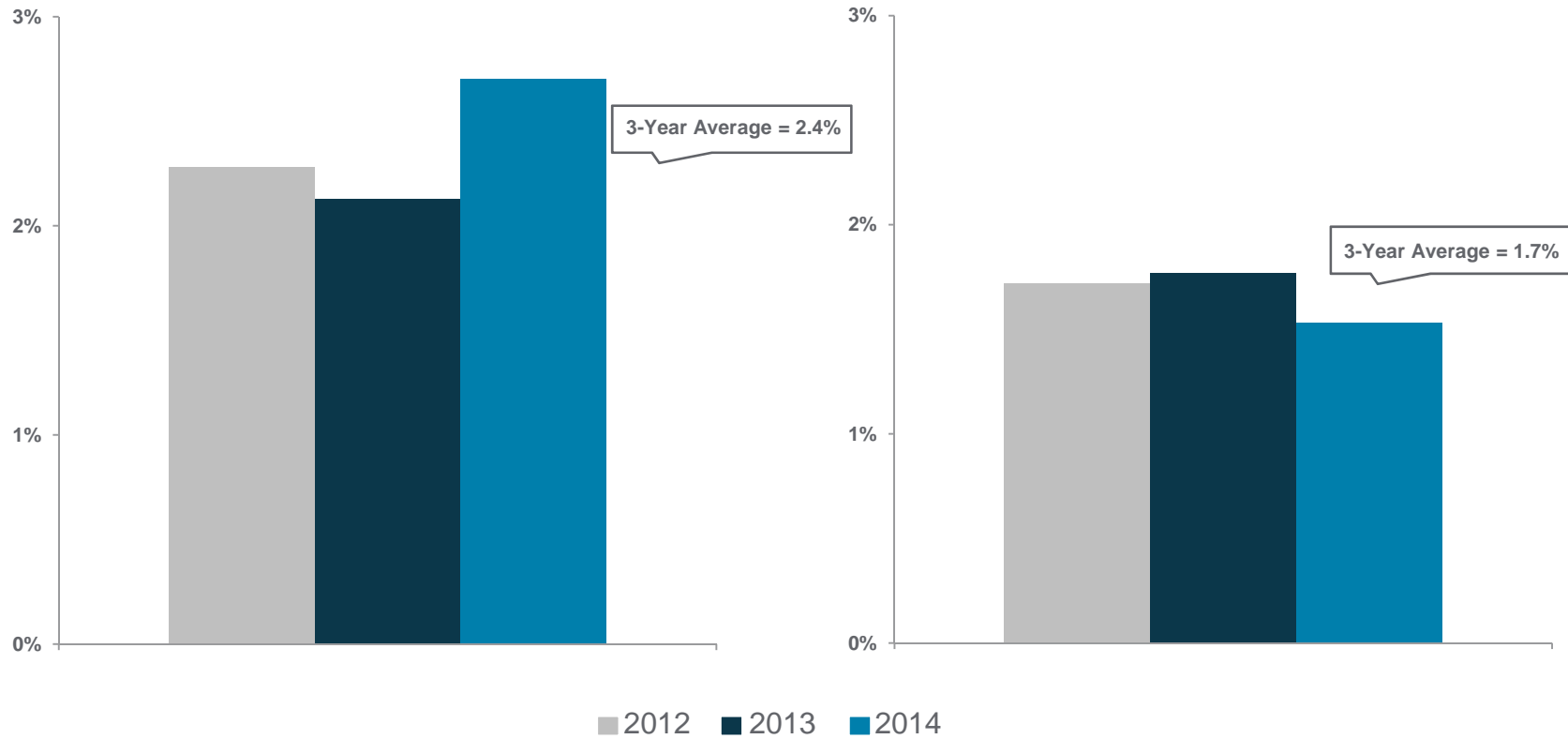




Cross-Acceleration Threshold % of Issuer's Assets

Sponsor

Non-Sponsor





Thank you

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