



FINANCE & ECONOMICS

The Brattle Group

*Economic,
Environmental &
Management Counsel*





Legal disputes often raise complex questions concerning asset values, profitability, and damages.

The Brattle Group provides expert testimony on such financial issues in commercial litigation and regulatory proceedings. Our principals are internationally known experts in applied finance. We value assets and business opportunities that are the subject of antitrust, bankruptcy, commodities, contract, intellectual property, royalty, securities, and tax litigation. We analyze the financial impact of alleged wrongful conduct to estimate damages. We determine the appropriate returns to invested capital.

*FINANCE &
ECONOMICS*

The Brattle Group draws upon experience from the most challenging litigation efforts to develop clear and focused analyses that withstand critical review.

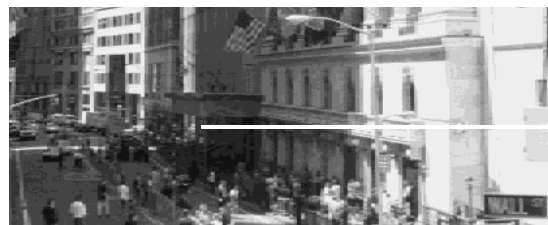




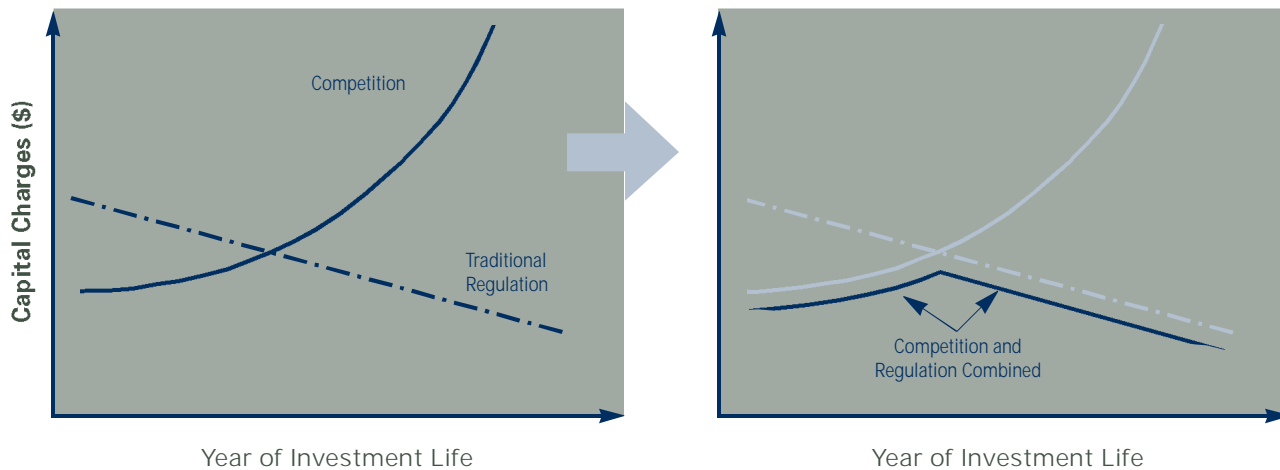
The Brattle Group

The Brattle Group provides consulting services and expert testimony on economic, regulatory, and strategic issues to corporations and law firms world-wide. We offer our clients in-depth industry experience and state-of-the-art analytical techniques to design and implement strategies for responding to changing market conditions or new opportunities. We provide expert testimony on economic damages, antitrust and competitive analyses, financial risk, regulatory economics, and environmental matters.

The Brattle Group is distinguished by its innovative solutions to complex problems, close affiliations with leading academics, and effective communication of analytic results.



Capital Recovery May Be Impossible for Firms Facing Both Regulation and Competition



DAMAGES

Financial projections are required to estimate damages. Erroneous estimates arise when risks or competitive dynamics are ignored, or when financial data are handled inappropriately. *The Brattle Group* combines financial expertise and litigation experience to develop robust, defensible damage analyses. We critique the conceptual, technical, and statistical approaches of opposing parties.

- *Antitrust and Intellectual Property*
- *Securities and Commodities*
- *Contracts and Transactions*

LONG-TERM CONTRACTS

The Brattle Group views the allocation of risk in long-term contracts as a major determinant of value. We apply advanced analytical tools to develop expert testimony on the value of flexibility and of options in long-term contracts. For long-term energy contracts, we estimate the impact of payment requirements on financial risk. We also apply valuation tools to contract renegotiations and to alleged breaches of contract.

- *Risk Allocation Among Parties*
- *Contract Options and Flexibility*
- *Renegotiation or Breach*

REGULATION AND RESTRUCTURING

Assessing risk in a changing regulatory environment requires careful analytical technique and a thorough understanding of the context. *The Brattle Group* experts are leading authorities on the cost of capital, the effects of restructuring, and capital recovery in regulatory proceedings and international arbitrations. We provide testimony on the full spectrum of risk-return issues.

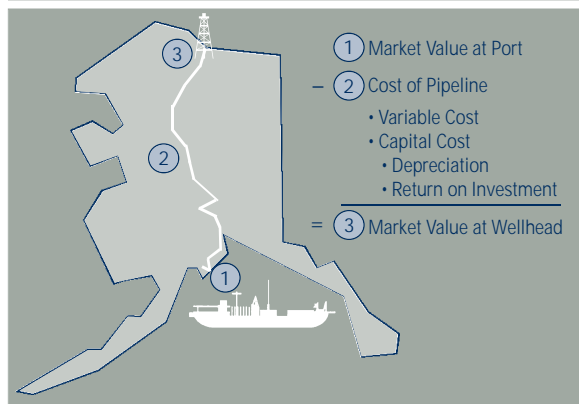
- *Cost of Capital*
- *Regulatory Risk and Restructuring*
- *Capital Recovery Procedures*

MAJOR FINANCIAL TRANSACTIONS

Companies, courts, or regulators must often evaluate the costs and benefits of proposed financial transactions. *The Brattle Group* provides advice and testimony on the costs and benefits of attempted mergers, of bankruptcy restructuring plans, and of specific acquisitions or sales of assets. We also analyze critical project decisions such as the delay or abandonment of proposed investments.

- *Mergers and Acquisitions*
- *Bankruptcy Reorganization Plans*
- *Analyses of Investment Decisions*

Market Value in Remote Locations Estimated by “Netback” Method



COST MEASUREMENT AND ALLOCATION

When measuring the costs of a specific process, arbitrary allocations of fixed or common costs can drive the outcome. *The Brattle Group* brings economic and financial principles to bear on cost measurement disputes. We offer expertise on the allocation of costs over time and across services. Our experience includes international disputes and it spans complex industries such as petroleum, postal delivery, and ocean shipping.

- *Cost of Service*
- *Critique of Cost Allocations*
- *Cross-Subsidy Issues*

NATURAL RESOURCE VALUATION

Valuing natural resources is complicated when they are produced in locations remote from active markets, or pursuant to long-term contracts. *The Brattle Group* has pioneered sophisticated valuation methods to address these problems. We provide testimony in domestic and international disputes on resource values and on the capital charges for investments that bring natural resources to market. Our experience includes major tax and royalty litigation.

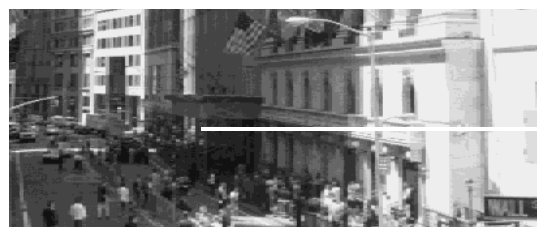
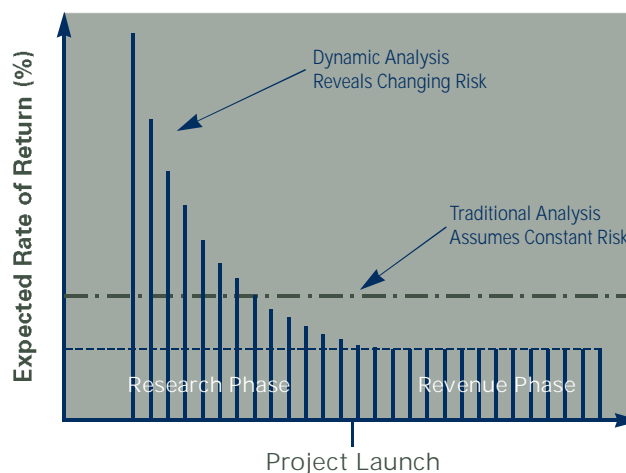
- *Oil, Gas, and Coal Interests*
- *Pipeline and Processing Fees*
- *Tax and Royalty Disputes*

PROFITABILITY MEASUREMENT

Claims of excess profits are often made to support antitrust allegations or to justify regulatory intervention. Typical accounting measures of performance, however, are unreliable. We have sponsored improved estimates of financial performance in precedent-setting litigation. We demonstrate the problems with accounting data and we develop financial models that consider the true costs and uncertainties of risky investments.

- *Financial Risk Estimation*
- *Biases in Accounting Data*
- *Improved Measures of Profitability*

Dual-Rate Analysis Reveals Higher Risk for Research-Intensive Projects



The Brattle Group

44 Brattle Street
Cambridge, MA 02138-3736
Voice 617.864.7900
Facsimile 617.864.1576

1133 Twentieth Street NW
Washington, DC 20036-3408
Voice 202.955.5050
Facsimile 202.955.5059

5th Floor 8-12 Brook Street
London W1Y 2BY
Voice 0171.491.0843
Facsimile 0171.491.0846

email.office@brattle.com

www.brattle.com
