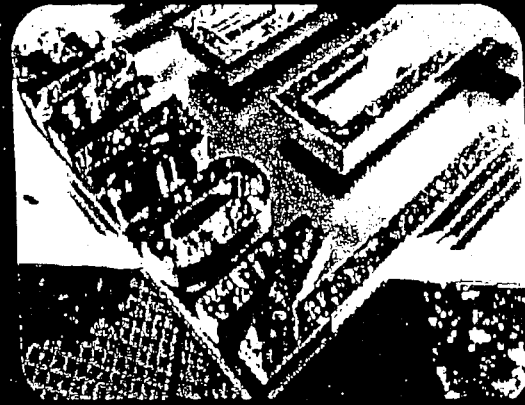


Raptor

Hedging Strategy Analysis

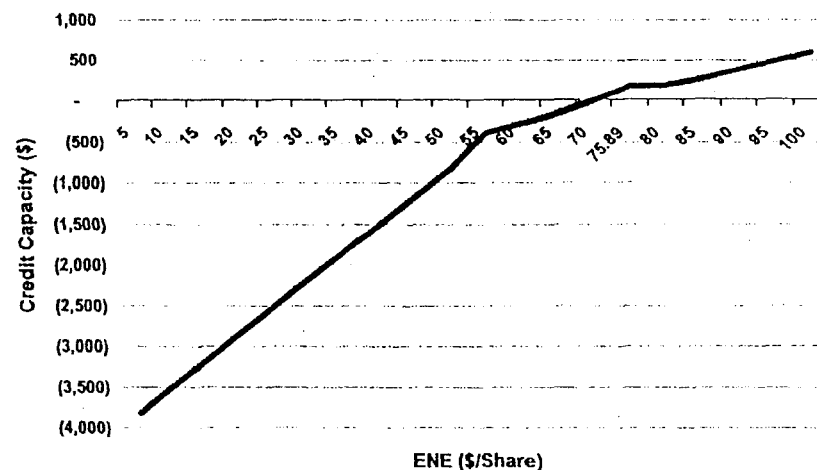


risk assessment & control

Raptor Credit Capacity Before & After Restructuring

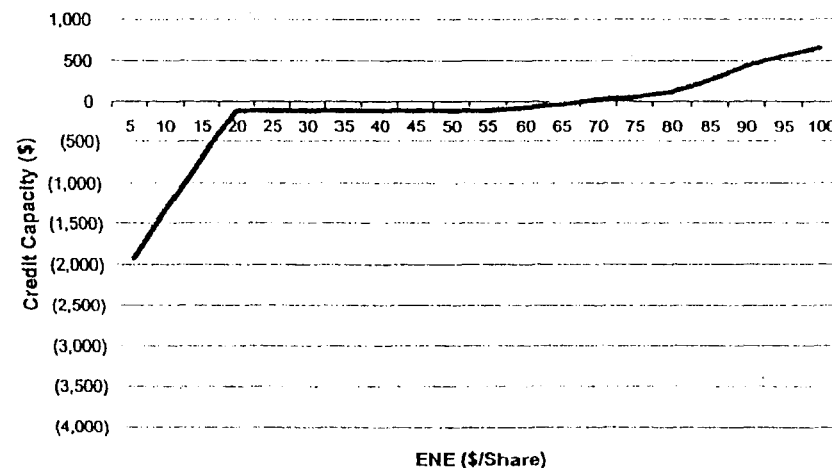
Original Raptor Structure:

- *Shortfall of restricted shares* Breakeven point is at \$75.89/share.
- *Significant drop in value of NPW warrants* NPW price changed from \$21/share at Raptor inception to current \$6/share.
- *Significant drop in value of Raptor hedge*
- *Collars on ENE shares structured with Enron Corp*



New Raptor Structure:

- *Added ENE shares from JEDI to Raptor II & IV at 23% discount*
- *Placed Collar on Raptor II & IV*
- *Monetized Tahiti Note*



Lessons Learned

- Recognize the effect of accounting hedge vs. economic hedge
- Corp. should consider hedging assets in Raptor to minimize credit capacity volatility
- The new Raptor structure transferred risk in the form of stock dilution

↑
There it is!
That is the smoking gun.
You cannot do this!

But Corp isn't
RAPTOR!
Why should
"Corp"
consider
anything
at
Raptor

