



HIGH YIELD & DISTRESSED MARKET REVIEW

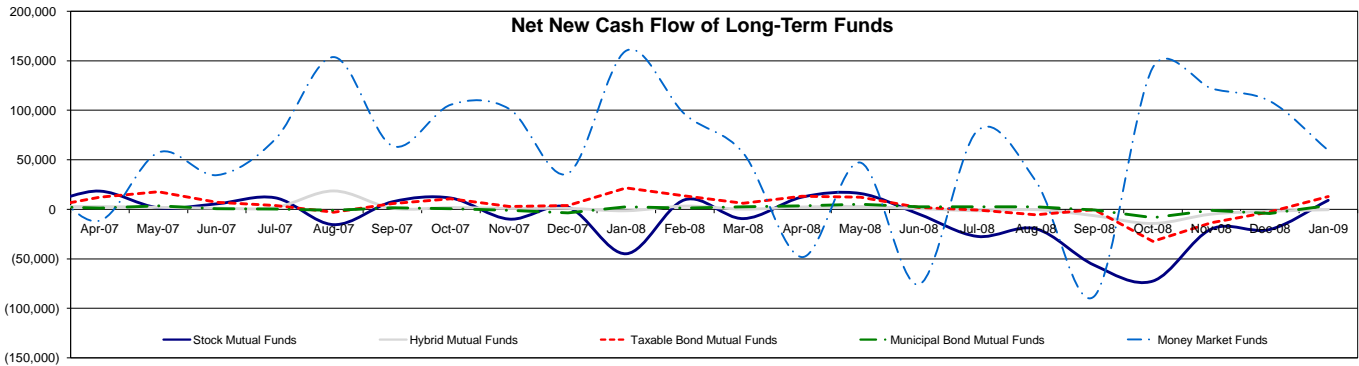
Issue 5 Week ending March 6, 2009

Key Market Indicators - Source: Bloomberg

	March 6, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	6,594.44	6,626.94	7,350.94	6,594.44	(738.73)	(10.03%)	(2,407.75)	(19.65%)
Nasdaq	1,299.59	1,293.85	1,441.83	1,293.85	(147.38)	(10.23%)	(338.36)	(20.73%)
S&P 500	682.55	683.38	773.14	682.55	(86.67)	(11.26%)	(248.42)	(26.66%)
Russell 2000	349.45	351.05	412.48	349.45	(59.91)	(14.58%)	(154.79)	(30.60%)
OEX Volatility Index	50.17	49.33	52.65	44.66	0.03	0.06%	10.14	25.87%
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.55%	1.29%	1.85%	2.15%				

Net New Cash Flow of Mutual Funds - Source: Investment Company Institute (\$ in millions)

	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	YTD
Stock Mutual Funds	\$9,046	(\$20,324)	(\$19,983)	(\$72,444)	(\$56,363)	(\$19,705)	(\$27,365)	\$9,046
Hybrid Mutual Funds	(\$419)	(\$1,986)	(\$4,900)	(\$14,389)	(\$6,486)	(\$302)	(\$1,456)	(\$419)
Taxable Bond Funds	\$12,870	(\$2,467)	(\$13,424)	(\$32,357)	(\$349)	(\$5,449)	(\$616)	\$12,870
Municipal Bond Funds	\$3,855	(\$4,301)	(\$1,171)	(\$8,358)	(\$624)	\$2,418	\$2,483	\$3,855
Money Market Funds	\$59,521	\$108,711	\$122,206	\$143,520	(\$87,568)	\$28,425	\$79,511	\$59,521



Altman-NYU Salomon Center Defaulted Securities Indexes (December 1995=100)

Index	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	YTD
	Level	Level	Level	Level	Level	Level	Level	Return
Altman-NYU Defaulted Bank Loans Index	103.1	111.7	116.2	144.0	165.5	176.3	178.7	(7.74%)
Altman-NYU Defaulted Public Bonds Index	80.1	75.9	77.2	93.1	111.6	127.0	128.5	5.49%
Combined Bank Loan-Public Bond Index	103.7	105.9	109.7	134.3	157.1	171.0	173.2	(2.04%)
S&P 500 (Dividends Reinvested)	159.3	174.0	172.1	185.4	222.9	244.7	241.2	(8.43%)
Citigroup High Yield Index	179.8	170.6	157.4	174.4	206.0	224.0	223.4	5.42%

Distressed News

Story Description	Size (\$mil)	Date	*Source
Magna Entertainment Enters Chapter 11 To Sell Assets	958.6	3/5/2009	DBR
Masonite International Plans To File For Chapter 11 Protection	2,726.1	3/3/2009	DBR
Lyondell Obtains Final Approval To Tap \$8B Bankruptcy Loan	19,337.0	3/2/2009	DBR
Spanson Enters Chapter 11 Bankruptcy To Restructure Debt	2,398.0	3/2/2009	DBR
Apollo Says It's Ready To Help Plaintiff Emerge From Chapter 11	1,032.6	2/26/2009	DBR
Philadelphia Newspapers Enters Bankruptcy After Debt Deal Falls	440.0	2/23/2009	DBR

*Source: Daily Bankruptcy Review ("DBR")

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The information contained in this newsletter has been compiled from a variety of news sources believed to be reliable. It is intended to provide general information about the high yield and distressed markets. It is not intended to be used as financial advice.



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Issue 5 Week ending March 6, 2009

M&A Announced Transactions - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
Gevity HR Inc.	3/5/2009	Trinet Group, Inc.	131.3	Services
ViroChem Pharma, Inc.	3/3/2009	Vertex Pharmaceuticals Incorporated	376.8	Healthcare
Filtrona Extrusion, Inc.	3/3/2009	Saw Mill Capital LLC	115.0	Chemicals
ICT Group Inc.	3/2/2009	Aegis BPO Services Ltd.	127.3	Services
Gleacher & Co.	3/2/2009	Broadpoint Securities Group, Inc.	75.2	Financial Services
Reliant Energy Inc., Texas Retail Business	2/28/2009	NRG Energy, Inc.	287.5	Energy
VeriSign Inc., Communication Services Group	2/28/2009	TNS Inc.	230.0	Technology
HR Textron, Inc.	2/27/2009	Woodward Governor Co.	365.0	Aerospace & Defense
Lenox Group Inc.	2/27/2009	Clarion Capital Partners, LLC	100.0	Retail
Hifn, Inc.	2/23/2009	Exar Corp.	63.2	Technology
Emageon Inc.	2/23/2009	AMICAS Inc.	39.3	Healthcare

High Yield Credit Rating Upgrades for Last 2 Weeks - Source: Bloomberg

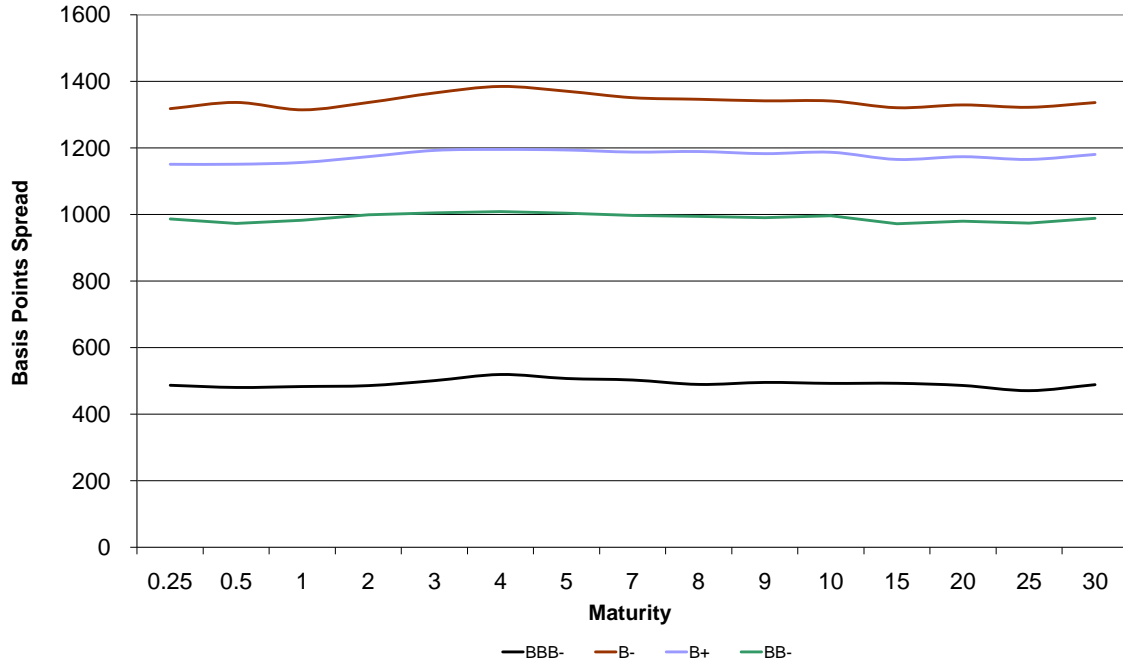
Company Name	Date	Rating Type	Agency	Current	Last	Industry
CC Media Holdings Inc	3/5/2009	LT Local Issuer Credit	S&P	B-	B- *	Radio
Clear Channel Communications Inc	3/5/2009	LT Local Issuer Credit	S&P	B-	B- *	Broadcast Serv/Program
American Achievement Corp	3/5/2009	LT Local Issuer Credit	S&P	CCC+	SD	Consumer Products-Misc
AAC Group Holding Corp	3/5/2009	LT Local Issuer Credit	S&P	CCC+	SD	Special Purpose Entity
Laureate Education Inc	3/3/2009	LT Local Issuer Credit	S&P	B	B- *	Schools
American Media Operations Inc	3/2/2009	LT Local Issuer Credit	S&P	CCC+	SD	Publishing-Periodicals
Louisiana-Pacific Corp	3/2/2009	LT Local Issuer Credit	S&P	BB	BB *	Bldg&Construct Prod-Misc
Terex Corp	2/26/2009	LT Local Issuer Credit	S&P	BB	BB *	Machinery-Constr&Mining
Atlantic Broadband Finance LLC	2/26/2009	LT Local Issuer Credit	S&P	B- *	B	Specified Purpose Acquis
Barrington Broadcasting Co LLC	2/25/2009	LT Local Issuer Credit	S&P	CCC+	CCC+ *	Broadcast Serv/Program
Nova Chemicals Corp	2/24/2009	LT Local Issuer Credit	S&P	CCC+ *	CCC+ *	Chemicals-Diversified

High Yield Credit Rating Downgrades for Last 2 Weeks - Source: Bloomberg

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
AIMCO Properties LP	3/6/2009	LT Local Issuer Credit	S&P	BB+ *	BB+	REITs-Apartments
Harrah's Entertainment Inc	3/6/2009	LT Local Issuer Credit	S&P	CC	CCC	Casino Hotels
CommScope Inc	3/5/2009	LT Local Issuer Credit	S&P	BB- *	BB-	Telecommunication Equip
Eastman Kodak Co	3/5/2009	LT Local Issuer Credit	S&P	B- *	B- *	Photo Equipment&Supplies
InSight Health Services Corp	3/5/2009	LT Local Issuer Credit	S&P	CCC	B-	MRI/Medical Diag Imaging
Broder Brothers Co	3/5/2009	LT Local Issuer Credit	S&P	CCC	B-	Apparel Manufacturers
Blockbuster Inc	3/4/2009	LT Local Issuer Credit	S&P	B- *	B-	Retail-Video Rental
Ford Motor Co	3/4/2009	LT Local Issuer Credit	S&P	CC	CCC+	Auto-Cars/Light Trucks
Palm Inc	3/4/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Computers
Standard Pacific Corp	3/4/2009	LT Local Issuer Credit	S&P	CCC	B-	Bldg-Residential/Commer
Beazer Homes USA Inc	3/3/2009	LT Local Issuer Credit	S&P	CCC+	B-	Bldg-Residential/Commer
Radio One Inc	3/3/2009	LT Local Issuer Credit	S&P	B-	B	Radio
Solutia Inc	3/3/2009	LT Local Issuer Credit	S&P	B- *	B+	Chemicals-Diversified
Alcatel-Lucent USA Inc	3/3/2009	LT Local Issuer Credit	S&P	B+	BB- *	Telecommunication Equip
Atlas Pipeline Partners LP	3/3/2009	LT Local Issuer Credit	S&P	B- *	B+ *	Pipelines
Arby's Restaurant Group Inc	3/2/2009	LT Local Issuer Credit	S&P	B- *	B+	Retail-Restaurants
Conseco Inc	3/2/2009	LT Local Issuer Credit	S&P	CCC *	CCC	Life/Health Insurance
Gannett Co Inc	3/2/2009	LT Local Issuer Credit	S&P	BB	BBB- *	Publishing-Newspapers
Quicksilver Resources Inc	3/2/2009	LT Local Issuer Credit	S&P	B	B+	Oil Comp-Explor&Prodn
Texas Petrochemicals LP	3/2/2009	LT Local Issuer Credit	S&P	B-	B+	Chemicals-Diversified
Wendy's International Inc	3/2/2009	LT Local Issuer Credit	S&P	B+ *	B+	Retail-Restaurants
Belden Inc	3/2/2009	LT Local Issuer Credit	S&P	BB *	BB+	Wire&Cable Products
iStar Financial Inc	3/2/2009	LT Local Issuer Credit	S&P	BB	BBB-	REITs-Mortgage
Invista	3/2/2009	LT Local Issuer Credit	S&P	B+	BB *	Textile-Products
MGM Mirage	2/27/2009	LT Local Issuer Credit	S&P	B- *	B+ *	Casino Hotels
Panoram Industries International Inc	2/27/2009	LT Local Issuer Credit	S&P	CCC+	B- *	Bldg&Construct Prod-Misc
Regal Cinemas Corp	2/27/2009	LT Local Issuer Credit	S&P	B+	BB- *	Theaters
Tenneco Inc	2/27/2009	LT Local Issuer Credit	S&P	B-	B+	Auto/Trk Prts&Equip-Orig
Aventine Renewable Energy Holdings Inc	2/27/2009	LT Local Issuer Credit	S&P	CCC+ *	B *	Energy-Alternate Sources
Ltd Brands Inc	2/27/2009	LT Local Issuer Credit	S&P	BB	BB+	Retail-Apparel/Shoe
Office Depot Inc	2/26/2009	LT Local Issuer Credit	S&P	B	BB-	Retail-Office Supplies
Lamar Advertising Co	2/26/2009	LT Local Issuer Credit	S&P	B+	BB-	Advertising Sales
American Reprographics Co	2/25/2009	LT Local Issuer Credit	S&P	BB *	BB	Applications Software
Brown Shoe Co Inc	2/25/2009	LT Local Issuer Credit	S&P	BB- *	BB-	Retail-Apparel/Shoe
Eddie Bauer Holdings Inc	2/23/2009	LT Local Issuer Credit	S&P	CCC	B-	Retail-Apparel/Shoe
Rafaella Apparel Group Inc	2/23/2009	LT Local Issuer Credit	S&P	CCC	B-	Apparel Manufacturers

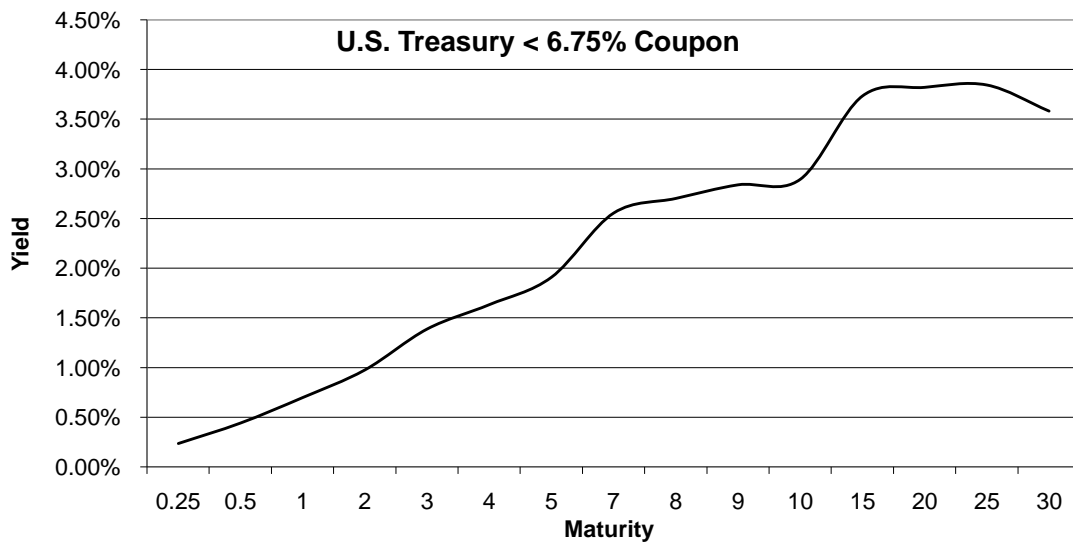


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Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
B-	43	(28)	702	735
B+	89	18	620	643
BB-	23	(83)	444	507
BBB-	5	(10)	230	297





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ADDISON

a subsidiary of Fedders Corporation, has been acquired by Roberts-Gordon LLC, a portfolio company of Eastport Operating Partners

Financial advisor to Fedders Corporation

> RESTRUCTURING / SECTION 363 ASSET SALE

BHM Technologies

has completed a Chapter 11 reorganization \$375 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

DURA Automotive Systems

has completed a Chapter 11 reorganization \$1.5 billion

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

Global Electrical Equipment Retailer
€ 5.5 billion revenue

Optimization of securitization contract performance

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

Global Food Services Company
€ 250 million revenue

Evaluation of forecast processes
Process reliability improvement
Performance improvement planning

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

Global Freight Company
€ 500 million revenue

Optimization of financial back office
DSO improvement
Business process improvement for invoicing

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

GLOBAL POWER EQUIPMENT GROUP

has completed a Chapter 11 reorganization \$256 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

Institutional Catering Services Company
€ 3.3 billion revenue

Evaluation of working capital management
Implementation of the action plan
Ongoing executional advisory

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

Netherlands-based Shipyard
€ 400 million revenue

Working capital management performance improvement

> FINANCIAL PERFORMANCE CONSULTING / RESTRUCTURING

PALCO
and its subsidiary Scotia Pacific Company LLC

has completed a Chapter 11 reorganization \$950 million

Financial advisor to the official committee of unsecured creditors

> RESTRUCTURING

Pierre™
Pierre Foods

has completed a Chapter 11 reorganization \$380 million

Financial advisor to the plan sponsor

> RESTRUCTURING

THE WORNICK™ COMPANY

has completed a Chapter 11 reorganization \$224 million

Financial Advisor to the Ad-Hoc Committee of Senior Secured Noteholders

> RESTRUCTURING