



## HIGH YIELD & DISTRESSED MARKET REVIEW

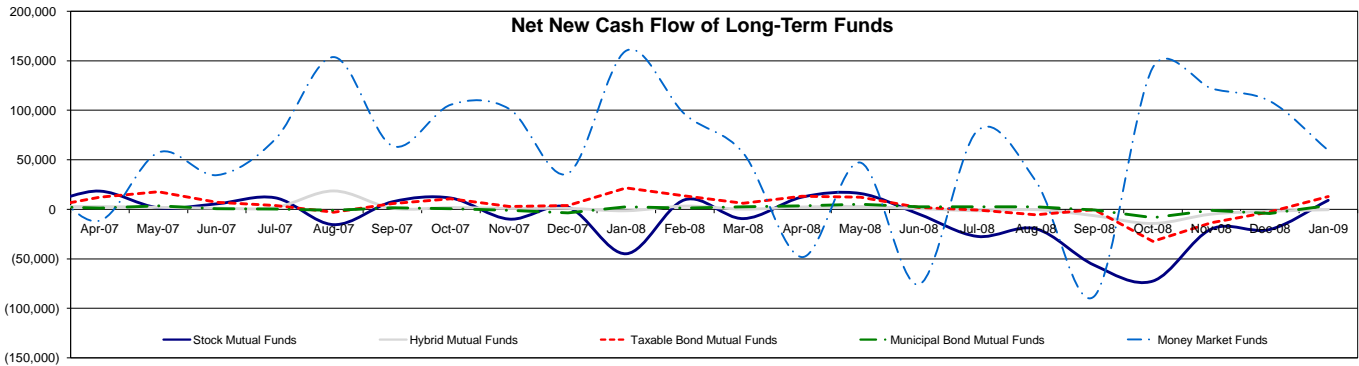
Issue 6 Week ending March 20, 2009

### Key Market Indicators - Source: Bloomberg

	March 20, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	7,400.80	7,278.38	7,486.58	6,547.05	651.44	9.83%	(1,756.31)	(14.52%)
Nasdaq	1,483.48	1,457.27	1,491.22	1,268.64	163.42	12.63%	(174.94)	(10.72%)
S&P 500	784.04	768.54	794.35	676.53	85.16	12.46%	(163.26)	(17.52%)
Russell 2000	413.26	400.11	417.63	343.26	49.06	13.98%	(105.73)	(20.90%)
OEX Volatility Index	43.68	45.89	49.68	40.06	(3.44)	(6.97%)	6.70	17.10%
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.52%	1.22%	1.75%	2.01%				

### 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	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	YTD
	Level	Level	Level	Level	Level	Level	Level	Return
Altman-NYU Defaulted Bank Loans Index	97.5	103.1	111.7	116.2	144.0	165.5	176.3	(12.75%)
Altman-NYU Defaulted Public Bonds Index	74.2	80.1	75.9	77.2	93.1	111.6	127.0	(2.26%)
Combined Bank Loan-Public Bond Index	97.4	103.7	105.9	109.7	134.3	157.1	171.0	(8.03%)
S&P 500 (Dividends Reinvested)	159.3	159.3	174.0	172.1	185.4	222.9	244.7	(18.18%)
Citigroup High Yield Index	160.7	179.8	170.6	157.4	174.4	206.0	224.0	1.42%

### Distressed News

Story Description	Size (\$mil)	Date	*Source
Chemical Manufacturer Chemtura Seeks Chapter 11 Protection	2,600.0	3/19/2009	DBR
Primus Files For Bankruptcy With Debt-For-Equity Swap Plan	791.9	3/17/2009	DBR
Masonite Files For Bankruptcy With Plan To Cut Debt By \$2.0 billion	2,700.0	3/16/2009	DBR
RV Manufacturer Fleetwood Files For Bankruptcy As Demand Falls	623.6	3/10/2009	DBR
Milacron Files For Bankruptcy After Reaching Debt-Swap Deal	752.0	3/10/2009	DBR
Pacific Energy Resources Files For Chapter 11 After Defaulting	685.5	3/9/2009	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 6 Week ending March 20, 2009

**M&A Announced Transactions - Source: Capital IQ**

Target	Date	Acquirer	Value (\$mm)	Industry
CSX Hotels, Inc.	3/19/2009	Marriott Hotel Services, Inc.	130.0	Hospitality
Pure Digital Technologies, Inc.	3/19/2009	Cisco Systems, Inc.	590.0	Technology
INB Financial Corporation	3/19/2009	Banco Mercantil Del Norte, S.A.	150.0	Financial
Sensor Switch, Inc	3/18/2009	Acuity Brands Lighting, Inc.	207.5	Building Products
Kurtzman Carson Consultants, LLC	3/16/2009	Computershare Ltd.	135.7	Services
Capital Gold Corp.	3/12/2009	Gammon Gold, Inc.	151.6	Metals
CV Therapeutics, Inc.	3/12/2009	Gilead Sciences Inc.	1,659.4	Healthcare
Schering-Plough Corp.	3/8/2009	Merck & Co. Inc.	50,743.7	Healthcare
Rio Tinto Energy America, Inc., Jacobs Ranch Mine	3/8/2009	Arch Coal Inc.	761.0	Mining
Asarco Incorporated	3/6/2009	Sterlite Industries India Ltd.	1,700.0	Mining

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

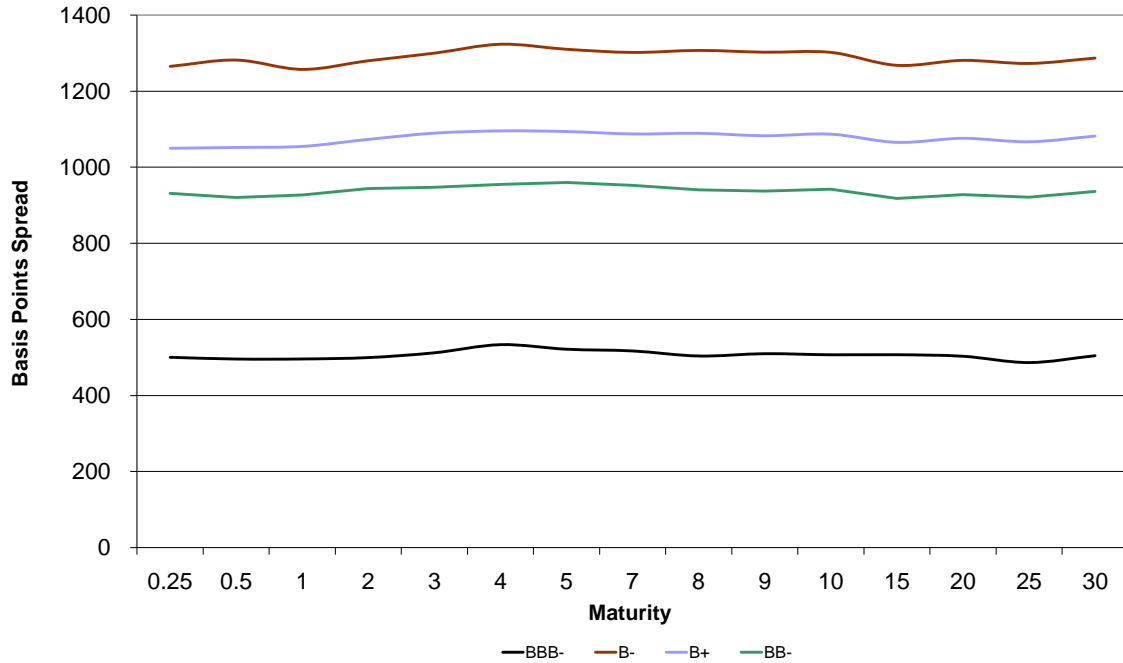
Company Name	Date	Rating Type	Agency	Current	Last	Industry
WellCare Health Plans Inc	3/20/2009	LT Local Issuer Credit	S&P	B-	B- *	Medical-HMO
Citgo Petroleum Corp	3/18/2009	LT Local Issuer Credit	S&P	BB	BB *	Oil Refining&Marketing
Entravision Communications Corp	3/18/2009	LT Local Issuer Credit	S&P	B+	B+ *	Multimedia
Arby's Restaurant Group Inc	3/16/2009	LT Local Issuer Credit	S&P	B+	B- *	Retail-Restaurants
Wendy's International Inc	3/16/2009	LT Local Issuer Credit	S&P	B+	B+ *	Retail-Restaurants
Oshkosh Corp	3/10/2009	LT Local Issuer Credit	S&P	B	B *	Auto-Med&Heavy Duty Trks

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
OfficeMax Inc	3/20/2009	LT Local Issuer Credit	S&P	B	BB-	Retail-Office Supplies
Acument Global Technologies Inc	3/19/2009	LT Local Issuer Credit	S&P	CCC+ *	B *	Metal Processors&Fabrica
West Fraser Mills Ltd	3/19/2009	LT Local Issuer Credit	S&P	BB+	BBB-	Forestry
West Fraser Timber Co Ltd	3/19/2009	LT Local Issuer Credit	S&P	BB+	BBB-	Forestry
Chemtura Corp	3/19/2009	LT Local Issuer Credit	S&P	D	CCC	Chemicals-Specialty
MGM Mirage	3/19/2009	LT Local Issuer Credit	S&P	CCC	B- *	Casino Hotels
Metals USA Holdings Corp	3/18/2009	LT Local Issuer Credit	S&P	B- *	B-	Steel-Producers
Six Flags Inc	3/18/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Resorts/Theme Parks
Metals USA Inc	3/18/2009	LT Local Issuer Credit	S&P	B- *	B-	Metal Processors&Fabrica
CIGNA Corp	3/18/2009	LT Local Issuer Credit	S&P	BBB	BBB+	Medical-HMO
True Temper Sports Inc	3/18/2009	LT Local Issuer Credit	S&P	D	CCC	Golf
Aventine Renewable Energy Holdings Inc	3/18/2009	LT Local Issuer Credit	S&P	CC *	CCC+ *	Energy-Alternate Sources
3M Co	3/18/2009	LT Local Issuer Credit	S&P	AA-	AA	Diversified Manufact Op
Brigham Exploration Co	3/17/2009	LT Local Issuer Credit	S&P	CCC+	B-	Oil Comp-Explor&Prodtn
Textron Financial Corp	3/17/2009	LT Local Issuer Credit	S&P	BB+	BBB *	Finance-Commercial
Huntsman Corp	3/17/2009	LT Local Issuer Credit	S&P	B *	BB- *	Chemicals-Diversified
Dayton Superior Corp	3/17/2009	LT Local Issuer Credit	S&P	CCC-	CCC	Bldg Prod-Cement/Aggreg
Quiksilver Inc	3/17/2009	LT Local Issuer Credit	S&P	B- *	B+	Apparel Manufacturers
CanWest Media Inc	3/16/2009	LT Local Issuer Credit	S&P	D	CCC	Multimedia
Everest Reinsurance Holdings Inc	3/13/2009	LT Local Issuer Credit	S&P	BBB+	A- *	Property/Casualty Ins
RR Donnelley & Sons Co	3/13/2009	LT Local Issuer Credit	S&P	BBB	BBB+ *	Printing-Commercial
MGIC Investment Corp	3/13/2009	LT Local Issuer Credit	S&P	CCC	BB+ *	Financial Guarantee Ins
Fairpoint Communications Inc	3/12/2009	LT Local Issuer Credit	S&P	BB *	BB	Telecom Services
National Semiconductor Corp	3/12/2009	LT Local Issuer Credit	S&P	BB+	BBB- *	Electronic Compo-Semicon
General Electric Co	3/12/2009	LT Local Issuer Credit	S&P	AA+	AAA	Diversified Manufact Op
Source Interlink Cos Inc	3/12/2009	LT Local Issuer Credit	S&P	CCC	B- *	Commercial Services
CHC Helicopter Corp	3/11/2009	LT Local Issuer Credit	S&P	B+	BB- *	Transport-Services
Mohawk Industries Inc	3/11/2009	LT Local Issuer Credit	S&P	BB+	BBB-	Textile-Home Furnishings
Fleetwood Enterprises Inc	3/11/2009	LT Local Issuer Credit	S&P	D	CCC-	Bldg-Mobil Home/Mfd Hous
ION Geophysical Corp	3/10/2009	LT Local Issuer Credit	S&P	B	BB-	Seismic Data Collection
Citadel Broadcasting Corp	3/10/2009	LT Local Issuer Credit	S&P	CCC+	B+	Radio
Milacron Inc	3/10/2009	LT Local Issuer Credit	S&P	D	CCC+	Mach Tools&Rel Products
Nexstar Broadcasting Group Inc	3/10/2009	LT Local Issuer Credit	S&P	CC	B-	Broadcast Serv/Program
First Data Corp	3/9/2009	LT Local Issuer Credit	S&P	B	B+	Data Processing/Mgmt
Brown Shoe Co Inc	3/6/2009	LT Local Issuer Credit	S&P	B	BB- *	Retail-Apparel/Shoe
Harrah's Entertainment Inc	3/6/2009	LT Local Issuer Credit	S&P	CC	CCC	Casino Hotels

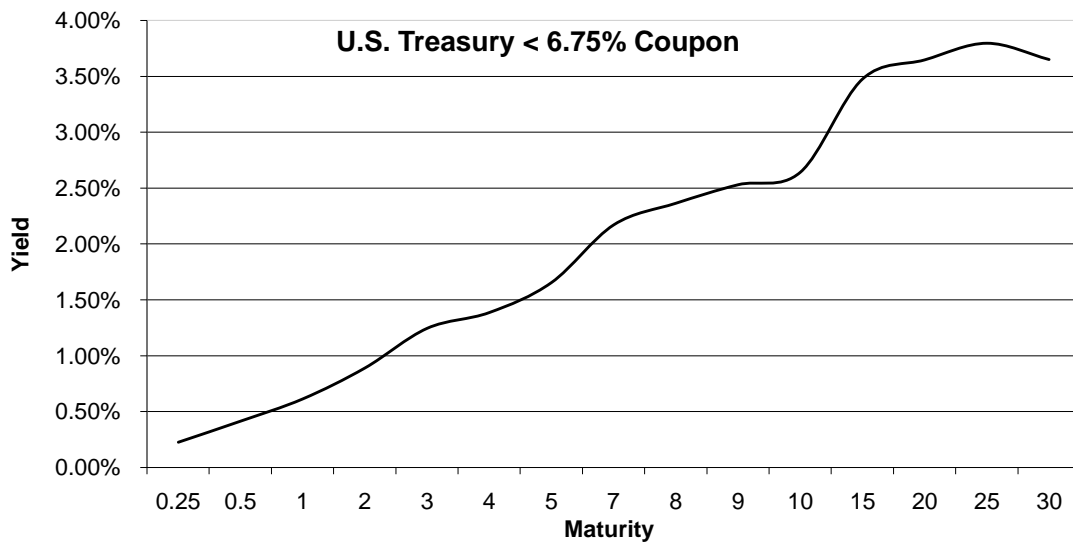


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**Change in spread to US treasuries with coupons < 6.75% (7 Year)**

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
B-	(49)	(144)	644	647
B+	(100)	(154)	480	508
BB-	(45)	(186)	350	435
BBB-	15	8	226	300





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Chanin Capital Partners, a Duff & Phelps company, is a distinguished leader in providing financial advisory services to companies, creditors and stakeholders in distressed situations. Chanin bankers structure each transaction with the most favorable financial terms – then add value beyond the numbers. Investment Banking services are provided by Duff & Phelps Securities, LLC.

**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

**Domestic Freight Company**  
€ 500 million revenue

Strategic review of invoice and collections process  
Performance improvement plan

> 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

**Global Trade Company**  
€ 300 million revenue

Establishment of cash flow function, debt management and forecasting  
Implementation of risk policy

> FINANCIAL PERFORMANCE CONSULTING / 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

**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