



HIGH YIELD & DISTRESSED MARKET REVIEW

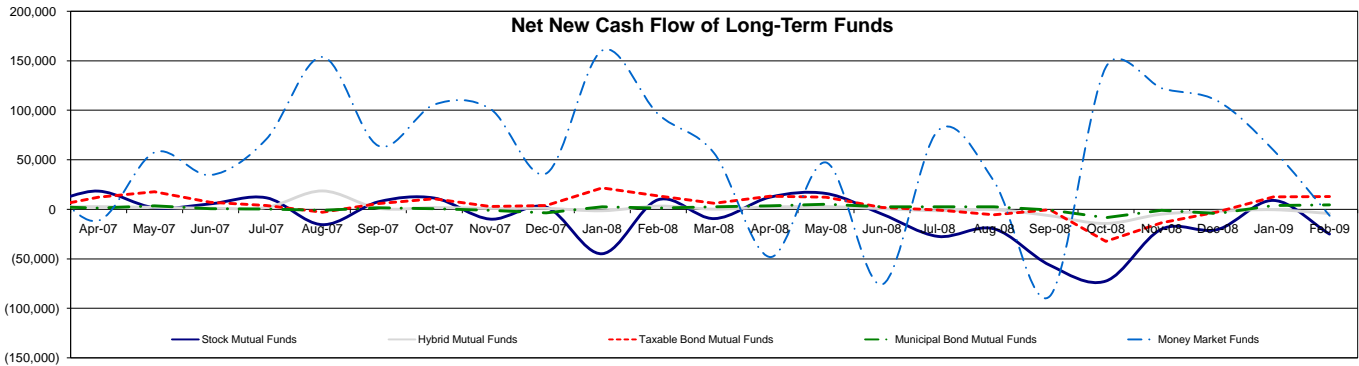
Issue 7 Week ending April 3, 2009

Key Market Indicators - Source: Bloomberg

	April 3, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	7,978.08	8,017.59	8,017.59	7,522.02	739.21	10.16%	(1,017.10)	(8.07%)
Nasdaq	1,602.63	1,621.87	1,621.87	1,501.80	164.60	11.30%	(10.34)	(0.63%)
S&P 500	834.38	842.50	842.50	787.53	73.96	9.62%	(89.30)	(9.58%)
Russell 2000	450.19	456.13	456.13	415.97	56.02	14.00%	(49.71)	(9.83%)
OEX Volatility Index	42.04	39.70	45.54	39.70	(6.19)	(13.49%)	0.51	1.30%
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.48%	1.16%	1.71%	1.96%				

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

	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	Aug-08	YTD
Stock Mutual Funds	(\$25,029)	\$8,922	(\$20,324)	(\$19,983)	(\$72,444)	(\$56,363)	(\$19,705)	(\$16,107)
Hybrid Mutual Funds	(\$4,251)	(\$412)	(\$1,986)	(\$4,900)	(\$14,389)	(\$6,486)	(\$302)	(\$4,663)
Taxable Bond Funds	\$12,816	\$12,662	(\$2,467)	(\$13,424)	(\$32,357)	(\$349)	(\$5,449)	\$25,478
Municipal Bond Funds	\$4,337	\$3,851	(\$4,301)	(\$1,171)	(\$8,358)	(\$624)	\$2,418	\$8,188
Money Market Funds	(\$6,444)	\$59,473	\$108,711	\$122,206	\$143,520	(\$87,568)	\$28,425	\$53,029



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
Directory Publisher Idearc Enters Bankruptcy To Reduce Debt	9,515.0	4/1/2009	DBR
Sun-Times Media Group Files for Bankruptcy	801.0	3/31/2009	DBR
Tribune Seeks To Push Its Chapter 11 Plan Deadline To August	12,972.5	3/31/2009	DBR
Charter Heads To Debut Court Hearing In Its Chapter 11 Case	24,185.7	3/27/2009	DBR
Los Angeles Developer Meruelo Maddux Files For Bankruptcy	342.0	3/27/2009	DBR
Herbst Gaming Enters Bankruptcy With Debt-For-Equity Swap Plan	1,178.0	3/23/2009	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 7 Week ending April 3, 2009

M&A Announced Transactions - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
Morton International Inc.	4/1/2009	K+S Aktiengesellschaft	1,675.0	Commodity Chemicals
DataPath, Inc.	4/1/2009	Rockwell Collins Inc.	130.0	Communications
Metavante Technologies, Inc.	3/31/2009	Fidelity National Information Services Inc.	5,037.0	Technology
First Market Bank, FSB	3/30/2009	Union Bankshares Corp.	95.3	Financial Services
Fifth Third Bank Processing Solutions	3/27/2009	Advent International Corporation	561.0	Financial Services
Bearingpoint Inc., Public ServicesBusiness	3/23/2009	Deloitte LLP	350.0	Professional Services
Petro-Canada	3/22/2009	Suncor Energy Inc.	19,478.1	Energy

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Hospitality Properties Trust	4/3/2009	LT Local Issuer Credit	S&P	BBB	BBB +	REITS-Hotels
Nexstar Broadcasting Inc	4/3/2009	LT Local Issuer Credit	S&P	B-	SD	Broadcast Serv/Program
ProLogis	4/3/2009	LT Local Issuer Credit	S&P	BBB-	BBB +	REITS-Warehouse/Industr
Bowne & Co Inc	4/2/2009	LT Local Issuer Credit	S&P	B	B +	Printing-Commercial
Six Flags Inc	4/2/2009	LT Local Issuer Credit	S&P	CCCu	NR	Resorts/Theme Parks
Dollar General Corp	4/1/2009	LT Local Issuer Credit	S&P	B+	B	Retail-Discout
Metavante Corp	4/1/2009	LT Local Issuer Credit	S&P	BB +	BB	Applications Software
Best Brands Corp	3/30/2009	LT Local Issuer Credit	S&P	CCC+	CCC	Food-Retail
Buffets Inc	3/30/2009	LT Local Issuer Credit	S&P	B-	NR	Retail-Restaurants
Freescal Semiconductor Inc	3/30/2009	LT Local Issuer Credit	S&P	B-	SD	Electronic Compo-Semicon
Mercer International Inc	3/30/2009	LT Local Issuer Credit	S&P	B-	B +	Paper&Related Products
George Weston Ltd	3/27/2009	LT Local Issuer Credit	S&P	BBB	BBB +	Food-Misc/Diversified
MidAmerican Energy Co	3/27/2009	LT Local Issuer Credit	S&P	A-	A +	Electric-Integrated
Pacificorp	3/27/2009	LT Local Issuer Credit	S&P	A-	A +	Electric-Integrated
MarkWest Energy Partners LP	3/26/2009	LT Local Issuer Credit	S&P	B+	B +	Pipelines
Gardner Denver Inc	3/24/2009	LT Local Issuer Credit	S&P	BB	BB-	Machinery-General Indust

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Beatrice Cos	4/3/2009	LT Local Issuer Credit	S&P	BBB	BBB +	Food-Misc/Diversified
ConAgra Foods Inc	4/3/2009	LT Local Issuer Credit	S&P	BBB	BBB +	Food-Misc/Diversified
Express Energy Services Operating LP	4/3/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Oil-Field Services
Cooper Tire & Rubber Co	4/2/2009	LT Local Issuer Credit	S&P	B	B+	Rubber-Tires
Hovnanian Enterprises Inc	4/1/2009	LT Local Issuer Credit	S&P	CCC	B +	Bldg-Residential/Commer
Georgia Gulf Corp	4/1/2009	LT Local Issuer Credit	S&P	CC	CCC+	Chemicals-Diversified
Thornburg Mortgage Inc	4/1/2009	LT Local Issuer Credit	S&P	D	CC	Finance-Mtge Loan/Banker
Euramax International Inc	4/1/2009	LT Local Issuer Credit	S&P	CC	CCC+	Steel-Specialty
GenCorp Inc	3/31/2009	LT Local Issuer Credit	S&P	CCC+	B+	Aerospace/Defense-Equip
Riviera Holdings Corp	3/31/2009	LT Local Issuer Credit	S&P	D	CCC+	Casino Hotels
Norcraft Cos LP	3/31/2009	LT Local Issuer Credit	S&P	B	B+	Home Furnishings
Abitibi-Consolidated Inc	3/31/2009	LT Local Issuer Credit	S&P	D	CC +	Paper&Related Products
Idearc Inc	3/31/2009	LT Local Issuer Credit	S&P	D	CCC	Publishing-Periodicals
Post Properties Inc	3/31/2009	LT Local Issuer Credit	S&P	BBB-	BBB	REITS-Apartments
Hertz Corp/The	3/31/2009	LT Local Issuer Credit	S&P	B	BB +	Rental Auto/Equipment
Gibraltar Industries Inc	3/30/2009	LT Local Issuer Credit	S&P	B+	BB-	Bldg&Construct Prod-Misc
Synagro Technologies Inc	3/27/2009	LT Local Issuer Credit	S&P	CC	CCC+	Alternative Waste Tech
Turner Broadcasting System Inc	3/27/2009	LT Local Issuer Credit	S&P	BBB	BBB +	Broadcast Serv/Program
Charter Communications Holdings LLC	3/27/2009	LT Local Issuer Credit	S&P	D	CC	Cable/Satellite TV
Verifone Inc	3/27/2009	LT Local Issuer Credit	S&P	B+	BB +	Computers-Integrated Sys
MidAmerican Energy Holdings Co	3/27/2009	LT Local Issuer Credit	S&P	BBB+	A +	Electric-Integrated
Marriott International Inc/DE	3/27/2009	LT Local Issuer Credit	S&P	BBB +	BBB	Hotels&Motels
Time Warner Inc	3/27/2009	LT Local Issuer Credit	S&P	BBB	BBB +	Multimedia
Scholastic Corp	3/27/2009	LT Local Issuer Credit	S&P	BB-	BB +	Publishing-Books
Starwood Hotels & Resorts Worldwide Inc	3/27/2009	LT Local Issuer Credit	S&P	BBB +	BB+	Hotels&Motels
Carnival Corp	3/26/2009	LT Local Issuer Credit	S&P	BBB+	A-	Cruise Lines
Park-Ohio Industries Inc	3/26/2009	LT Local Issuer Credit	S&P	B	B+	Diversified Manufact Op
Hunter Fan Co	3/26/2009	LT Local Issuer Credit	S&P	B +	B	Home Furnishings
Standard Motor Products Inc	3/25/2009	LT Local Issuer Credit	S&P	CC	CCC+	Auto/Trk Prts&Equip-Repl
Cinram International Inc	3/25/2009	LT Local Issuer Credit	S&P	CCC+ +	B	Industrial Automat/Robot
WM Bolthouse Farms Inc	3/24/2009	LT Local Issuer Credit	S&P	B-	B +	Agricultural Operations
Ticketmaster Entertainment Inc	3/24/2009	LT Local Issuer Credit	S&P	BB +	BB +	Commercial Services
CIT Group Inc	3/24/2009	LT Local Issuer Credit	S&P	BBB	BBB+	Finance-Commercial
BI-LO LLC	3/24/2009	LT Local Issuer Credit	S&P	D	CCC	Food-Retail
Citizens Bank of Pennsylvania	3/23/2009	LT Local Issuer Credit	S&P	A-	A	Commer Banks-Eastern US
Fairpoint Communications Inc	3/23/2009	LT Local Issuer Credit	S&P	B	BB +	Telecom Services

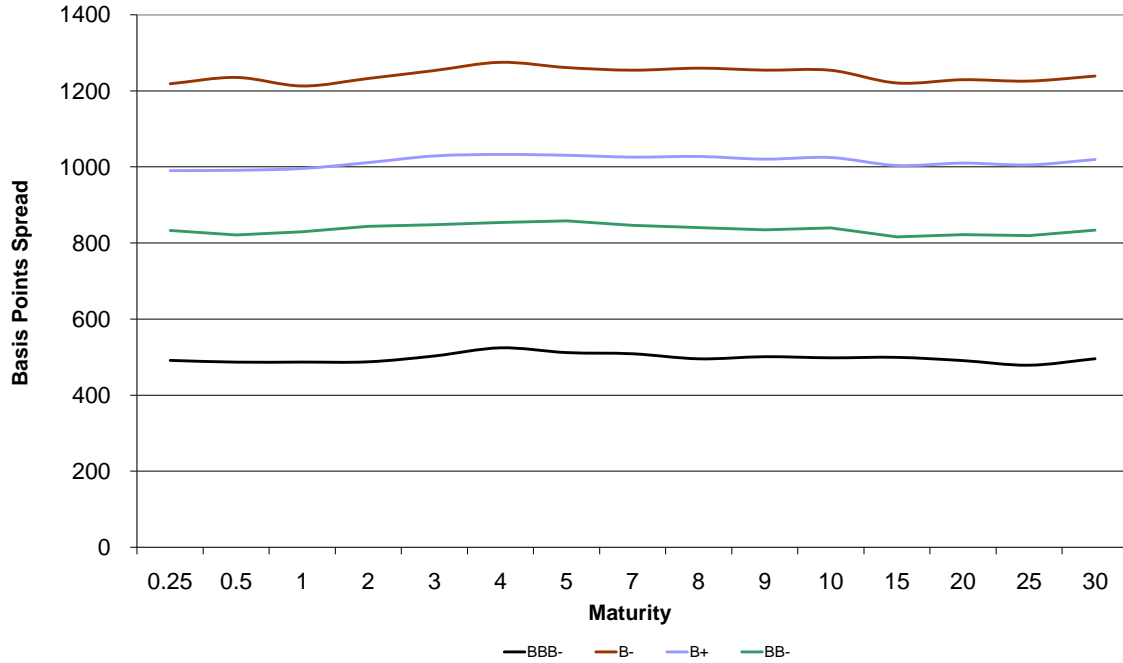


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Issue 7

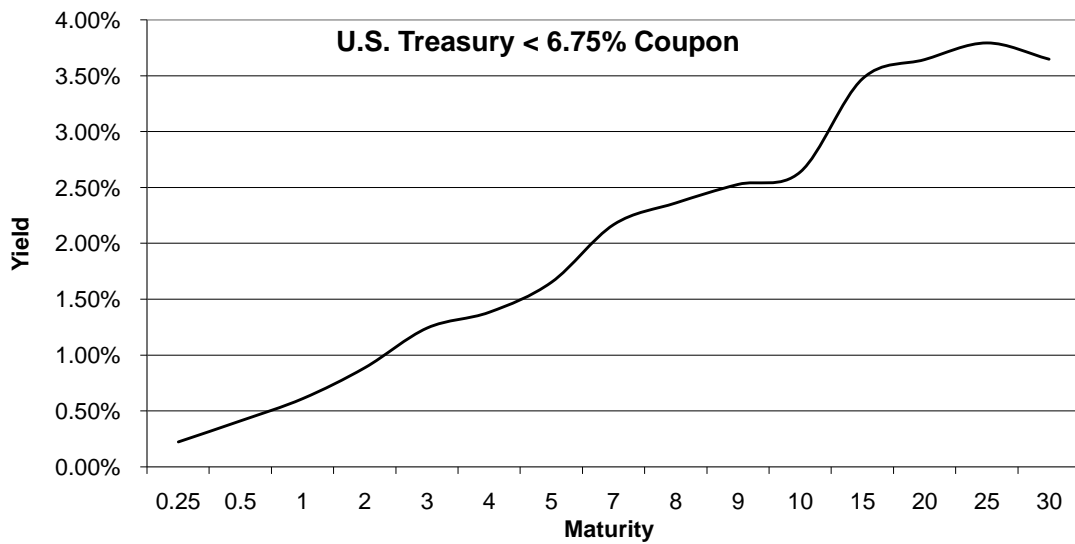
Week ending April 3, 2009

Bond Spread To US Treasury Data - Source: Bloomberg



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-	(47)	(251)	550	524
B+	(62)	(261)	390	417
BB-	(105)	(363)	247	341
BBB-	(8)	(22)	176	280





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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