



HIGH YIELD & DISTRESSED MARKET REVIEW

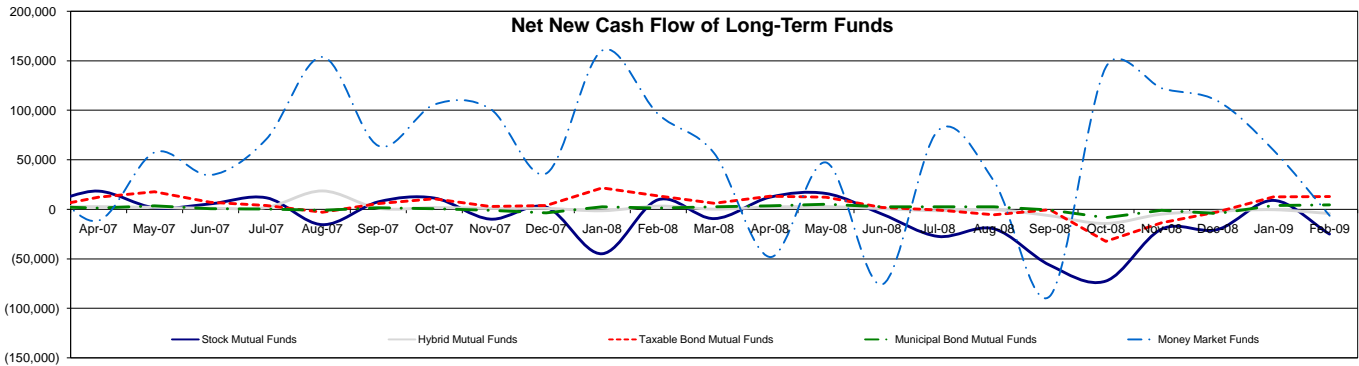
Issue 8 Week ending April 17, 2009

Key Market Indicators - Source: Bloomberg

	April 17, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	8,125.43	8,131.33	8,131.33	7,789.56	113.74	1.42%	(903.36)	(7.16%)
Nasdaq	1,670.44	1,673.07	1,673.07	1,561.61	51.20	3.16%	40.86	2.50%
S&P 500	865.30	869.60	869.60	815.55	27.10	3.22%	(62.20)	(6.88%)
Russell 2000	473.88	479.37	479.37	431.70	23.24	5.10%	(26.47)	(5.23%)
OEX Volatility Index	35.79	33.94	40.93	33.94	(5.76)	(14.51%)	(5.25)	(13.40%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.45%	1.10%	1.64%	1.92%				

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	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	YTD
	Level	Level	Level	Level	Level	Level	Level	Return
Altman-NYU Defaulted Bank Loans Index	103.2	97.5	103.1	111.7	116.2	144.0	165.5	(7.63%)
Altman-NYU Defaulted Public Bonds Index	75.9	74.2	80.1	75.9	77.2	93.1	111.6	0.07%
Combined Bank Loan-Public Bond Index	101.8	97.4	103.7	105.9	109.7	134.3	157.1	(3.85%)
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	174.0	172.1	185.4	222.9	(11.01%)
Citigroup High Yield Index	174.7	160.7	179.8	170.6	157.4	174.4	206.0	4.97%

Distressed News

Story Description	Size (\$mil)	Date	*Source
AbitibiBowater Files For Chapter 11 After Debt Exchange Fails	8,783.0	4/16/2009	DBR
General Growth Outlines Strategy To Slash Its \$27 Billion Debt Load	27,293.7	4/16/2009	DBR
Lyondell Seeks 132-Day Extension To File Bankruptcy-Exit Plan	19,337.0	4/16/2009	DBR
Ion Networks In Debt Restructuring Negotiations With Lenders	2,700.0	4/15/2009	DBR
Aventine Braces For Cash Fight With Its Lenders In Chapter 11	490.7	4/8/2009	DBR
Thornburg Mortgage Expects To File For Bankruptcy, Liquidate	26,608.7	4/2/2009	DBR

*Source: Daily Bankruptcy Review ("DBR")

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Issue 8

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M&A Announced Transactions - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
Tyco Electronics Ltd., Wireless Systems Business	4/16/2009	Harris Corp.	675.0	Technology
Barclays, National Association, iShares Business	4/9/2009	CVC Capital Partners Ltd.	4,370.0	Asset Management
Next Rx, LLC	4/9/2009	Express Scripts Inc.	3,552.8	Specialty Stores
Austin, Nichols Distilling Co., Inc.	4/8/2009	Gruppo Campari SpA	575.0	Distillers and Vintners
Centex Corporation	4/7/2009	Pulte Homes Inc.	4,768.1	Homebuilding
NOARK Pipeline System L.P.	4/7/2009	Spectra Energy Partners OLP, LP	300.0	Gas Utilities
Legacy Reserves Lp	4/3/2009	Apollo Management, L.P.	717.2	Oil Exploration and Production

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

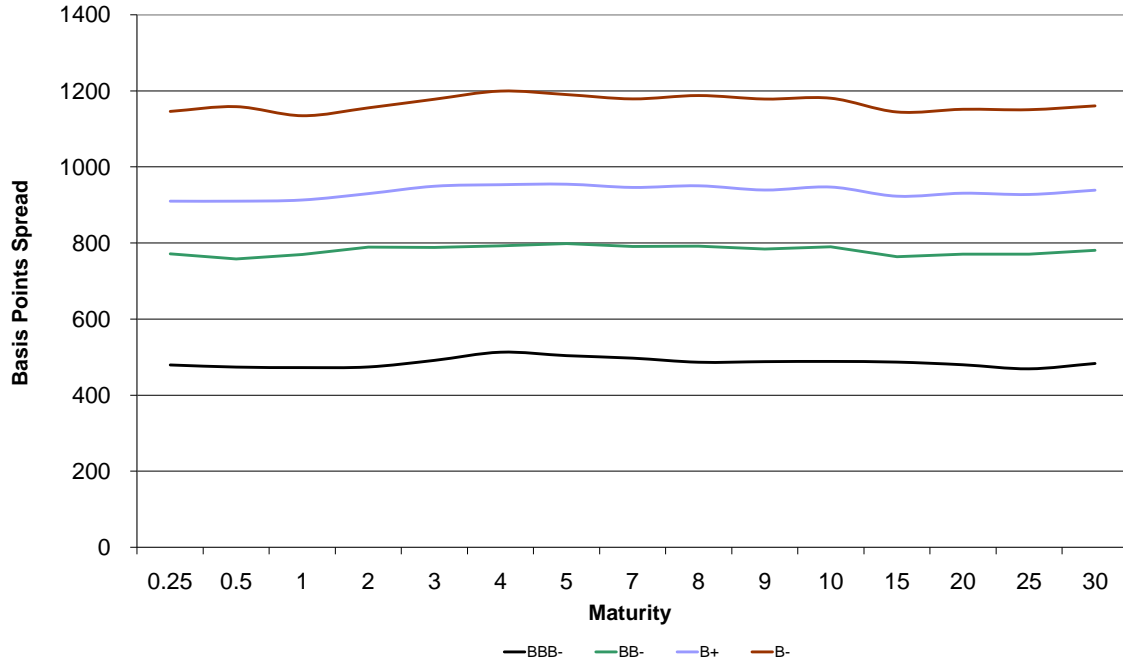
Company Name	Date	Rating Type	Agency	Current	Last	Industry
CMP Susquehanna Radio Holdings Corp	4/17/2009	LT Local Issuer Credit	S&P	CCC+	SD	Radio
Sears Holdings Corp	4/16/2009	LT Local Issuer Credit	S&P	BB-	BB- *	Retail-Major Dept Store
Crown Holdings Inc	4/15/2009	LT Local Issuer Credit	S&P	BB	BB-	Containers-Metal/Glass
Sirius XM Radio Inc	4/14/2009	LT Local Issuer Credit	S&P	CCC+	CCC *	Radio
Ford Motor Co	4/13/2009	LT Local Issuer Credit	S&P	CCC+	SD	Auto-Cars/Light Trucks
Sbarro Inc	4/10/2009	LT Local Issuer Credit	S&P	CCC+	CC	Retail-Restaurants
KRATON Polymers LLC	4/9/2009	LT Local Issuer Credit	S&P	B-	SD	Chemicals-Specialty
Macrovision Solutions Corp	4/9/2009	LT Local Issuer Credit	S&P	BB-	B+	Electronic Compo-Semicon
Ply Gem Industries Inc	4/9/2009	LT Local Issuer Credit	S&P	CCCu	NR	Bldg&Construct Prod-Misc
Polymer Holdings LLC	4/9/2009	LT Local Issuer Credit	S&P	B-	SD	Special Purpose Entity
Southern Connecticut Gas Co	4/9/2009	LT Local Issuer Credit	S&P	A-	BBB+ *	Gas-Distribution
Energy East Corp	4/9/2009	LT Local Issuer Credit	S&P	A-	BBB+ *	Electric-Integrated
Centex Corp	4/8/2009	LT Local Issuer Credit	S&P	BB- *	BB-	Bldg-Residential/Commer
Amtrak	4/6/2009	LT Local Issuer Credit	S&P	BBB+ *	BBB+	Transport-Rail
Omnicon Group Inc	4/6/2009	LT Local Issuer Credit	S&P	A-	A- *	Advertising Agencies
Ply Gem Industries Inc	4/6/2009	LT Local Issuer Credit	S&P	NR	SD	Bldg&Construct Prod-Misc

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Metokote Corp	4/17/2009	LT Local Issuer Credit	S&P	CCC+	B *	Metal-Iron
Neiman Marcus Group Inc/The	4/16/2009	LT Local Issuer Credit	S&P	B	B+ *	Retail-Regnl Dept Store
Dillard's Inc	4/16/2009	LT Local Issuer Credit	S&P	B-	B+ *	Retail-Regnl Dept Store
JC Penney Co Inc	4/16/2009	LT Local Issuer Credit	S&P	BB	BBB- *	Retail-Major Dept Store
Macy's Inc	4/16/2009	LT Local Issuer Credit	S&P	BB	BBB- *	Retail-Regnl Dept Store
Starwood Hotels & Resorts Worldwide Inc	4/16/2009	LT Local Issuer Credit	S&P	BB	BB+ *	Hotels&Motels
Gerdau Ameristeel Corp	4/16/2009	LT Local Issuer Credit	S&P	BB+ *	BB+	Steel-Producers
Marriott International Inc/DE	4/16/2009	LT Local Issuer Credit	S&P	BBB-	BBB *	Hotels&Motels
Worthington Industries Inc	4/16/2009	LT Local Issuer Credit	S&P	BBB *	BBB	Metal Processors&Fabrica
Nordstrom Inc	4/16/2009	LT Local Issuer Credit	S&P	BBB+	A- *	Retail-Apparel/Shoe
Dex Media Inc	4/16/2009	LT Local Issuer Credit	S&P	CC	CCC+	Publishing-Periodicals
AMH Holdings Inc	4/16/2009	LT Local Issuer Credit	S&P	CCC+	B-	Diversified Operations
Associated Materials Inc	4/16/2009	LT Local Issuer Credit	S&P	CCC+	B-	Bldg&Construct Prod-Misc
United States Steel Corp	4/16/2009	LT Local Issuer Credit	S&P	BB+ *	BB+	Steel-Producers
Hawker Beechcraft Services Inc	4/15/2009	LT Local Issuer Credit	S&P	B-	B+ *	Aerospace/Defense
Berry Plastics Group Inc	4/15/2009	LT Local Issuer Credit	S&P	CC	B-	Containers-Paper/Plastic
Atlantic Express Transportation Corp	4/15/2009	LT Local Issuer Credit	S&P	CC *	CCC	Transport-Services
Broder Brothers Co	4/14/2009	LT Local Issuer Credit	S&P	CC	CCC	Apparel Manufacturers
William Lyon Homes	4/14/2009	LT Local Issuer Credit	S&P	CC	CCC	Bldg-Residential/Commer
Emmis Communications Corp	4/14/2009	LT Local Issuer Credit	S&P	CCC+	B	Radio
Barneys New York Inc	4/13/2009	LT Local Issuer Credit	S&P	CCC	B-	Retail-Apparel/Shoe
Blockbuster Inc	4/13/2009	LT Local Issuer Credit	S&P	CCC	B- *	Retail-Video Rental
Gundel/Sit Environmental Inc	4/13/2009	LT Local Issuer Credit	S&P	CCC+	B-	Pollution Control
Metals USA Holdings Corp	4/13/2009	LT Local Issuer Credit	S&P	CCC+	B- *	Steel-Producers
Metals USA Inc	4/13/2009	LT Local Issuer Credit	S&P	CCC+	B- *	Metal Processors&Fabrica
Moog Inc	4/10/2009	LT Local Issuer Credit	S&P	BB+ *	BB+	Aerospace/Defense-Equip
Rochester Gas & Electric Corp	4/9/2009	LT Local Issuer Credit	S&P	BBB	BBB+ *	Electric-Integrated
Republic Mortgage Ins Co	4/8/2009	LT Local Issuer Credit	S&P	A-	A *	Financial Guarantee Ins
Reddy Ice Holdings Inc	4/8/2009	LT Local Issuer Credit	S&P	B	B+	Miscellaneous Manufactur
Amerin Guaranty Corp	4/8/2009	LT Local Issuer Credit	S&P	BB-	BBB+ *	Financial Guarantee Ins
United Guaranty Residential Insurance Co	4/8/2009	LT Local Issuer Credit	S&P	BBB+	A- *	Financial Guarantee Ins
Bombardier Recreational Products Inc	4/8/2009	LT Local Issuer Credit	S&P	CC *	CCC+ *	Leisure&Rec Products
Regent Communications Inc	4/8/2009	LT Local Issuer Credit	S&P	CCC+ *	B-	Radio
PMI Group Inc	4/8/2009	LT Local Issuer Credit	S&P	CCC *	BBB- *	Financial Guarantee Ins
Learning Care Group Inc	4/7/2009	LT Local Issuer Credit	S&P	B *	B	Schools-Day Care
Atrium Cos Inc	4/7/2009	LT Local Issuer Credit	S&P	CCC-	B-	Bldg Prod-Doors&Windows

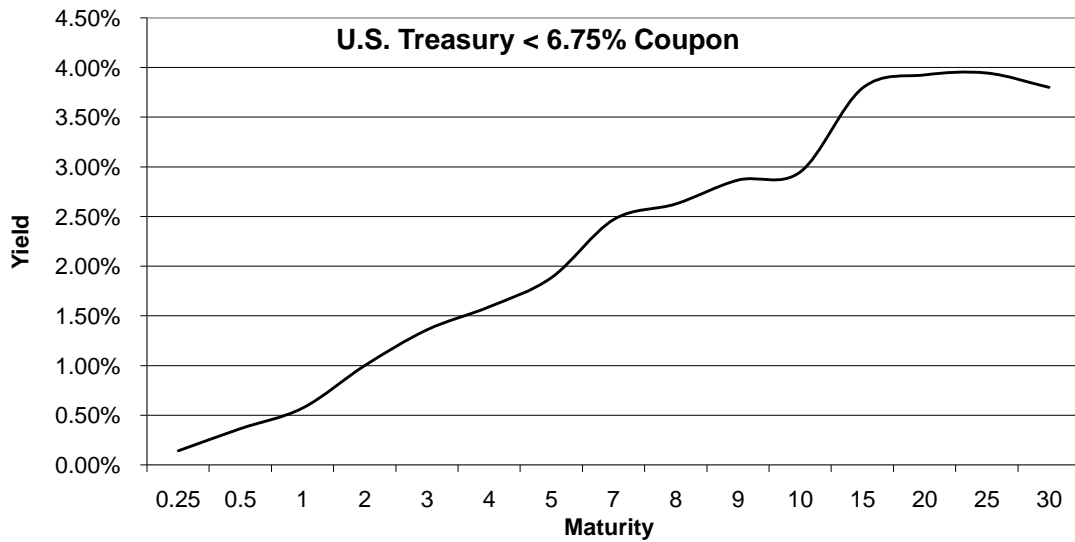


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Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
BBB-	(12)	(33)	96	260
BB-	(56)	(389)	51	296
B+	(80)	(258)	116	347
B-	(76)	(331)	133	469





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Results.

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

**GLOBAL
POWER**
EQUIPMENT GROUP

has completed a
Chapter 11 reorganization
\$256 million

Financial advisor to the official
committee of unsecured creditors

> 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

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 Specialty
Steel Trade Company**
€ 700 million revenue

Strategic review of inventory process
DIH improvement
Purchase process improvement

> FINANCIAL PERFORMANCE
CONSULTING / 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