



HIGH YIELD & DISTRESSED MARKET REVIEW

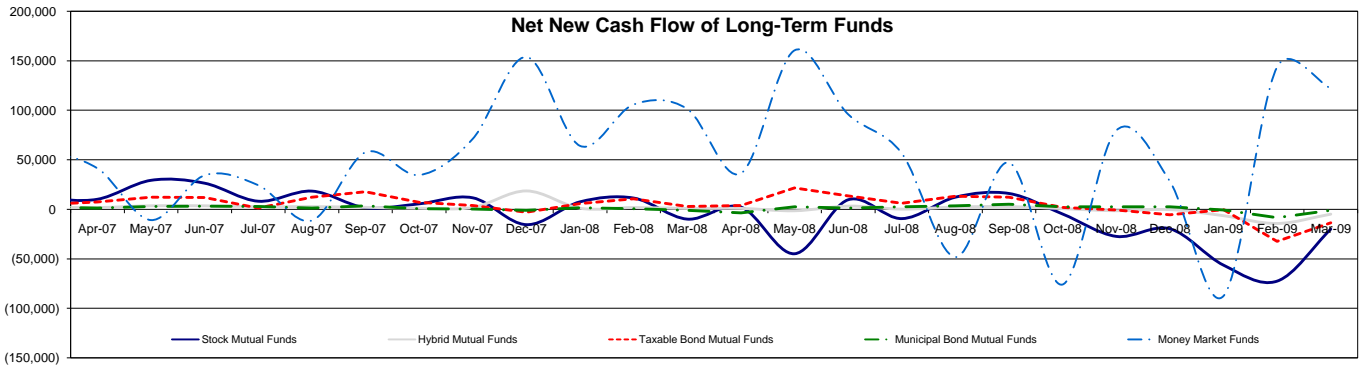
Issue 10 Week ending May 15, 2009

Key Market Indicators - Source: Bloomberg

	May 15, 2009		2 Week		2 Week		YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	8,331.32	8,268.64	8,574.65	8,268.64	56.23	0.68%	(766.05)	(5.94%)
Nasdaq	1,689.21	1,680.14	1,763.56	1,664.19	(39.06)	(2.27%)	47.93	2.94%
S&P 500	893.07	882.88	929.23	882.88	5.36	0.61%	(48.92)	(5.25%)
Russell 2000	480.71	475.84	511.82	471.82	(11.14)	(2.29%)	(30.00)	(5.93%)
OEX Volatility Index	31.37	33.12	34.53	31.37	(2.18)	(6.18%)	(6.07)	(15.49%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.33%	0.83%	1.36%	1.66%				

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

	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	YTD
Stock Mutual Funds	(\$27,538)	(\$24,881)	\$8,922	(\$20,432)	(\$19,983)	(\$72,444)	(\$56,363)	(\$43,497)
Hybrid Mutual Funds	(\$4,053)	(\$4,234)	(\$412)	(\$1,991)	(\$4,900)	(\$14,389)	(\$6,486)	(\$8,699)
Taxable Bond Funds	\$17,686	\$12,616	\$12,662	(\$2,699)	(\$13,424)	(\$32,357)	(\$349)	\$42,964
Municipal Bond Funds	\$3,341	\$4,349	\$3,851	(\$4,308)	(\$1,171)	(\$8,358)	(\$624)	\$11,541
Money Market Funds	(\$77,024)	(\$6,330)	\$59,473	\$109,353	\$122,206	\$143,520	(\$87,568)	(\$23,881)



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

Index	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	YTD
	Level	Level	Level	Level	Level	Level	Level	Return
Altman-NYU Defaulted Bank Loans Index	110.9	103.2	97.5	103.1	111.7	116.2	144.0	(0.73%)
Altman-NYU Defaulted Public Bonds Index	82.4	75.9	74.2	80.1	75.9	77.2	93.1	8.57%
Combined Bank Loan-Public Bond Index	109.8	101.8	97.4	103.7	105.9	109.7	134.3	3.70%
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	159.3	174.0	172.1	185.4	(2.50%)
Citigroup High Yield Index	191.5	174.7	160.7	179.8	170.6	157.4	174.4	17.68%

Distressed News

Story Description	Size (\$mil)	Date	*Source
Young Broadcasting Seeks Extension To File Its Chapter 11 Plan	878.9	5/15/2009	DBR
MGM Mirage Plans To Raise \$1.5 Billion In Junk Bond Market	19,751.5	5/13/2009	DBR
General Growth Returns To Farallon For Bankruptcy Financing	27,293.7	5/12/2009	DBR
Pliant Delays Hearing On Its Chapter 11 Bankruptcy Exit Plan	1,032.6	5/11/2009	DBR
Sonic Automotive Renegotiates \$105 Million Bond Payment	1,994.5	5/5/2009	DBR
Thornburg Mortgage Files For Chapter 11 Bankruptcy Protection	26,608.7	5/4/2009	DBR

*Source: Daily Bankruptcy Review ("DBR")

SELECTED SENIOR PROFESSIONALS

Russ Belinsky
Senior Managing Director
rbelinsky@chanin.com
T 310.445.4010

Brent Williams
Managing Director
bwilliams@chanin.com
T 212.758.2629

Robert Bartell
Managing Director
bob.bartell@duffandphelps.com
T 44 (0)207.715.6762

Masafumi Takeno
Managing Director
masafumi.takeno@duffandphelps.com
T 81 (0)3.3593.0101

Skip Victor
Senior Managing Director
svictor@chanin.com
T 310.445.4010

Steve Burt
Managing Director
steve.burt@duffandphelps.com
T 312.697.4600

Paul Teuten
Managing Director
paul.teuten@duffandphelps.com
T 44 (0)207.715.6770

Atsuo Watanabe
Managing Director
atsuo.watanabe@duffandphelps.com
T 81 (0)3.3593.0150

Brian Cullen
Managing Director
bcullen@chanin.com
T 310.445.4010

Andrew Chidester
Managing Director
andrew.chidester@duffandphelps.com
T 312.697.4600

Fabrice Keller
Managing Director
fabrice.keller@duffandphelps.com
T 33 (0)1.4006.4050

www.chanin.com

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.



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 10 Week ending May 15, 2009

M&A Announced Transactions - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
Garcel, Inc.	5/14/2009	Alternative Asset Management Acquisition Corp	360.8	Professional Services
Foundation Coal Holdings Inc.	5/11/2009	Alpha Natural Resources, Inc.	2,062.3	Mining
D&E Communications Inc.	5/10/2009	Windstream Corporation	342.7	Telecommunications
Cellco Partnership, Certain Wireless Assets	5/8/2009	AT&T, Inc.	2,350.0	Telecommunications
Vnus Medical Technologies Inc.	5/7/2009	Covidien, Ltd.	470.4	Healthcare
Custom House Ltd.	5/7/2009	Western Union Co.	370.0	Financial Services
Vignette Corporation	5/5/2009	Open Text Corp.	304.1	Technology

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Jo-Ann Stores Inc	5/14/2009	LT Local Issuer Credit	S&P	B+	B	Retail-Fabric Store
Visant Holding Corp	5/14/2009	LT Local Issuer Credit	S&P	B+ *	B+	Advertising Services
Commonwealth Land Title Insurance Co	5/13/2009	LT Local Issuer Credit	S&P	A *	R	Property/Casualty Ins
El Pollo Loco Inc	5/13/2009	LT Local Issuer Credit	S&P	B-	CCC+	Retail-Restaurants
Lawyers Title Insurance Corp	5/13/2009	LT Local Issuer Credit	S&P	A *	R	Property/Casualty Ins
MGM Mirage	5/13/2009	LT Local Issuer Credit	S&P	CCC *	CCC	Casino Hotels
Beverages & More Inc	5/12/2009	LT Local Issuer Credit	S&P	B-	B- *	Beverages-Wine/Spirits
Stratos Global Corp	5/12/2009	LT Local Issuer Credit	S&P	BB *	BB	Satellite Telecom
Rogers Communications Inc	5/8/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Cellular Telecom
Sharp Electronics Corp	5/8/2009	LT Local Issuer Credit	S&P	A	A *	Electronic Compo-Misc
Dow Chemical Co/The	5/6/2009	LT Local Issuer Credit	S&P	BBB-	BBB- *	Chemicals-Diversified
Rohm and Haas Co	5/6/2009	LT Local Issuer Credit	S&P	BBB-	BBB- *	Chemicals-Diversified
Union Carbide Corp	5/6/2009	LT Local Issuer Credit	S&P	BBB-	BBB- *	Chemicals-Diversified
Spi Petroleum LLC	5/5/2009	LT Local Issuer Credit	S&P	B+	B	Oil Comp-Integrated
Teck Cominco Metals Ltd	5/4/2009	LT Local Issuer Credit	S&P	BB+	BB+ *	Metal-Diversified
Teck Resources Ltd	5/4/2009	LT Local Issuer Credit	S&P	BB+	BB+ *	Diversified Minerals

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Block Communications Inc	5/15/2009	LT Local Issuer Credit	S&P	B+	BB-	Publishing-Newspapers
Casella Waste Systems Inc	5/15/2009	LT Local Issuer Credit	S&P	B+ *	B+	Non-hazardous Waste Disp
Dex Media Inc	5/15/2009	LT Local Issuer Credit	S&P	D	CC	Publishing-Periodicals
RH Donnelley Inc	5/15/2009	LT Local Issuer Credit	S&P	D	CC	Advertising Services
Sealy Corp	5/15/2009	LT Local Issuer Credit	S&P	B	B+	Home Furnishings
Seitel Inc	5/14/2009	LT Local Issuer Credit	S&P	CCC	B-	Seismic Data Collection
Accuride Corp	5/13/2009	LT Local Issuer Credit	S&P	CCC	B-	Auto/Trk Prts&Equip-Orig
Momentive Performance Materials Inc	5/13/2009	LT Local Issuer Credit	S&P	CC *	CCC *	Chemicals-Specialty
AMF Bowling Worldwide Inc	5/12/2009	LT Local Issuer Credit	S&P	CC *	B-	Recreational Centers
Chevron Phillips Chemical Co LLC	5/12/2009	LT Local Issuer Credit	S&P	BBB	BBB+ *	Chemicals-Diversified
Continental Alloys & Services Inc	5/12/2009	LT Local Issuer Credit	S&P	B- *	B-	Mining Services
Oriental Trading Co	5/12/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Toys
Dana Holding Corp	5/11/2009	LT Local Issuer Credit	S&P	CC	B	Auto/Trk Prts&Equip-Orig
Black Press Ltd	5/8/2009	LT Local Issuer Credit	S&P	B-	B	Publishing-Newspapers
Elizabeth Arden Inc	5/8/2009	LT Local Issuer Credit	S&P	BB- *	BB-	Cosmetics&Toiletries
Hercules Offshore Inc	5/8/2009	LT Local Issuer Credit	S&P	B+	BB-	Oil&Gas Drilling
Integra Telecom Inc	5/8/2009	LT Local Issuer Credit	S&P	CC *	CCC	Satellite Telecom
Manitowoc Co Inc/The	5/8/2009	LT Local Issuer Credit	S&P	BB-	BB	Machinery-General Indust
Molson Coors Brewing Co	5/8/2009	LT Local Issuer Credit	S&P	BBB-	BBB *	Brewery
Toyota Motor Sales USA Inc	5/8/2009	LT Local Issuer Credit	S&P	AA	AA+	Auto-Cars/Light Trucks
Fairpoint Communications Inc	5/7/2009	LT Local Issuer Credit	S&P	CCC+ *	B	Telecom Services
Hawker Beechcraft Services Inc	5/7/2009	LT Local Issuer Credit	S&P	CC *	B-	Aerospace/Defense
Cohr Holdings	5/6/2009	LT Local Issuer Credit	S&P	CCC+	B-	Health Care Cost Contain
Great Atlantic & Pacific Tea Co	5/6/2009	LT Local Issuer Credit	S&P	B *	B	Food-Retail
Hayes Lemmerz International Inc	5/6/2009	LT Local Issuer Credit	S&P	CC	CCC+	Auto/Trk Prts&Equip-Orig
Mueller Water Products Inc	5/6/2009	LT Local Issuer Credit	S&P	B *	BB-	Steel Pipe&Tube
Safeway Inc	5/6/2009	LT Local Issuer Credit	S&P	BBB *	BBB	Food-Retail
Stater Brothers Holdings	5/6/2009	LT Local Issuer Credit	S&P	B+ *	B+	Food-Retail
RathGibson Inc	5/5/2009	LT Local Issuer Credit	S&P	CCC+ *	B	Steel-Producers
Sotheby's	5/5/2009	LT Local Issuer Credit	S&P	BB-	BBB- *	Auction House/Art Dealer
Stallion Oilfield Services Ltd	5/5/2009	LT Local Issuer Credit	S&P	CCC	B-	Oil-Field Services
Vulcan Materials Co	5/5/2009	LT Local Issuer Credit	S&P	BBB	BBB+	Quarrying
Alexander & Baldwin Inc	5/4/2009	LT Local Issuer Credit	S&P	A- *	A-	Transport-Marine
Cararstar Industries Inc	5/4/2009	LT Local Issuer Credit	S&P	CC	CCC	Paper&Related Products
Clear Channel Communications Inc	5/4/2009	LT Local Issuer Credit	S&P	B- *	B-	Broadcast Serv/Program
Matson Navigation Co Inc	5/4/2009	LT Local Issuer Credit	S&P	A- *	A-	Whsing&Harbor Trans Serv

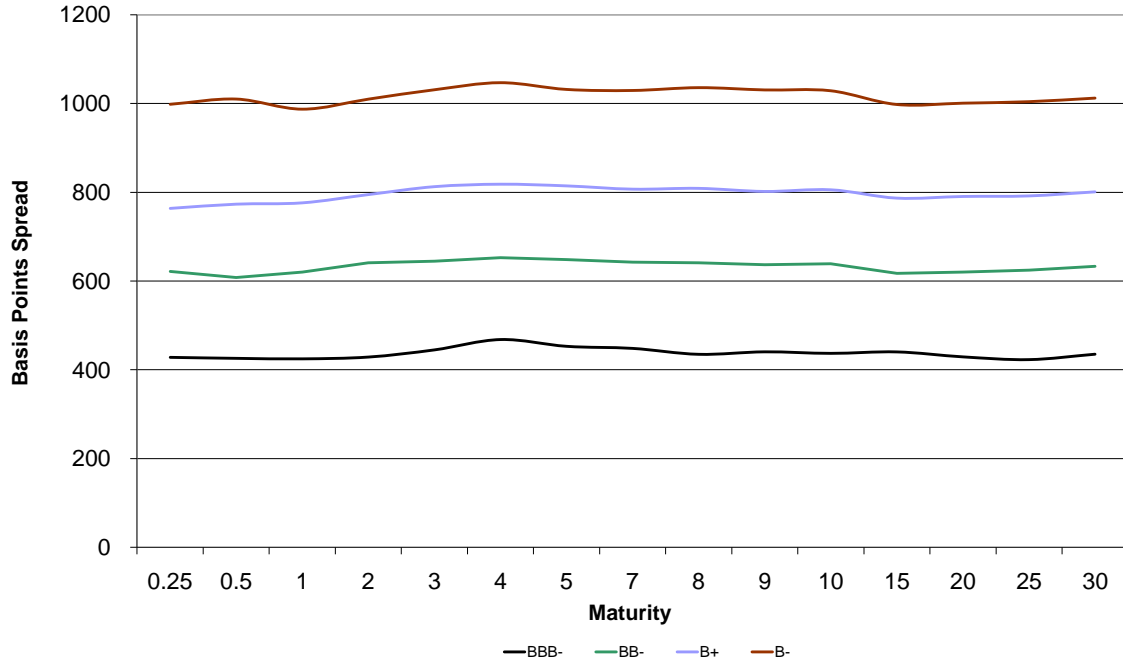


HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 10

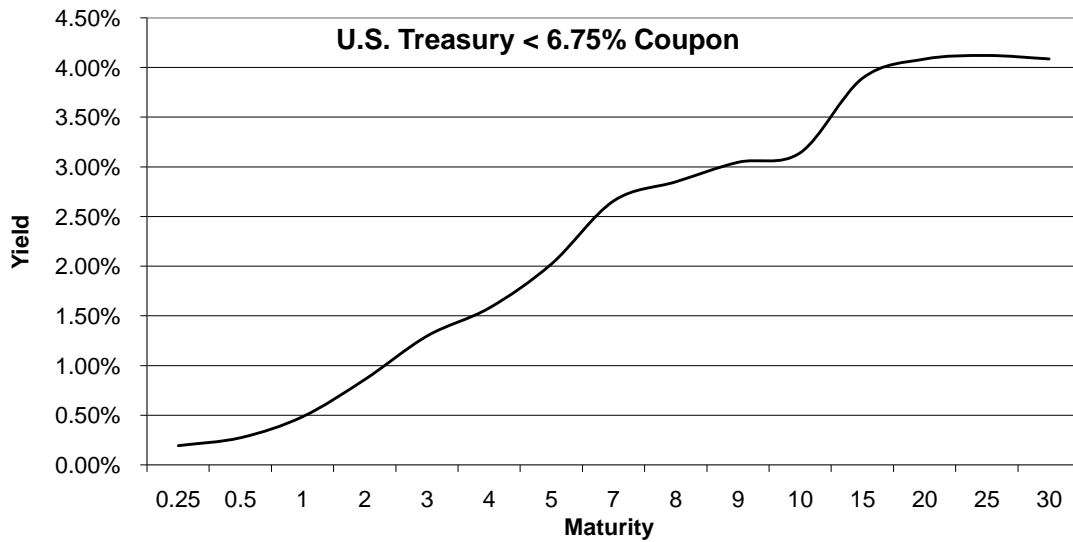
Week ending May 15, 2009

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
BBB-	(18)	(58)	(56)	218
BB-	(61)	(325)	(197)	194
B+	(63)	(268)	(133)	310
B-	(72)	(248)	(199)	399





Resources.
Experience.
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