



HIGH YIELD & DISTRESSED MARKET REVIEW

Issue 14

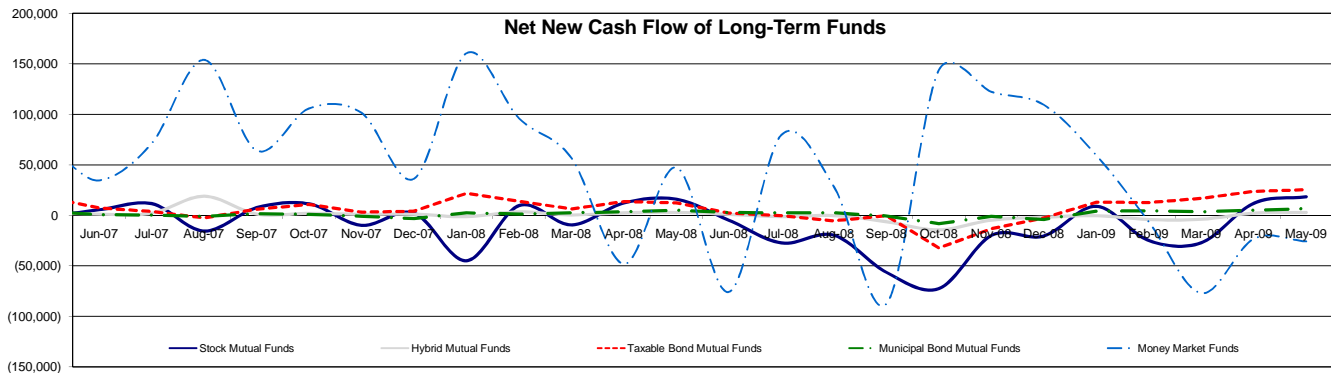
Week ending July 24, 2009

Key Market Indicators - Source: Bloomberg

	July 24, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD	
	Open	Close	High	Low	Change	Change %	Change	Change %	
DJIA	9,069.29	9,093.24	9,093.24	8,331.68	946.72	11.62%	58.55	0.50%	
Nasdaq	1,973.60	1,965.96	1,973.60	1,793.21	209.93	11.95%	333.75	20.45%	
S&P 500	976.29	979.26	979.26	901.05	100.13	11.39%	47.46	5.09%	
Russell 2000	545.85	548.46	548.46	493.31	67.48	14.03%	42.62	8.43%	
OEX Volatility Index	23.43	23.09	26.31	23.09	(5.93)	(20.43%)	(16.10)	(41.08%)	
Prime Rate	3.25%								
LIBOR	1 month	3 months	6 months	1 Year					
	0.29%	0.50%	0.95%	1.49%					

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

	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	YTD
Stock Mutual Funds	\$18,308	\$11,896	(\$27,148)	(\$24,881)	\$8,922	(\$20,432)	(\$19,983)	(\$12,903)
Hybrid Mutual Funds	\$2,801	\$2,068	(\$4,045)	(\$4,234)	(\$412)	(\$1,991)	(\$4,900)	(\$3,822)
Taxable Bond Funds	\$25,113	\$23,434	\$16,433	\$12,616	\$12,662	(\$2,699)	(\$13,424)	\$90,258
Municipal Bond Funds	\$6,535	\$5,093	\$3,478	\$4,349	\$3,851	(\$4,308)	(\$1,171)	\$23,306
Money Market Funds	(\$25,805)	(\$23,234)	(\$77,019)	(\$6,330)	\$59,473	\$109,353	\$122,206	(\$72,915)



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

Index	Apr-09 Level	Mar-09 Level	Feb-09 Level	Jan-09 Level	Dec-08 Level	Nov-08 Level	Oct-08 Level	YTD 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
Neuberger Berman To Purchase Trust Companies From Lehman	613,000.0	7/23/2009	DBR
PBGC Will Take Responsibility For 70,000 Delphi Pensions	23,425.0	7/22/2009	DBR
Quebecor World Completes Its Restructuring In U.S., Canada	4,317.0	7/22/2009	DBR
CIT Group Plans Big Deleveraging To Avoid Bankruptcy Court	68,233.4	7/22/2009	DBR
THL's Simmons Bedding Misses \$7.9 Million Interest Payment	1,027.6	7/20/2009	DBR
Avaya Offers \$475M For Nortel's Enterprise Solutions Business	3,200.0	7/20/2009	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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M&A Announced Transactions - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
Medarex, Inc.	7/22/2009	Bristol-Myers Squibb Co.	2,161.5	Healthcare
Zappos.com, Inc.	7/22/2009	Amazon.com Inc.	890.1	Online Retail
Bankrate Inc.	7/22/2009	Apax Partners Worldwide LLP	571.6	Financial Services
FCI USA Inc.	7/21/2009	Hubbell Inc.	360.0	Electronic Equipments
Nortek, Global Enterprise Solutions Business	7/20/2009	Avaya Inc.	475.0	Technology
Eddie Bauer Holdings, Inc.	7/17/2009	Golden Gate Capital	286.0	Retail
Noven Pharmaceuticals Inc.	7/14/2009	Hisamitsu Pharmaceutical Co. Inc.	402.3	Healthcare

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

Company Name	Date	Rating Type	Agency	Current	Last	Industry
Oceania Cruises Inc	7/24/2009	LT Local Issuer Credit	S&P	B+	B+ *	Cruise Lines
Commonwealth Edison Co	7/22/2009	LT Local Issuer Credit	S&P	BBB	BBB- *	Electric-Integrated
Dynegy Inc	7/22/2009	LT Local Issuer Credit	S&P	B	NR	Independ Power Producer
Exelon Corp	7/22/2009	LT Local Issuer Credit	S&P	BBB	BBB *	Electric-Integrated
Peco Energy Co	7/22/2009	LT Local Issuer Credit	S&P	BBB	BBB *	Electric-Integrated
Stoneridge Inc	7/22/2009	LT Local Issuer Credit	S&P	B+	B+ *	Electronic Compo-Misc
Amtrak	7/21/2009	LT Local Issuer Credit	S&P	A-	BBB+ **	Transport-Rail
SBA Communications Corp	7/20/2009	LT Local Issuer Credit	S&P	B+	NR	Wireless Equipment
Huntsman Corp	7/17/2009	LT Local Issuer Credit	S&P	B	B *	Chemicals-Diversified
Travelport LLC	7/17/2009	LT Local Issuer Credit	S&P	B-	SD	Travel Services
Cardtronics Inc	7/16/2009	LT Local Issuer Credit	S&P	BB-	B+	Commercial Serv-Finance
Noranda Aluminium Holding Corp	7/15/2009	LT Local Issuer Credit	S&P	CCC+	SD	Metal-Aluminum
Rowan Cos Inc	7/15/2009	LT Local Issuer Credit	S&P	BBB-	NR	Oil&Gas Drilling
Harry & David Operations Corp	7/14/2009	LT Local Issuer Credit	S&P	CCu	NR	Retail-Gardening Prod
Allis-Chalmers Energy Inc	7/13/2009	LT Local Issuer Credit	S&P	B-	SD	Oil-Field Services
Star Gas Partners LP	7/13/2009	LT Local Issuer Credit	S&P	B	B-	Retail-Propane Distrib

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

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Arkansas Best Corp	7/24/2009	LT Local Issuer Credit	S&P	BBB+ *	BBB+	Transport-Truck
Golden Nugget Inc	7/24/2009	LT Local Issuer Credit	S&P	CC	B-	Casino Hotels
Veyance Technologies Inc	7/24/2009	LT Local Issuer Credit	S&P	NR	B-	Rubber/Plastic Products
AmerCable Inc/AR	7/23/2009	LT Local Issuer Credit	S&P	B- *	B-	Wire&Cable Products
Shiloh Industries Inc	7/23/2009	LT Local Issuer Credit	S&P	B	BB- *	Steel-Producers
Texas Industries Inc	7/23/2009	LT Local Issuer Credit	S&P	B+	BB-	Bldg Prod-Cement/Aggreg
American Airlines Inc	7/22/2009	LT Local Issuer Credit	S&P	B- *	B-	Airlines
Hubbell Inc	7/22/2009	LT Local Issuer Credit	S&P	A+ *	A+	Power Conv/Supply Equip
Morris Publishing Group LLC	7/22/2009	LT Local Issuer Credit	S&P	NR	D	Publishing-Books
NRG Energy Inc	7/22/2009	LT Local Issuer Credit	S&P	BB-	BB- **	Independ Power Producer
United Air Lines Inc	7/22/2009	LT Local Issuer Credit	S&P	B- *	B-	Airlines
Coinmach Service Corp	7/21/2009	LT Local Issuer Credit	S&P	B-	B	Commercial Services
Gateway Casinos & Entertainment Inc	7/21/2009	LT Local Issuer Credit	S&P	CCC-	B-	Casino Services
Hercules Offshore Inc	7/21/2009	LT Local Issuer Credit	S&P	B	B+	Oil&Gas Drilling
Newpark Resources	7/21/2009	LT Local Issuer Credit	S&P	B-	B *	Oil-Field Services
Source Interlink Cos Inc	7/21/2009	LT Local Issuer Credit	S&P	NR	D	Commercial Services
Calpine Construction Finance Co LP	7/20/2009	LT Local Issuer Credit	S&P	NR	B	Independ Power Producer
Learning Care Group Inc	7/20/2009	LT Local Issuer Credit	S&P	B-	B *	Schools-Day Care
NewPage Corp	7/20/2009	LT Local Issuer Credit	S&P	CC	B- *	Paper&Related Products
EnviroSolutions Holdings Inc	7/16/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Non-hazardous Waste Disp
Instant Web Inc	7/16/2009	LT Local Issuer Credit	S&P	CCC	B-	Internet Applic Sftwr
NCJ Building Systems Inc	7/16/2009	LT Local Issuer Credit	S&P	CCC+ *	B *	Bldg&Construct Prod-Misc
BF Saul Real Estate Investment Trust	7/15/2009	LT Local Issuer Credit	S&P	NR	BB- *	REITS-Shopping Centers
Health Net Inc	7/15/2009	LT Local Issuer Credit	S&P	BB-	BB	Medical-HMO
Humana Inc	7/15/2009	LT Local Issuer Credit	S&P	BBB-	BBB	Medical-HMO
MTR Gaming Group Inc	7/15/2009	LT Local Issuer Credit	S&P	B- *	B-	Casino Hotels
Novelis Inc/GA	7/15/2009	LT Local Issuer Credit	S&P	B+	BB- *	Metal-Aluminum
Euramax International Inc	7/14/2009	LT Local Issuer Credit	S&P	D	CC	Steel-Specialty
Mercer International Inc	7/14/2009	LT Local Issuer Credit	S&P	CC	B-	Paper&Related Products
Neff Rental Inc	7/14/2009	LT Local Issuer Credit	S&P	NR	B-	Rental Auto/Equipment
RathGibson Inc	7/14/2009	LT Local Issuer Credit	S&P	D	CC	Steel-Producers
Travelport LLC	7/14/2009	LT Local Issuer Credit	S&P	SD	B-	Travel Services
Edison Mission Energy	7/13/2009	LT Local Issuer Credit	S&P	B	BB-	Electric-Generation
Merrill Corp	7/13/2009	LT Local Issuer Credit	S&P	CCC	B	Data Processing/Mgmt
Midwest Generation LLC	7/13/2009	LT Local Issuer Credit	S&P	B	BB-	Electric-Generation
QMG Holdings Inc	7/13/2009	LT Local Issuer Credit	S&P	NR	CCC+	Publishing

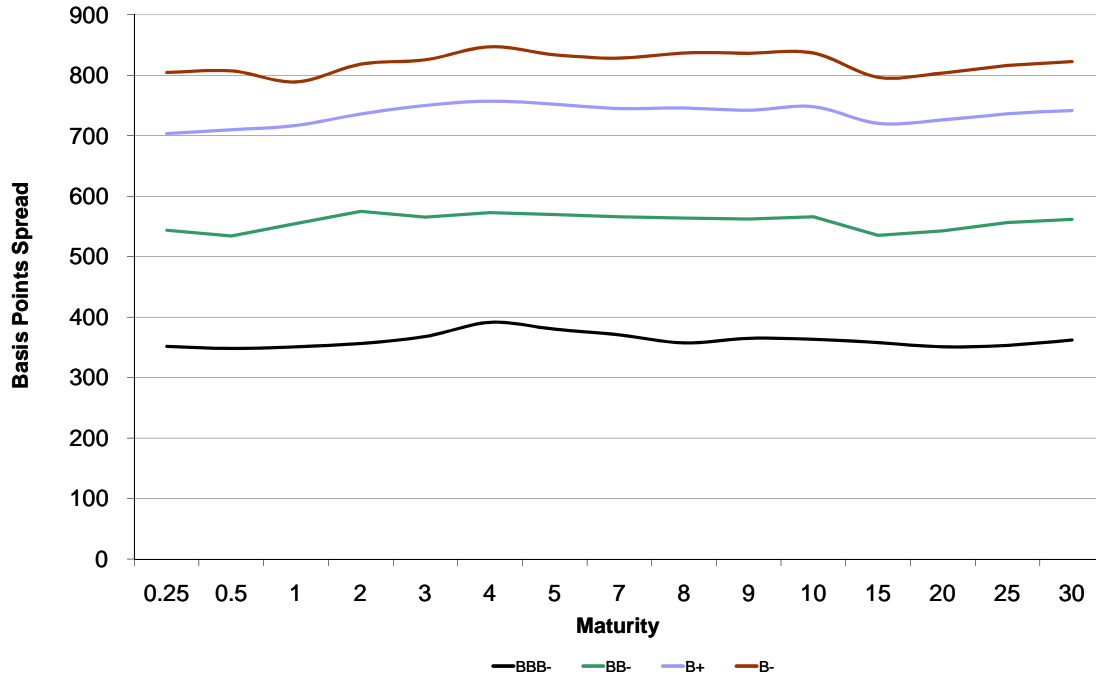


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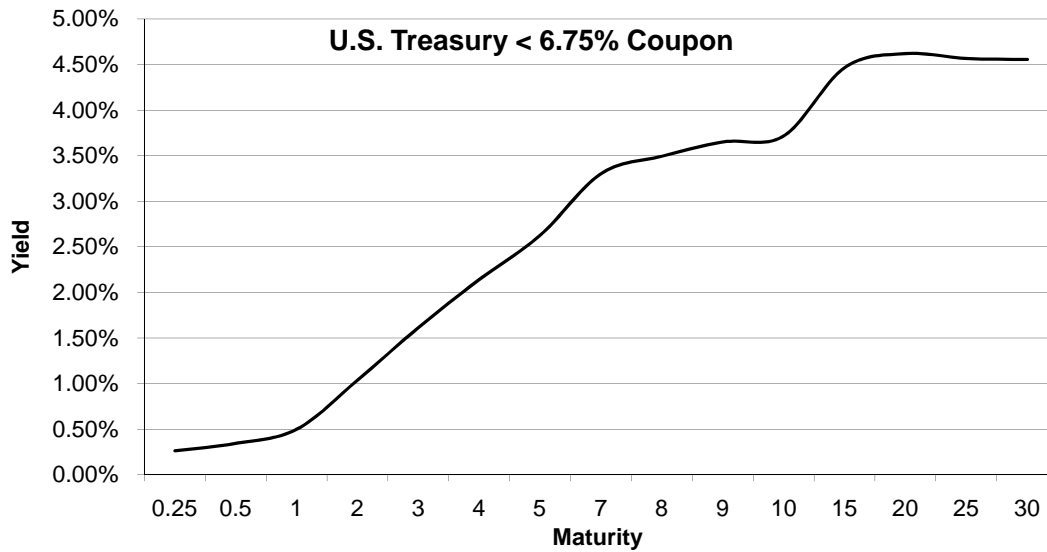
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Bond Spread To US Treasury Data - Source: Bloomberg



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-	(2)	(116)	(127)	119
BB-	(12)	(196)	(605)	95
B+	2	(183)	(428)	222
B-	(34)	(320)	(543)	206





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**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

KEY PLASTICS L.L.C.
A Key Automotive Group Affiliate

has completed a Chapter 11 reorganization \$307 million

Financial advisor to Key Plastics, LLC

> 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

WESTWOOD ONE

has completed an Out-of-Court restructuring \$250 million

Financial advisor to the preferred shareholders

> RESTRUCTURING